

County of Santa Barbara Comprehensive Annual Financial Report (CAFR)

Fiscal Year Ended June 30, 2014



SANTA BARBARA SEA URCHINS – GOLETA PIER

CAFR Fiscal Year Ended 6/30/14 Agenda

1. What is the CAFR?
 - Background
 - Highlights
 - Net Position
2. Upcoming Governmental Accounting Standards Board (GASB) Pronouncements
3. Financial Highlights Publication
4. Certificates of Achievement
5. Action Items & Questions

CAFR Background

- Annual audit required
- Contract with independent CPA firm
- Over the years, expanded reporting requirements have added complexity
- Received an unqualified (“clean”) opinion for FY 13-14
 - However, an audit finding on capital asset accounting was received

CAFR Highlights

- Introductory Section – Letter of Transmittal (pp. 1-7)
- Financial Section
 - Independent Auditor’s Report (pp. 9-10)
 - Management’s Discussion & Analysis (MD&A) (pp. 11-26)
 - Statement of Net Position – Governmentwide (p. 28)
 - Statement of Activities – Governmentwide (p. 29)
 - Statement of Revenues, Expenditures & Changes in Fund Balances – Governmental Funds (p. 34)
 - Notes to Financial Statements (pp. 56-111)
 - Cash & Investments (pp. 72-75)
 - Long-term Liabilities (pp. 86-87)
 - Commitments & Contingencies (pp. 94-96)
 - Fund Balances (pp. 98-99)
 - Retirement & Other Postemployment Benefits (pp. 104-110)
- Statistical Section (pp. 155-172)

Summary of Net Position

	Governmental Activities		Business-type Activities		Total		Total	
	2013	2014	2013	2014	2013	2014	Dollar Change	Percent Change
Assets:								
Current and other assets	\$ 421,242	\$ 462,848	\$ 47,568	\$ 51,453	\$468,810	\$ 514,301	\$ 45,491	10%
Capital assets, net of depreciation	599,047	664,907	81,416	84,756	680,463	749,663	69,200	10%
Total assets	1,020,289	1,127,755	128,984	136,209	1,149,273	1,263,964	114,691	10%
Liabilities:								
Current and other liabilities	86,035	74,292	1,632	2,437	87,667	76,729	(10,938)	(12%)
Long-term liabilities	193,697	197,713	39,898	38,019	233,595	235,732	2,137	1%
Total liabilities	279,732	272,005	41,530	40,456	321,262	312,461	(8,801)	-3%
Deferred inflows of resources:								
Deferred SCAs	28,554	31,835	-	-	28,554	31,835	3,281	11%
Deferred housing loans	-	3,948	-	-	-	3,948	3,948	100%
Total deferred inflows of resources	28,554	35,783	-	-	28,554	35,783	7,229	25%
Net position:								
Net investment in capital assets	511,144	578,314	65,806	70,562	576,950	648,876	71,926	12%
Restricted	169,883	219,874	-	-	169,883	219,874	49,991	29%
Unrestricted	30,976	21,779	21,648	25,191	52,624	46,970	(5,654)	(11%)
Total net position	\$ 712,003	\$ 819,967	\$ 87,454	\$ 95,753	\$799,457	\$ 915,720	\$116,263	15%

Net Position

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	2013	2014	2013	2014	2013	2014	Dollar Change	Percent Change
	Net position:							
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Total net position	\$ 712,003	\$ 819,967	\$ 87,454	\$ 95,753	\$799,457	\$ 915,720	\$116,263	15%

Changes are primarily due to the following --

- Net Investments in Capital Assets: \$50M Santa Maria Levee Donation
- Restricted Net Position: \$40M Affordable Housing Loans
- Unrestricted Net Position:
 - \$5.0M General Fund;
 - \$3.5M Business-type Activities;
 - (\$11.7M) Other Postemployment Benefits (OPEB)

Upcoming GASBs

Statement No. 68	Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27	The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2014.
Statement No. 69	Government Combinations and Disposals of Government Operations	The provisions of this statement are effective for financial statements for periods beginning after December 15, 2013.
Statement No. 71	Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68	The provisions of this statement should be applied simultaneously with the provisions of Statement No. 68.

Pension Accounting & Reporting (GASB 68)

to be implemented in FY 2014-15

	Current- GASB 27	Future - GASB 68
County Pension Liability	none - unless annual required contribution (ARC) is not made	must report proportionate share of the net pension fund liability
County Pension Expense	pension expense is based on contractually required contribution	pension expense is based on proportionate share of total pension fund expense - essentially no change


Estimated Pension Liability & Expense Per GASB 68

to be implemented in FY 2014-15

	Total Pension Fund	County Estimate
County Percentage of Pension Fund (based on FY 2012-13 Contributions)	n/a	92.3%
Liability	\$818 million (UAAL)	\$755 million
Expense	\$110.6 million	\$102 million

Financial Highlights

- Summarizes the County's finances into a more 'reader-friendly' format than the CAFR
- FY 12-13 theme: "Slow, Steady Growth"
- FY 13-14 theme: "Sustained Moderate Growth"

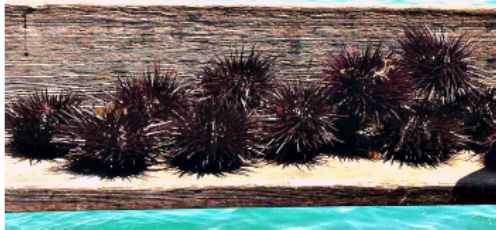


FINANCIAL HIGHLIGHTS

COUNTY OF SANTA BARBARA, FISCAL YEAR ENDED JUNE 30, 2014

August 25, 2014

Santa Barbara Sea Urchins, Goleta Pier



Board of Supervisors
Salud Carbajal, First District
Janet Wolf, Vice-Chair, Second District
Doreen Farr, Third District
Peter Adam, Fourth District
Steve Lavagnino, Chair, Fifth District

County Executive Officer
Mona Miyasato

County Auditor-Controller
Robert W. Geis, CPA, CPFO

Visit the County's web site at www.countyofsb.org

View the Highlights on-line at www.countyofsb.org/auditor

E-mail us your comments at geis@co.santa-barbara.ca.us

ECONOMIC INDICATORS

There has been a steady upturn in housing sales, price appreciation, new housing starts and permitting. With improvement in employment, sustained growth in consumer spending and strong local tourism, the local economy can look past the great recession. For the foreseeable future, Santa Barbara County should be able to look forward to moderate sustained growth in its economic driven revenue accounts.

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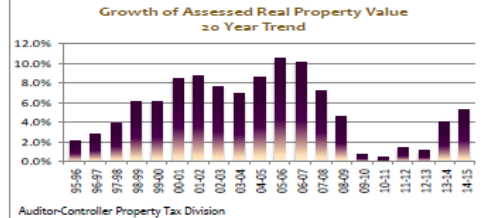
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FINANCIAL INDICATORS

**Growth of Assessed Real Property Value
20 Year Trend**



Auditor-Controller Property Tax Division

Over the last four years, County tax revenues continued to experience growth due to higher real property values, positive consumer spending and rising tourism. Property tax assessed value will increase 5.3% for the FY 14-15, following a 4% increase in FY 13-14. Local sales tax increased 3% and transient occupancy tax increased 1%. The Statewide ¼ cent sales tax programs that fund public safety and health/social services programs also continued to trend upward.

Published by the County Auditor-Controller, Robert W. Geis, CPA, CPFO (805) 568-2100

Certificates of Achievement

- CAFR and Financial Highlights have been submitted to the Government Finance Officers Association's Certificate of Achievement program
- CAFR has received award of excellence for 23 consecutive years
- Financial Highlights has received award of excellence for 19 consecutive years

Action Items

- Acting as the Board of Supervisors, receive and file the County's CAFR and Financial Highlights for Fiscal Year 2013-14.

Questions?



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