

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

Santa Barbara County, CA



one
COUNTY
one
FUTURE

Betsy M. Schaffer, CPA, CPFO
Auditor-Controller

C. Edwin Price, Jr., CPA, CPFO
Assistant Auditor-Controller

DEDICATION:

This ACFR is dedicated to all the professional accountants in the world. Accountants are translators and bridge-makers. We translate activities into numbers. These numbers then become a bridge for understanding the activities in a consistent way. Often accountants are silent and unseen, but our work is loud and visible with competence, integrity, and knowledge.

“In the realm of finance, every accountant is a translator, turning numerical chaos into financial clarity.”

– Richard Turner



Photo by Mike Eliason

COUNTY OF SANTA BARBARA
STATE OF CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2023



PREPARED UNDER THE SUPERVISION OF

BETSY M. SCHAFFER, CPA, CPFO
Auditor-Controller

C. EDWIN PRICE, JR., CPA, CPFO
Assistant Auditor-Controller



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INTRODUCTORY SECTION





Office of the Auditor-Controller

County of Santa Barbara

One Office. One County. One Future.

Betsy M. Schaffer, CPA
Auditor-Controller

C. Edwin Price, Jr., CPA
Assistant Auditor-Controller

January 30, 2024

To the Honorable Board of Supervisors and the Citizens of Santa Barbara County:

The Annual Comprehensive Financial Report (ACFR) of the County of Santa Barbara (County) for the fiscal year ended June 30, 2023, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework it established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Independent Auditor's Report is located at the front of the financial section of this report. Brown Armstrong Accountancy Corporation has issued an unmodified ("clean") opinion on the County's financial statements for the year ended June 30, 2023. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Policymaking and legislative authority is vested in the County Board of Supervisors (Board), which consists of an elected supervisor from each of the five districts. The Board is responsible for, among other things, passing ordinances, adopting budgets and appointing committees, the County Executive Officer (CEO), and non-elected department directors. Supervisors are elected to four-year staggered terms with two supervisors elected in even-years and three supervisors elected in odd-years. The County has five elected department directors serving four-year terms: Auditor-Controller, Clerk-Recorder-Assessor, District Attorney, Sheriff-Coroner, and Treasurer-Tax Collector-Public Administrator. The organization chart on the following page reflects the various functional categories reported in the governmentwide Statement of Activities as well as identifies principal officials.

Geography and Industry

The County, located approximately 100 miles north of Los Angeles and 300 miles south of San Francisco, was established by an act of the State Legislature on February 18, 1850. It occupies 2,734 square miles, one-third of which is located in the Los Padres National Forest. The County has a population of 440,557 and it includes four of the eight Channel Islands: San Miguel, Santa Cruz, Santa Rosa, and Santa Barbara.

Eight incorporated cities are within the County: Buellton, Carpinteria, Goleta, Guadalupe, Lompoc, Santa Barbara, Santa Maria, and Solvang. The largest employment categories include the government sector, education and health services, defense, recreation and hospitality, textiles and facility services, and software developers. The mild climate, picturesque coastline, scenic mountains, and numerous parks and beaches make the County a popular tourist and recreational area.

Policy & Executive



Joan Hartmann
Third District

Laura Capps
Second District

Das Williams
First District
CHAIR

Steve Lavagnino
Fifth District
VICE-CHAIR

Bob Nelson
Fourth District

Das Williams
First District
Supervisor

Laura Capps
Second District
Supervisor

Joan Hartmann
Third District
Supervisor

Bob Nelson
Fourth District
Supervisor

Steve Lavagnino
Fifth District
Supervisor

Mona Miyasato
County Executive Officer (CEO)
General County Revenues & Programs

Rachel Van Mullem
County Counsel

Public Safety

- John T. Savrnoch**
District Attorney*
- William F. Brown**
Sheriff-Coroner*
- Darrel E. Parker**
Court Special Services
- Mark A. Hartwig**
Fire
- Holly Benton**
Probation
- Tracy M. Macuga**
Public Defender

*Elected Official

Health & Human Services

- Toni Navarro LMFT**
Behavioral Wellness
- Joni Maiden, MPA**
Child Support Services
- Mouhanad Hammami**
Public Health Services
- Daniel Nielson, MPA**
Social Services

Community Resources & Public Facilities

- Jose Chang**
Agriculture Commissioner /
Weights & Measures
- George Chapjian**
Community Services
- Lisa Plowman**
Planning & Development
- Scott McGolpin**
Public Works

General Government & Support Services

- Betsy M. Schaffer, CPA, CPFO**
Auditor-Controller*
- Joseph E. Holland, CPFO**
Clerk-Recorder-Assessor*
- Harry E. Hagen, CPA, CPFO**
Treasurer-Tax Collector &
Public Administrator*
- Kirk Lagerquist**
General Services
- Maria Elena De Guevara**
Human Resources

Component Units

The County, with an average of 4,151 full-time equivalent employees, provides a full range of services to its residents as the organization chart on the previous page depicts. Included in operations are various component units which provide specific services Countywide or to distinct geographic areas within the County. They include Flood Control and Water Conservation Districts, Santa Barbara County Fire Protection District, In-Home Supportive Services Public Authority, County Service Areas, Community Facilities Districts, Lighting Districts, Sandyland Seawall Maintenance District, Water Agency, Santa Barbara County Finance Corporation, Laguna County Sanitation District, First 5 Children and Families Commission (First 5) (separately presented and not included in the County's operations), and Santa Barbara County Employees' Retirement System (SBCERS) (fiduciary component unit).

While these entities are legally separate from the County, the County is financially accountable for them as their governing bodies are substantially the same as the County Board (except for First 5 and SBCERS). Other entities, such as the Air Pollution Control District, and Santa Barbara County Association of Governments conduct their own day-to-day operations, answer to their own governing boards, and thus are not included in the County's financial statements.

Budget

The County is required by state law to adopt a final budget each year. This annual budget serves as the foundation for the County's financial planning and control. Budgets are adopted for all governmental and proprietary funds and are prepared in accordance with generally accepted accounting principles (GAAP) as required in the United States of America. The legal level of budgetary control is maintained at the fund, department, and object level with more stringent control over capital assets and fund balance categories, which are maintained at the line item level.

The Board must approve amendments or transfers of appropriations between funds or departments as well as items related to capital assets or fund balances. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must also be approved by the Board. The Board has delegated authority to approve transfers of appropriations between object levels within the same department to the CEO.

Tax Abatement

The County administers its Agriculture Preserve Program under the California Land Conservation Act of 1965, better known as the Williamson Act. The purpose of the Williamson Act is the long-term conservation of agricultural and open space lands. Conservation of agricultural and open space land benefits the general public by discouraging premature conversion of land to urban land uses, thereby curtailing sprawl and promoting logical urban growth and provision of urban services. The Agricultural Preserve Program both protects agriculture and retains open space for its scenic qualities and value as a wildlife habitat. Most directly, it contributes to the County's agricultural economy and the availability of fresh, nutritious, varied, and affordable food.

FACTORS AFFECTING ECONOMIC CONDITION

The following highlights and graphs are indications of the changing economy on a Countywide basis that includes both the unincorporated area and the eight incorporated cities.

During Fiscal Year (FY) 2022-23, the County experienced increases in employment with a decrease in the corresponding unemployment rate to pre-pandemic levels and modest wage gains; housing price growth and tourism related taxes increased at moderate rates.

“The unemployment rate is pretty much as low as it’s ever been in history. The unemployment rate in Santa Barbara, same story, so the labor market is super strong.”

Peter Rupert, 2023 Santa Barbara County Economic Summit

Employment

- The County’s average unemployment rate during FY 2022-23 decreased from 4.3% to 3.6% with a relatively steady decline from the peak unemployment rate at the beginning of FY 2021-22.
- The June 2023 County unemployment rate of 3.8% was below the State unemployment rate of 4.9% and equal to the national unemployment rate of 3.8%.
- As of June 2023, Leisure and Hospitality employment increased by 9.4% from last year to 31,400 jobs.

Income

- The County’s average annual wages increased to \$65,070 in the 2022 calendar year from \$62,020 in 2021.

Retail Sales

- Countywide estimated retail sales decreased by 3.4% to \$9.60 billion during FY 2022-23.
- California retail sales increased by 9.73% between January 1 and December 30, 2022.

Real Estate

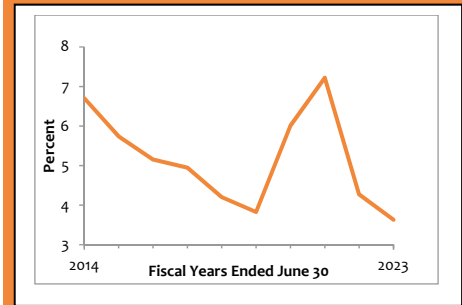
- According to the Zillow Home Value Index for Santa Barbara County, the median home value increased 2% to \$898,194.
- The real estate market continued its upward trend with price growth slowing down compared to recent years.

Tourism

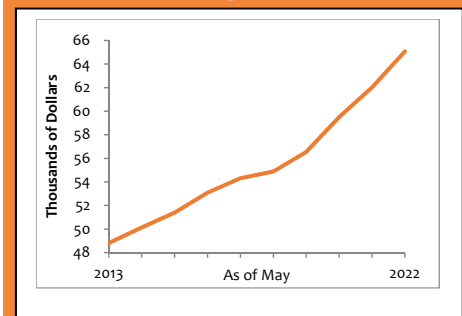
- Countywide estimated room sales increased by 1.0% to \$703.1 million.
- Countywide estimated Transient Occupancy Tax (TOT) revenue increased by 0.9% to \$83 million.
- Southern Santa Barbara County hotel room rates decreased by 2.2% while available hotel rooms increased by 0.8% from the previous fiscal year with a hotel occupancy rate of 70.1%.

Most of the information about the local economy is derived from the California Employment Development Department and the Bureau of Labor Statistics.

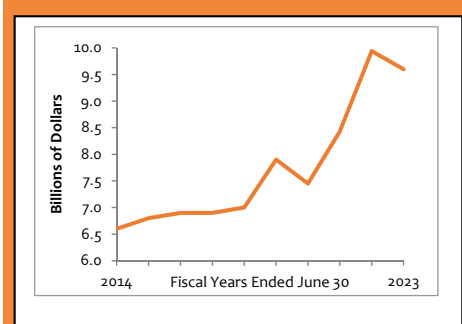
Avg. Unemployment Rate



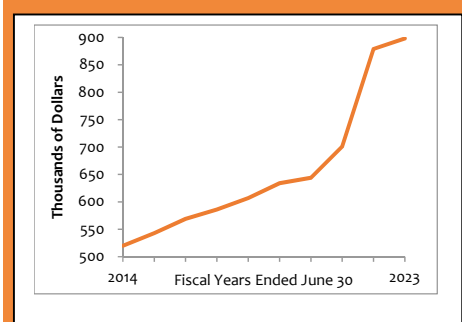
Average Salary



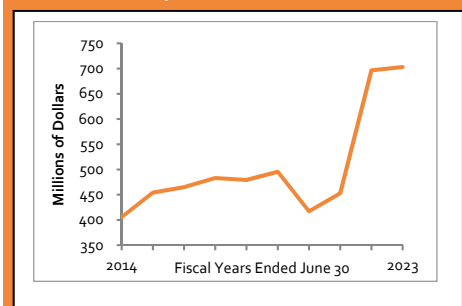
Retail Sales



Median Home Value



Hotel / Motel Room Sales



ECONOMIC INDICATORS

According to the California Fiscal Outlook report, the US economy experienced a rapid but potentially unsustainable expansion from 2020 to 2021 due to significant federal aid following the pandemic. At the local level, the 2023 University of California Santa Barbara Economic Forecast Project reported that housing-driven employment challenges persist, with stagnant retail jobs and sales, highlighting a slower local recovery compared to some areas post-pandemic.

Amidst record low unemployment and global supply chain issues, the rapid economic growth posed challenges for businesses in meeting the surging consumer demand. This led to an unprecedented 8% hike in consumer prices over the past year. Efforts by the Federal Reserve to control inflation through substantial interest rate hikes have had adverse effects as consumers faced increased borrowing costs. Home and car sales plummeted, stock prices dropped, and state tax collections weakened, signifying economic strain.

The local economy is proving to be resilient in its recovery from the impacts of the pandemic. Employment is increasing, most notably in the areas of leisure and hospitality. However, retail employment is continuing its decline since 2000. Factors for the decline are unclear as nearby counties – Ventura and San Luis Obispo – have experienced gains in the retail employment sector.

The five largest industries in the County were Finance, Professional and Business Services, Government, Manufacturing, and Educational Services. One of the fastest growing industries in the County is the Arts which experienced significant GDP growth. The second-fastest growing industry was Professional and Business services. Five industries with the weakest growth were Mining, Utilities, Agriculture, Government, and Retail Trade.

Agriculture is nearly a \$2 billion business in the County with strawberries, broccoli, wine grapes, and avocados leading the way. The value of strawberry crops has almost doubled in the past decade with notably fast growth in the past two years. In recent years, the value of avocado crops has been more volatile than other crops with a sharp rise in 2020 and a plummet in 2021.

Retail sales are improving with food services and bars at the forefront. The County ranked 13th out of 58 California counties for sales growth in 2023 – an improvement from the rank of 44th in 2022. All cities within the County experienced growth with Solvang posting an impressive growth of over 45%.

Home values are continuing to grow although the pace is slowing – from an almost 25% increase in 2022 to approximately 2% in 2023. Available housing inventory has been trending downward since 2019 along with a continuing decline in the number of residential building permits.

Commercial real estate sales are very strong as inventory is at a five-year low and demand is high. As a result, over half of the sales occur as off-market transactions. Even though interest rates are high, sales are not expected to be impacted as most buyers pay cash or are funding the transaction with a 1031 Exchange. In terms of leasing, the office market has been struggling with surplus inventory and a vacancy rate over 9%. Larger office spaces comprise a disproportionate share of the surplus inventory. Retail leases are dependent upon location with certain areas experiencing high vacancy rates and others experiencing low availability of inventory.

In conclusion, the County is experiencing a stable fiscal situation although there is an uncertain environment where the State is faced with a \$31.5 billion deficit and the Federal Government continues to temper inflation with interest rate hikes. The fiscal consciousness of Board-adopted budget policies has continued to help mitigate risks and prepare for future challenges during uncertain economic times.

MAJOR INITIATIVES

During the last fiscal year, under the leadership of the Board, many outstanding key programs, projects, and initiatives were successfully undertaken by the County:

- The County's five-year strategic plan, Renew '22, concluded in 2022, leading the way for a new plan called 'Renew,' which will guide the County's path through 2023 and beyond. The 'Renew' initiative will be implemented, monitored and tracked annually. This new plan centers around four key tenets:
 - Re-Balance our resources
 - Re-Designing how we do our work
 - Responding to residents and customers with the highest quality of services within our means
 - Retaining high-performing employees while preparing the next generation of leaders
- Several significant, multi-year initiatives are underway across various County departments aimed at enhancing customer service and providing up-to-date system functionality. Key initiatives include:
 - Implementation of a new County Enterprise Resource Planning (ERP) System by the Auditor-Controller, Human Resources, and Information Technology departments. This initiative is aimed at replacing the current legacy financial and human resources systems.
 - Public Health and Behavioral Wellness implementing the California Advancing and Innovating Medi-Cal (CalAIM) initiatives which will aid in coordinating Medi-Cal services across health and human services departments.
 - Phase 2 of implementation of a digital service delivery model through the Accela enterprise permitting system by Planning and Development, Environmental Health Services, Public Works, and Cannabis departments.
 - Information Technology Department (ITD) continuing to work with other departments on a coordinated Geographic Information System (GIS) and overseeing wireless expansion efforts, energy management for fiscal and environmental benefits, and the implementation of space management software.
 - The Sheriff's Office, District Attorney's Office, and the Public Defender's Office working on implementing a Digital Evidence Management System (DEMS) for more efficient evidence transmission between law enforcement, prosecution, and defense.
- County departments have actively worked to provide services to help prevent, address, mitigate, and house homeless individuals. Efforts have been successful in obtaining and managing funding to support this population. County departments are continuing to locate housing options and identify connections with service providers. Temporary development of facilities on County-owned property has proven successful.
- The County intends to use Certificates of Participation (COPs) to fund critical capital projects in the upcoming fiscal year (2023-24). Several high priority projects have been identified due to mandates, health, safety and legal risks. These capital projects include.
 - Santa Barbara County Main Jail Renovations (4436 Calle Real)
 - New Probation Headquarters (downtown Santa Barbara)
 - Cachuma Lake RV Park Renovations
 - Fire Station 27 Rebuild (New Cuyama)
 - Regional Fire Communication Center Construction (Emergency Operations Center at 4408 Cathedral Oaks Road)
 - Public Safety Radio Network Replacement (Los Alamos, Los Olivos, New Cuyama, Tepusquet, and other unincorporated communities)
- The County remains dedicated to addressing climate change through ongoing initiatives. The continued investment of \$1.5 million in the electrification of the County's fleet and the establishment of EV infrastructure, which began in the fiscal year 2022-23, are crucial components in enhancing the County's renewable energy

profile. Furthermore, the Community Services Department is working to finalize the development of the 2030 Climate Action Plan.

SIGNIFICANT CAPITAL PROJECTS

The County completed \$35.7 million in capital projects in FY 2022-23 and has approved \$142.5 million for capital projects in FY 2023-24 including:

- Approximately \$31.6 million for maintaining County buildings, roads and parks with over \$18 million of that going towards road maintenance projects.
- Approximately \$10 million for the Laguna County Sanitation District - Phase I Plant Upgrade (total estimated project cost of \$66 million with anticipated completion in January 2024).

Additional FY 2023-24 capital and capital maintenance projects, equipment, software, and information systems projects can be found in Section E “Capital Budget Summary” of the County’s Recommended Budget (available at <https://www.countyofsb.org/3647/2023-to-2024>).

LONG-TERM FINANCIAL PLANNING

In the FY 2023-24 Recommended Budget the County is projecting local property tax revenue growth of 16%, a 6% increase in retail sales tax, and an increase of 14% related to TOT taxes.

The County has committed to building and maintaining a strategic reserve equal to 8% of annual General Fund revenues, or approximately 30 days working capital. During FY 2022-23, the strategic reserve balance reached \$40.6 million, an increase of \$1.8 million from the prior year; an additional \$3.5 million increase has been budgeted for FY 2023-24. The County is also addressing capital needs by continuing to incorporate a policy which earmarks 18% of available discretionary General Fund revenue growth for deferred maintenance.

RELEVANT FINANCIAL POLICIES

The County benchmarks its financial policies to a set of Best Financial Management Practices for Governmental Issuers of Municipal Debt published by Fitch Ratings.

Fund Balance Reserve

The County is committed to building a strategic reserve as discussed previously in Long-Term Financial Planning.

Multiyear Financial Forecasting

The County prepares a five-year financial forecast annually focusing on discretionary revenues and their uses to aid in current year decisions.

Quarterly Financial Reporting and Monitoring

The CEO and Budget Director review each department's year-to-date actual and projected revenues and expenditures quarterly. These meetings also focus on their operations and performance measures.

Contingency Planning

The County does not have a formal contingency policy and maintains only a small operating contingency of less than 1% in the General Fund. However, the County has established a strategic reserve policy, and is in the process of building a strategic reserve that will equal 8% of annual General Fund revenues (approximately 30 days working capital). The County also has other significant fund balances in its special revenue funds. The most noteworthy is the Flood Control District fund balance used to hedge against storm related disasters.

Nonrecurring Revenue

One of the principal budget tenets is that nonrecurring revenue should be used for one-time needs and that ongoing expenditures should have identified ongoing sources. Additionally, the County's General Fund Allocation Policy states that "Requests for additional FTE's ... will identify the ongoing funding source."

Financial Reporting Awards

The Government Finance Officers Association (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to the County for its ACFR annually since 1991, and the Certificate of Achievement in Popular Annual Financial Reporting for the Financial Highlights annually since 1995.

Debt Affordability

The County established a Debt Advisory Committee (DAC) to provide advice to the Board on debt issuance and management. The DAC looks at repayment sources as one of the key criteria for approval of new debt issues. In addition, all long-term equipment or real property leases are reviewed for lease vs. purchase decisions.

Superior Debt Disclosure Practices

The County maintains a complex set of debt disclosures in the County's Recommended Budget and the ACFR statistical section. We believe that time is of the essence in the publication of these documents. The budget is adopted before June 30 and loaded into the financial system before the close of the first month of the new fiscal year. The County's major financial documents are available on the web at [Santa Barbara County, CA - Official Website | Official Website \(countyofsb.org\)](http://SantaBarbaraCounty,CA-OfficialWebsite|OfficialWebsite(countyofsb.org))

Capital and Maintenance Funding

The County has an informal pay-as-you-go policy for funding capital. However, many of the County's funds only utilize pay-as-you-go financing. Beginning in FY 2015-16, the Board established a budget policy to set aside 18% of general revenue growth to address aging infrastructure and facilities.

Debt Repayment Plan

The County's current outstanding debt schedule features a debt repayment plan that will reduce debt by 59% over the next ten years with 100% reduction in 18 years.

Five-Year Capital Improvement Program

The County's Five-Year Capital Improvement Program provides for an integration of capital projects and operating impacts in the recommended operating budget for each budget cycle.

Budgeting Awards

The GFOA has presented the Distinguished Budget Presentation Award to the County annually since 1998.

AWARDS AND ACKNOWLEDGMENTS

We are very proud of this ACFR and all of the County’s award-winning financial reporting publications. Each publication has been prepared with great care and expertise with a goal of meeting the highest level of financial reporting preparation standards.

GFOA Financial Reporting Certificate of Achievement

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to the County’s ACFR for the fiscal year ended June 30, 2022. This award has been achieved annually since 1991. To receive this prestigious award, a government must publish an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements.

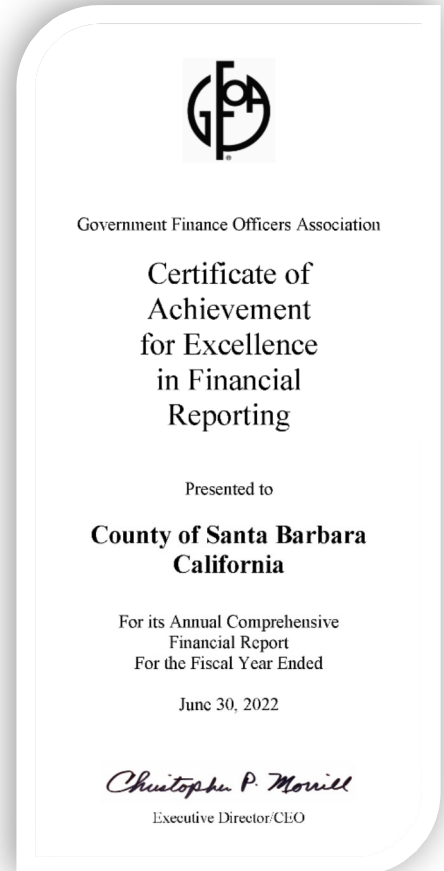
A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

GFOA Budget Presentation Award

The County received the GFOA’s Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2022. This award has been achieved annually since 1998. To receive this prestigious award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

GFOA Popular Annual Financial Reporting Award

The County received the GFOA’s Award for Outstanding Achievement in Popular Annual Financial Reporting for its Financial Highlights publication for the fiscal year ended June 30, 2022. This award has been achieved annually since 1995. To receive this prestigious award, a government must publish a Popular Annual Financial Report that conforms to program standards of creativity, presentation, understandability, and reader appeal.



Acknowledgments

The preparation of the ACFR and its timely issuance is the result of a concentrated, dedicated, and coordinated effort by the entire Auditor-Controller staff. We would like to acknowledge the special efforts of the Financial Reporting Division for their assistance in the report’s preparation. We would also like to thank all County departments who participated in its preparation.

Respectfully submitted,

Mona Miyasato
County Executive

Betsy M. Schaffer, CPA, CPFO
Auditor-Controller



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Supervisors
County of Santa Barbara, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Santa Barbara, California (the County), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Santa Barbara County Employees' Retirement System Schedule of the County's Proportionate Share of the Net Pension Liability, the Santa Barbara County Employees' Retirement System Schedule of the County's Contributions, Other Postemployment Benefits (OPEB) Plan Schedule of Changes in the County's Net OPEB Liability and Related Ratios, and the respective budgetary comparison for the General and Special Revenue Funds be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules and the budgetary comparison for the Capital Projects Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the budgetary comparison for the Capital Projects Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2024, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION
*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
January 30, 2024



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The information in this section is not covered by the Independent Auditor's Report, but is presented as required supplementary information for the benefit of the readers of the ACFR.

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's Basic Financial Statements, which immediately follow this section. All dollar amounts are expressed in thousands.

FINANCIAL HIGHLIGHTS

Governmentwide Financial Analysis

During the fiscal year ended June 30, 2023, several major projects and revenue sources were of special significance to the County's operations and net position. Over time, net position can be a useful indicator of the County's financial condition. Net position increased this year by \$197,248 (comprised of changes in net position of \$197,168 and \$80 in prior period adjustments – see pages 22 and 41). The major elements that impacted the financial position during the year are detailed below.

Changes to Net Investment in Capital Assets +\$71.2M (represents the County's investment in capital assets, less (1) accumulated depreciation/amortization, (2) related outstanding debt used to acquire those assets, and (3) related deferred inflows of resources) were primarily due to:

- **Increases to Bridge Infrastructure** (Net impact = +\$18.7M)
Construction continued on the replacement of the 580-foot-long Floradale Avenue Bridge, the 1,430-foot-long Foothill Road Bridge in the Cuyama Valley, and 1,320-foot-long Fernald Point Bridge.
- **Laguna Sanitation District Plant Expansion** (Net impact = +16.7M)
Construction continued on the first phase of the Laguna Sanitation District upgrade project. The plant upgrade is intended to extend the useful life of the plant and the work is funded by capital reserves and debt.
- **Enterprise Resource Planning (ERP) System Implementation** (Net impact = +7.3M)
Spending for the implementation of the County ERP System to support the migration of Information Technology Services from on-premises to internet service providers (cloud) increased work in progress.

Changes to Unrestricted Net Position +\$75.9M (represents the County's available resources for ongoing obligations related to programs with external restrictions of their use) were primarily due to:

- **Increases to Secured Property Tax Revenue** (Net impact = +\$26.0M)
Property taxes exceeded estimates, resulting in decreased use of revenues due to the timing related to the budget and contributing to an increase in unrestricted net position. Funds are expected to be committed by the Board of Supervisors for various purposes in the upcoming budget year.
- **Unrestricted Investment Earnings** (Net impact = +\$18.1M)
Earnings from unrestricted investments increased due to higher interest income earnings as well as greater unrealized gains compared to unrealized losses in the prior fiscal year.

Detailed information and analysis of the changes in net position can be found in the subsequent sections and reflect the impact of these major financial highlights.

DESCRIPTION OF THE BASIC FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the County's Basic Financial Statements which include the following three components:

- Governmentwide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

Governmentwide Financial Statements

The Governmentwide Financial Statements provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the County's *Assets and Deferred Outflows of Resources and Liabilities and Deferred Inflows of Resources* with the difference reported as *Net Position*.

$$\text{Net Position} = (\text{Assets} + \text{Deferred Outflows of Resources}) - (\text{Liabilities} + \text{Deferred Inflows of Resources})$$

The *Statement of Activities* presents the most recent fiscal year's changes in the County's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (Accrual Basis of Accounting). The statement reports items resulting in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave) as revenues and expenses.

The Governmentwide Financial Statements distinguish functions of the County principally supported by taxes and intergovernmental revenues (governmental activities) from other functions intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities grouped by function of the County include Policy and Executive, Public Safety, Health and Human Services, Community Resources and Public Facilities, General Government and Support Services, and General County Programs. The business-type activities of the County include Resource Recovery and Waste Management (Resource Recovery) and Laguna County Sanitation District (Laguna Sanitation).

Component units are included in the financial statements and are legally separate entities for which the County is financially accountable. If a component unit's total debt is expected to be repaid entirely by the County, if the component unit provides services entirely to the County, or if the component unit has substantially the same governing board as the County and there is a financial benefit or burden relationship or County management has operational responsibility for a component unit, then the component unit will be classified as a blended component unit. If a component unit does not meet any of the preceding requirements it will be presented as a discrete component unit.

The following is a list of the County's blended component units:

- Flood Control and Water Conservation Districts
- Santa Barbara County Fire Protection District
- In-Home Supportive Services Public Authority
- County Service Areas
- Community Facilities Districts
- Lighting Districts
- Sandyland Seawall Maintenance District
- Water Agency
- Santa Barbara County Finance Corporation
- Laguna County Sanitation District

The County's only discretely presented component unit is the First 5 Children and Families Commission. The County's only fiduciary component unit is the Santa Barbara County Employees' Retirement System (SBCERS).

Pages 40-41 of this report display the Governmentwide Financial Statements.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The County's funds are divided into three types:

- Governmental funds
- Proprietary funds
- Fiduciary funds

Governmental Funds

Governmental funds account for essentially the same functions reported as governmental activities in the Governmentwide Financial Statements. However, unlike the Governmentwide Financial Statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year (Modified Accrual Basis of Accounting). Such information may be useful in evaluating the County's near-term financing requirements. To understand the long-term impact of the County's near-term financing decisions, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Governmentwide Financial Statements. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Over time, increases or decreases in *fund balance* are a useful indicator of the County's near-term financial condition and are broken into four categories:

- Nonspendable – Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact,
- Restricted – restricted by law or externally imposed requirements,
- Committed – committed by the highest level of authority of the government and is binding unless removed in the same manner, and
- Unassigned – balances that are not nonspendable, restricted, or committed.

The County maintains 80 individual governmental funds combined into 32 funds for financial reporting purposes. The County segregates from the General Fund a number of significant functions in 8 major funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General; Roads; Public Health; Social Services; Behavioral Wellness; Flood Control District; Affordable Housing; Fire Protection District; and Capital Projects funds, all considered major funds. Data for the other 23 governmental funds are combined into a single, aggregated presentation. Individual fund data for these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all of its operating funds. The budget and actual comparison schedules provided for the General Fund and major special revenue funds demonstrate performance against this budget.

Pages 42-45 of this report display the Governmental Funds Financial Statements.

Proprietary Funds

The County maintains two different types of proprietary funds: enterprise funds and internal service funds. The County has two enterprise funds, both qualify as major funds.

Enterprise Funds report the same functions presented as business-type activities in the Governmentwide Financial Statements. The County uses enterprise funds to account for Resource Recovery and Laguna Sanitation.

Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County's internal service funds account for information technology services, vehicle operations and maintenance, risk management and insurance, communications services, and utilities. Since these services predominantly benefit governmental rather than business-type functions, they are consolidated within governmental activities in the Governmentwide Financial Statements.

Proprietary funds provide the same type of information as the Governmentwide Financial Statements, but in more detail. The proprietary funds financial statements provide separate information for the Resource Recovery Fund and the Laguna Sanitation Fund. Data for the five internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements.

Pages 46-48 of this report display the Proprietary Funds Financial Statements.

Fiduciary Funds

Fiduciary funds account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the Governmentwide Financial Statements because the resources of those funds are not available to support the County's own programs. Fiduciary fund accounting is similar to proprietary fund accounting. Fiduciary funds report the external portions of the Treasurer's investment pool, a private-purpose trust fund, and custodial funds. SBCERS is reported as a fiduciary component unit and is reported under Fiduciary Funds in the basic financial statements. A fiduciary component unit is an organization that meets the component unit criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, and is a fiduciary activity of the County.

Pages 49-50 of this report display the Fiduciary Funds Financial Statements.

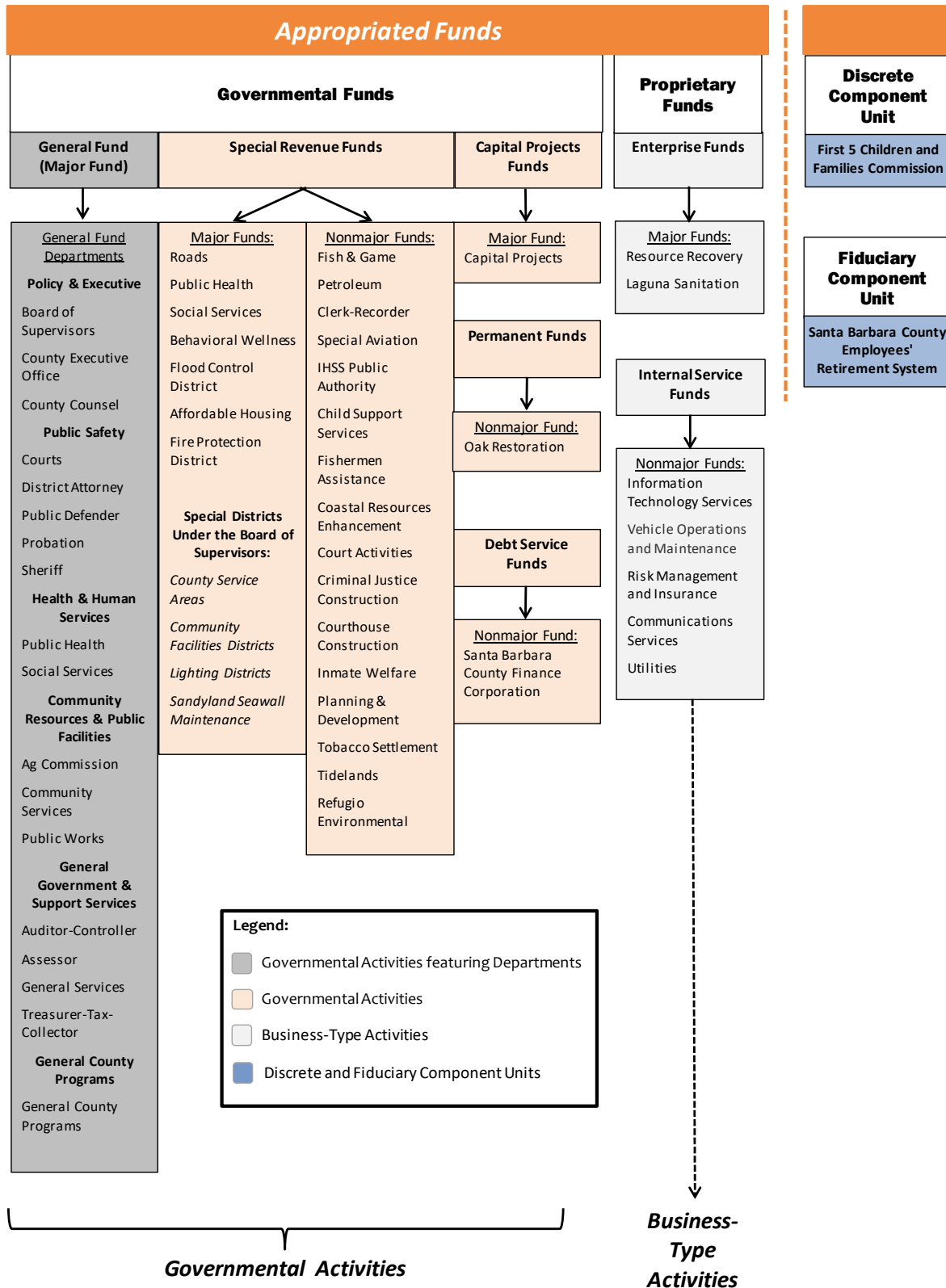
Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Governmentwide and Fund Financial Statements. Information in the Notes to the Financial Statements is described as follows:

- Note 1 provides a general description of the County's Significant Accounting Policies.
- Note 2 provides a Reconciliation for Governmentwide and Fund Financial Statements.
- Notes 3 to 7 provide detailed notes on cash and investments, restricted cash and investments, receivables, capital assets, and public-private and public-public partnerships.
- Notes 8 to 13 provide detailed notes on advances from grantors and third parties, leases, subscription-based information technology arrangements, long-term liabilities, risk management, commitments and contingencies, and landfill closure and postclosure care.
- Notes 14 to 15 provide detailed notes on fund balances and restricted component of net position.
- Notes 16 to 17 provide detailed notes on interfund transactions and tax abatements.
- Notes 18 to 20 provide detailed notes on pensions, other postemployment benefits, and deferred compensation plans.
- Notes 21 to 22 provide detailed notes on prior period adjustments and subsequent events.

Pages 51-132 of this report display the Notes to the Financial Statements.

The following diagram is a visual depiction of the Governmentwide financial structure.



GOVERNMENTWIDE FINANCIAL ANALYSIS

Summary of Net Position (in thousands)								
	Governmental		Business-Type		Total		Total	
	Activities		Activities				Dollar	Percent
	2022*	2023	2022*	2023	2022*	2023	Change	Change
Assets:								
Current and other assets	\$ 935,343	\$1,004,004	\$ 136,263	\$ 128,869	\$1,071,606	\$ 1,132,873	\$ 61,267	5.7%
Capital assets, net of depreciation	891,283	957,251	284,653	291,853	1,175,936	1,249,104	73,168	6.2%
Total assets	1,826,626	1,961,255	420,916	420,722	2,247,542	2,381,977	134,435	6.0%
Deferred outflows of resources:	232,159	210,350	4,166	3,928	236,325	214,278	(22,047)	(9.3%)
Liabilities:								
Current and other liabilities	230,717	253,142	11,910	6,536	242,627	259,678	17,051	7.0%
Long-term liabilities	620,437	875,854	234,098	235,209	854,535	1,111,063	256,528	30.0%
Total liabilities	851,154	1,128,996	246,008	241,745	1,097,162	1,370,741	273,579	24.9%
Deferred inflows of resources:	396,358	44,269	6,718	368	403,076	44,637	(358,439)	(88.9%)
Net position:								
Net investment in capital assets	819,198	876,913	111,953	125,396	931,151	1,002,309	71,158	7.6%
Restricted for:								
Policy & executive	1,641	1,641	--	--	1,641	1,641	--	0.0%
Public safety	77,573	95,203	--	--	77,573	95,203	17,630	22.7%
Health & human services	88,134	89,888	--	--	88,134	89,888	1,754	2.0%
Community resources & public facilities	208,806	211,822	--	--	208,806	211,822	3,016	1.4%
General government & support services	7,723	8,835	--	--	7,723	8,835	1,112	14.4%
General county programs	10,978	37,688	--	--	10,978	37,688	26,710	243.3%
Total Restricted	394,855	445,077	--	--	394,855	445,077	50,222	12.7%
Unrestricted	(402,780)	(323,650)	60,403	57,141	(342,377)	(266,509)	75,868	22.2%
Total net position	\$ 811,273	\$ 998,340	\$ 172,356	\$ 182,537	\$ 983,629	\$ 1,180,877	\$ 197,248	20.1%

* No financial restatement for GASB Statement No. 96 subscription asset implementation as it was impractical.

As noted earlier, over time, net position may serve as a useful indicator of a government’s financial condition. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,180,877 at the close of the current fiscal year.

Analysis of Net Position

The County’s total net position increased by \$197,248, or 20.1%, during the fiscal year. The significant changes are detailed below by the classification of net position that was affected by each. This increase is higher than the prior five-year average of net position increases of \$96,415, primarily due to American Rescue Plan Act (ARPA) receipts. Please see the Statistical section for a 10-year trend on changes in net position.

Assets

Current and other assets increased by \$61,267, or 5.7%, due primarily to the receipt of ARPA funding, as well as federal reimbursements for prior year disasters.

Deferred outflows of resources

Deferred outflows of resources decreased by \$22,047, or 9.3%, due primarily to the lower than expected returns on net investments for pension and other postemployment benefits (OPEB) investments.

Liabilities

Total liabilities increased by \$273,579, or 24.9%, due primarily to a \$252,330, or 57.5%, increase to the net pension liability and a \$17,500, or 21.8%, increase in advances from grantors and third parties over the prior year. There were also increases to deposits payable of \$16,891, or 103.56%, principally due to cash deposits related to disaster recovery costs being held until it is determined whether they meet revenue recognition requirements or will need to be returned to the federal funding agency. Simultaneously, liabilities decreased due primarily to an \$8,140, or 26.6%, decrease in other payables and a \$7,875, or 3.9%, decrease in long-term certificates of participation.

Deferred inflows of resources

Total deferred inflows of resources decreased by \$358,439, or 88.9%, due primarily to lower than expected returns on net investments for pension and OPEB investments.

Net Investment in Capital Assets

The largest portion of the County’s net position is invested in capital assets (e.g., land, buildings, roads, bridges, flood control channels and debris basins, machinery, equipment, and intangible assets), less the related and outstanding debt used to acquire those assets, related payables, and related deferred inflows of resources. The County uses these capital assets to provide services to citizens; as such, these assets are not available for future spending. Although the County’s net investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County’s net investment in capital assets increased \$71,158, or 7.6%, to \$1,002,309 at year-end, and consisted of the following:

	2022*	2023	Dollar Change	Percentage Change
Investment in Capital Assets (net of accumulated depreciation)	\$ 1,175,936	\$ 1,249,100	\$ 73,164	6.2%
Less:				
Related Debt	209,415	213,127	3,712	1.8%
Related Payables	5,376	4,581	(795)	(14.8%)
Related Deferred Inflows of Resources	29,994	29,083	(911)	(3.0%)
Net Investment in Capital Assets	<u>\$ 931,151</u>	<u>\$ 1,002,309</u>	<u>\$ 71,158</u>	<u>7.6%</u>

* No financial restatement for GASB Statement No. 96 subscription asset implementation as it was impractical.

Detailed information on capital can be found under the Capital Assets section on page 28.

Restricted Net Position

Restricted net position of \$445,077 represents resources that are subject to external restrictions on their use or by enabling legislation. Due to the unique nature of funding sources and the unrestricted impact of the net pension and OPEB liabilities, the County has significantly more restricted net position dollars than unrestricted net position dollars. Restricted net position is comprised of the following:

- \$146,191 (32.8%) for property taxes dedicated to specific services such as flood control and fire protection;
- \$82,444 (18.5%) for federal and State allocations for roads and health services;
- \$79,140 (17.8%) for federally imposed restrictions for health and housing programs;
- \$71,060 (16.0%) for numerous State imposed restrictions;
- \$40,662 (9.1%) for various other restrictions imposed on the County;

- \$23,102 (5.2%) for grant, land use, and permit agreements; and
- \$2,478 (0.6%) for donations.

Restricted net position increased \$50,222, or 12.7%. Significant changes to restricted net position, by function, include:

- The General County Programs function increased \$26,710 due primarily to the restricted portion of the Behavioral Wellness litigation case settlement accrual recorded in FY 21-22.
- The Public Safety function increased \$17,630 due primarily to:
 - \$10,180 net increase of local realignment funding restricted for public safety purposes;
 - \$2,909 from Fire Protection District Fund salary savings and unspent proceeds related to delayed capital purchases and facilities projects; and
 - \$1,551 of funding allocated for the renovation, repair, and improvement of juvenile facilities.
- The Community Resources and Public Facilities function increased \$3,016 due primarily to public arts programs and other community resource services funding restricted for general community resource and public facilities purposes.

Unrestricted Net Position

Due primarily to funding related to the Public Safety Realignment Act of 2011 and unrealized gains on investments (see page 26), unrestricted net position changed favorably by \$75,868, or 22.2%, from negative \$342,377 to negative \$266,509. The majority of the balance of negative unrestricted net position is the result of the County's unfunded net pension liabilities (\$691,155) and net OPEB liabilities (\$83,377).

Analysis of Governmental Activities

The net position of the County’s governmental activities increased by \$187,067 to \$998,340, or 23.1%, over the prior year as a result of operating revenues exceeding operating expenses in addition to prior period adjustments (see Note 21).

Changes in Net Position (in thousands)				
	Governmental Activities		Total	
	2022*	2023	Dollar Change	Percent Change
Revenues				
Program revenues:				
Charges for services	\$ 244,395	\$ 259,351	\$ 14,956	6.1%
Operating grants and contributions	498,469	547,079	48,610	9.8%
Capital grants and contributions	144	297	153	106.3%
Total program revenues	<u>743,008</u>	<u>806,727</u>	<u>63,719</u>	<u>8.6%</u>
General revenues:				
Property taxes	343,092	369,807	26,715	7.8%
Sales taxes	25,664	25,803	139	0.5%
Transient occupancy tax	16,984	17,202	218	1.3%
Cannabis	8,719	6,117	(2,602)	(29.8%)
Payments in-lieu of taxes	2,069	2,218	149	7.2%
Franchise fees	4,158	4,022	(136)	(3.3%)
Unrestricted investment gain (loss)	(9,735)	3,177	12,912	132.6%
Other	425	696	271	63.8%
Total general revenues	<u>391,376</u>	<u>429,042</u>	<u>37,666</u>	<u>9.6%</u>
Total revenues	<u>1,134,384</u>	<u>1,235,769</u>	<u>101,385</u>	<u>8.9%</u>
Expenses				
Policy & executive	13,207	17,900	4,693	35.5%
Public safety	328,392	340,978	12,586	3.8%
Health & human services	375,447	428,532	53,085	14.1%
Community resources & public facilities	133,562	153,218	19,656	14.7%
General government & support services	38,517	40,009	1,492	3.9%
General county programs	46,135	65,655	19,520	42.3%
Interest on long-term debt	2,173	2,490	317	14.6%
Total expenses	<u>937,433</u>	<u>1,048,782</u>	<u>111,349</u>	<u>11.9%</u>
Excess (deficiency) of revenues over (under) expenses	<u>196,951</u>	<u>186,987</u>	<u>(9,964)</u>	<u>(5.1%)</u>
Change in net position before special item	<u>196,951</u>	<u>186,987</u>	<u>(9,964)</u>	<u>(5.1%)</u>
Special item	(28,000)	--	28,000	100.0%
Change in net position	<u>168,951</u>	<u>186,987</u>	<u>18,036</u>	<u>10.7%</u>
Net position - beginning	642,322	811,273	168,951	26.3%
Prior period adjustment	--	80	80	
Net position - beginning, as restated	<u>642,322</u>	<u>811,353</u>	<u>169,031</u>	<u>26.3%</u>
Net position - ending	<u>\$ 811,273</u>	<u>\$ 998,340</u>	<u>\$ 187,067</u>	<u>23.1%</u>

* No financial restatement for GASB Statement No. 96 subscription asset implementation as it was impractical.

Revenues

Total revenues for the County's Governmental Activities had an overall increase from the prior year of \$101,385, or 8.9%, to \$1,235,769. Revenues are divided into two categories: Program Revenues, which are the revenues derived directly from the functional programs or from parties outside the County's taxpayers or community; and General Revenues, which are the revenues that do not meet the requirements of program revenues, most of which are taxes.

Program Revenues had an overall increase of \$63,719, or 8.6%, to \$806,727 from the prior year. As an arm of the State government, a significant portion of charges for services and operating grants and contributions are tied to mandated programs such as public assistance, health, and behavioral wellness services. Total program revenues represent 65.3% of the County's funding for governmental activities.

- Charges for services increased \$14,956, or 6.1%, to \$259,351 primarily due to:
 - \$9,406 increase of litigation settlements; and
 - \$5,750 increase of art grants from the State.
- Operating grants and contributions (intergovernmental revenues) increased a net \$48,610, or 9.8%, to \$547,079 primarily due to:
 - \$12,537 increase of unrealized gains on investments;
 - \$8,852 increase of funding related to Public Safety Realignment Act of 2011;
 - \$5,135 increase of interest income from investments; and
 - \$3,890 increase of donated property through the Foothills Forever Project.
- Capital grants and contributions (intergovernmental revenues) increased \$153, or 106.3%, to \$297 primarily due to planned capital maintenance road projects and other capital outlay grants.

General Revenues had an overall increase of \$37,666, or 9.6%, to \$429,042. These revenues included general taxes which provided the Board of Supervisors with the most discretionary spending ability. Since the formation of Santa Barbara County government in 1850, basic public safety services such as sheriff, fire, probation, and district attorney consume most of the general revenues. The increase in general revenues is due primarily to the following changes:

- *Property Tax Revenue* increased \$26,715, or 7.8%, to \$369,807 primarily from assessed valuation growth;
- *Cannabis Tax* decreased \$2,602, or 29.8%, to \$6,117 primarily due to decreased cannabis related operations; and
- *Unrestricted investment gain* increased by \$12,912 primarily due to an increase in the fair market value of investments, as well as increases in interest income.

Expenses had an overall increase for governmental activities of \$111,349, or 11.9%, to \$1,048,782 from the prior year. This change was mainly driven by increases in contractual services of \$36,686, regular salaries of \$14,138, inmate medical services of \$12,773, and overtime of \$11,250.

As a service delivery entity, the County's major cost component is salaries and benefits, amounting to 56.0% of the total County expenses. The average full-time equivalent (FTE) count for the County (including business-type activities) had a net decrease of 2 FTEs from 4,153 in the prior year to 4,151 at June 30, 2023. A 10-year trend chart on average FTEs can be found in the Statistical section.

Analysis of Business-type Activities

The net position of business-type activities increased by \$10,181, or 5.9%, to \$182,537 which indicates these activities generated revenues sufficient to cover the costs of operations.

	Business-Type		Bus Total	
	Activities		Dollar	Percent
	2022*	2023	Change	Change
Revenues				
Program revenues:				
Charges for services	\$ 58,912	\$ 64,665	\$ 5,753	9.8%
Operating grants and contributions	7,406	3,167	(4,239)	(57.2%)
Total program revenues	66,318	67,832	1,514	2.3%
General revenues:				
Unrestricted investment gain (loss)	(3,933)	1,217	5,150	130.9%
Other	(568)	26	594	104.6%
Total general revenues	(4,501)	1,243	5,744	127.6%
Total revenues	61,817	69,075	7,258	11.7%
Expenses				
Resource Recovery	40,528	49,522	8,994	22.2%
Laguna Sanitation	8,806	9,372	566	6.4%
Total expenses	49,334	58,894	9,560	19.4%
Excess of revenues over expenses	12,483	10,181	(2,302)	(18.4%)
Change in net position	12,483	10,181	(2,302)	(18.4%)
Net position - beginning	159,873	172,356	12,483	7.8%
Net position - ending	\$ 172,356	\$ 182,537	\$ 10,181	5.9%

* No financial restatement for GASB Statement No. 96 subscription asset implementation as it was impractical.

- Charges for services increased by \$5,753, or 9.8%, to \$64,665 primarily due to increases in charges for sanitation services in Resource Recovery from increases in commercial related revenues, as well as reimbursements from a custodial fund for cashflow assistance to the ReSource Center Operator for recyclable revenue shortfalls.
- Operating grants and contributions decreased by \$4,239, or 57.2%, to \$3,167 primarily due to prior year recognition of one-time insurance proceeds for repairs at the Tajiguas Landfill and ReSource Center from fire damages sustained during the Alisal Fire event.
- Unrestricted investment gain increased by \$5,150, or 130.9%, to \$1,217 primarily due to greater interest income and unrealized gains on investments in the County treasury.
- Expenses increased by \$9,560, or 19.4%, to \$58,894 primarily due to an increase in cashflow assistance payments to the ReSource Center Operator for recyclable revenue shortfalls that were caused by the Alisal Fire, as well as increased operating costs.

Analysis of Capital Assets

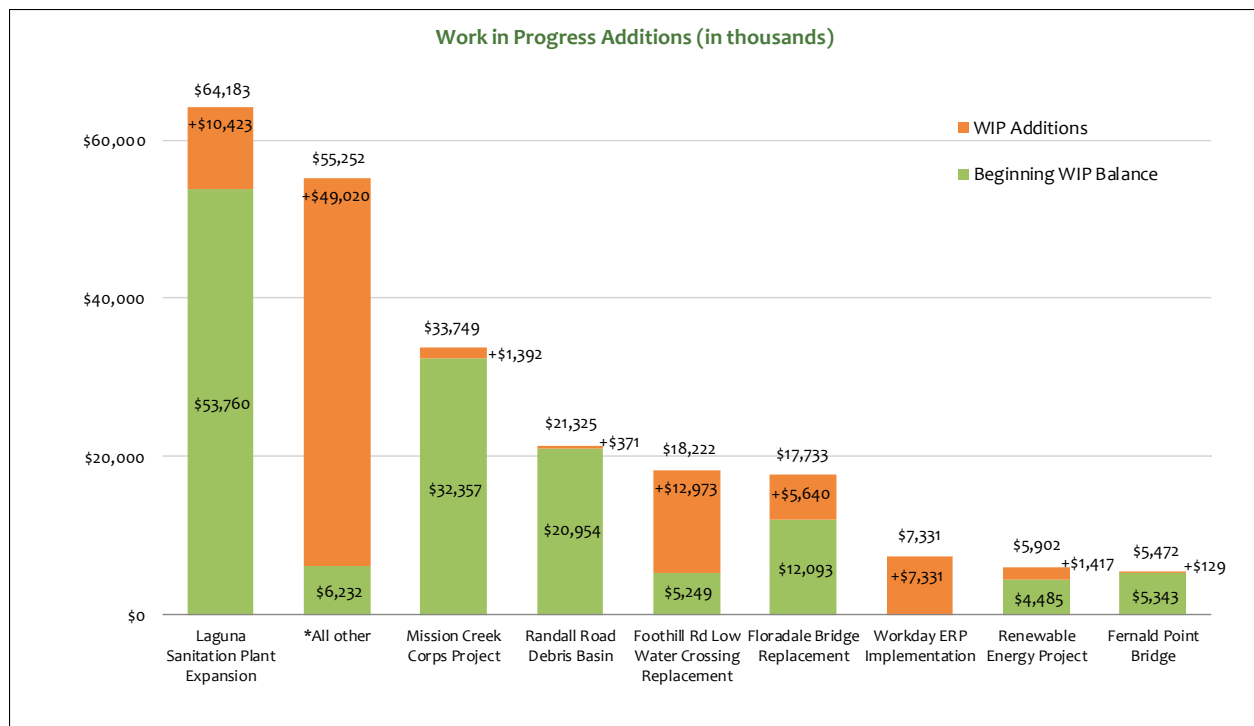
Capital Assets (net of depreciation, in thousands)								
	Governmental		Business-Type		Total		Total	
	Activities		Activities				Dollar	Percent
	2022	2023	2022	2023	2022	2023	Change	Change
Capital assets, non-depreciable:								
Land	\$ 63,940	\$ 69,432	\$ 15,654	\$ 15,654	\$ 79,594	\$ 85,086	\$ 5,492	6.9%
Land easements	53,133	53,133	--	--	53,133	53,133	--	0.0%
SCA assets	40,782	40,782	--	--	40,782	40,782	--	0.0%
Work in progress	110,914	163,324	53,866	65,845	164,780	229,169	64,389	39.1%
Total capital assets, non-depreciable	268,769	326,671	69,520	81,499	338,289	408,170	69,881	20.7%
Capital assets, depreciable:								
Land improvements	20,443	19,654	218	208	20,661	19,862	(799)	(3.9%)
Structures and improvements	252,145	256,102	96,136	95,029	348,281	351,131	2,850	0.8%
Equipment	62,917	59,911	71,010	67,985	133,927	127,896	(6,031)	(4.5%)
Infrastructure	271,347	268,962	47,769	47,132	319,116	316,094	(3,022)	(0.9%)
Intangible assets								
Software	1,863	1,233	--	--	1,863	1,233	(630)	(33.8%)
Subscription assets	--	3,380	--	--	--	3,380	3,380	100.0%
Lease assets								
Structures and improvements	13,799	21,338	--	--	13,799	21,338	7,539	54.6%
Capital assets, net of accumulated depreciation	622,514	630,580	215,133	210,354	837,647	840,934	3,287	0.4%
Total	\$ 891,283	\$ 957,251	\$ 284,653	\$ 291,853	\$1,175,936	\$ 1,249,104	\$ 73,168	6.2%

During the fiscal year, the County’s investment in capital assets increased by \$73,168, or 6.2%, to \$1,249,104 (net of accumulated depreciation/amortization). This investment is in a broad range of capital assets including land, land easements, Service Concession Arrangement (SCA) assets, work in progress (WIP), land improvements, structures and improvements, equipment, infrastructure, and intangible assets – software, subscription assets, and lease assets. Major capital additions include:

- **Land:** The County capitalized \$5,860 of land, net of \$368 in disposals, for a total increase of \$5,492, or 6.9%. The significant additions include:
 - \$3,890 of donated property through the Foothills Forever Project; and
 - \$1,970 of acquired property in the San Marcos Foothills/West Mesa Properties for recreational use, public access, wildlife preservation, and ecological restoration.
- **Land Improvements:** The balance of land improvements decreased for a total of \$799, or 3.9%, primarily due to depreciation.
- **Structures and Improvements:** The County capitalized \$21,757 of structures and improvements, net of \$13,187 in depreciation and \$5,720 in disposals, for a total increase of \$2,850, or 0.8%. Significant increases include:
 - \$8,262 for the completion of the New Cuyama fire station;
 - \$2,461 for the completion of airport mid-field security enhancements; and
 - \$422 for the completion of security upgrades to the Santa Barbara and Santa Maria administration buildings.
- **Equipment:** The County capitalized \$8,551 of equipment, net of \$6,598 in related depreciation and \$7,984 of deletions, for a total decrease of \$6,031, or 4.5%. Significant equipment additions include:
 - \$661 for four Western Star semi-trucks;
 - \$602 for a Morbark brush chipper, Caterpillar track loader, and backhoe loader;
 - \$465 for emergency generators for multiple fire stations and the Inmate Reception Center;
 - \$311 for two Freightliner trucks; and

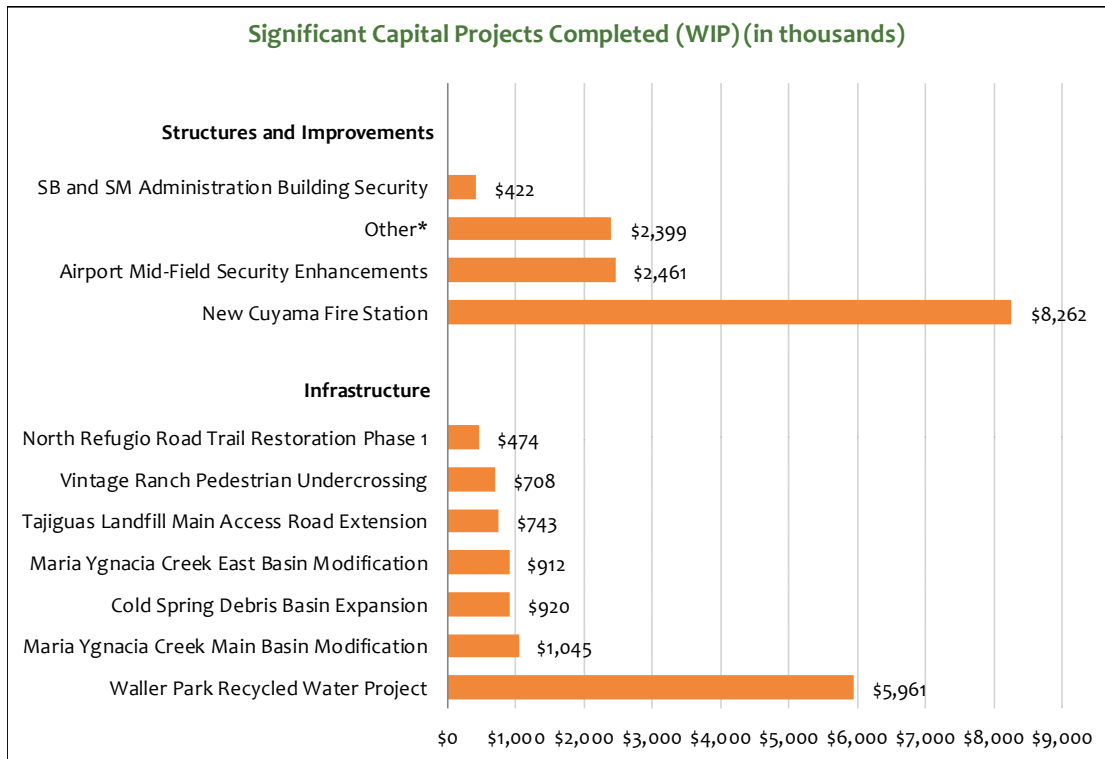
- \$278 for two walking floor trailers for the South Coast Recycling Transfer Station and Santa Ynez Valley Recycling Transfer Station.
- **Infrastructure:** The County capitalized additional infrastructure of \$5,229, and recognized \$8,251 in depreciation, for a total decrease of \$3,022, or 0.9%. Significant projects include:
 - \$1,045 for the Maria Ygnacia Creek main basin modification project;
 - \$920 for the Cold Spring debris basin expansion project; and
 - \$912 for the Maria Ygnacia Creek east basin modification project.
- **Software:** The balance of software decreased for a total of \$630, or 33.8%, primarily due to depreciation and deletions.
- **Subscription assets:** The County implemented GASB Statement No. 96, capitalizing \$4,655 of subscription assets, net of \$1,275 in related amortization, for a total reported \$3,380 in subscription assets. The assets represent the right-to-use underlying assets identified in subscription contracts, as specified for a period of time.
- **Lease assets:** The County capitalized \$9,512 of lease assets, net of \$1,973 in related amortization, for a total increase of \$7,539, or 54.6%. Significant increases include:
 - \$8,964 in prior period adjustments for leases (see Note 21 – Prior Period Adjustments).
 - \$548 for a Child Support Services office space lease.
- **Work in Progress (WIP):** When a capital project will be completed in a subsequent fiscal year, related project costs are recorded as WIP. In the year of completion, a project’s WIP is allocated to the appropriate capital asset classification(s). In the current fiscal year, WIP had a net increase of \$64,389, or 39.1%. Total WIP additions of \$88,696 were offset by project completions of \$24,307.

Of the \$88,696 in WIP additions, major project costs include:



*All other represents individual projects that have total WIP balances under \$5,000.

Of the \$24,307 completions of WIP, major projects include:



*Other represents individual projects that have total completed WIP balances under \$400.

Additional capital asset information, including depreciation, amortization, and outstanding WIP by project as of June 30, 2023, can be found in Note 6 of the Notes to the Financial Statements.

Analysis of Bonds, Notes, and Certificates of Participation (COP)

Outstanding Bonds, Notes, and COP (in thousands)								
	Governmental		Business-Type		Total		Total	
	Activities		Activities		Total		Dollar	Percent
	2022	2023	2022	2023	2022	2023	Change	Change
Bonds and notes payable	\$ 4,481	\$ 3,633	\$ 1,811	\$ 930	\$ 6,292	\$ 4,563	\$ (1,729)	(27.5%)
Certificates of participation	22,014	20,478	186,164	180,401	208,178	200,879	(7,299)	(3.5%)
Total	\$ 26,495	\$ 24,111	\$187,975	\$181,331	\$214,470	\$205,442	\$ (9,028)	(4.2%)

The County’s total balance of bonds, notes, and COP decreased by \$9,028, or 4.2%, during the fiscal year. The net decrease was primarily due to payments for bonds from direct borrowings, notes for direct placements, and various COP for capital projects.

The County maintains a Standard & Poor’s ‘SP-1+’ rating for short-term notes (this scale ranges from SP-1, the highest, to D, the lowest) and a Standard & Poor’s ‘AA+’ for long-term COP (this scale ranges from AAA, the highest, to D, the lowest). In addition, the County maintains a Moody’s ‘A1’ rating (this scale ranges from Aaa1, the highest, to Caa3, the lowest) and an S&P ‘AA+’ rating on its most recent series 2020 COP. The County’s strong credit ratings with Standard & Poor’s and Moody’s result in reduced borrowing costs for new capital asset construction.

The rationale behind the ratings reflects the rating agencies’ view of:

- The long-term general creditworthiness of the County;
- The County’s covenants to budget and appropriate lease payments;
- A stable, moderately growing economic base with access to the broader Ventura and Los Angeles area economies;
- Consistent maintenance of very strong unreserved General Fund balances despite limited financial flexibility due to State mandates;
- An experienced management team that has implemented strong financial policies and prudent expenditure controls;
- Low overall debt levels; and
- The County’s very strong underlying general credit characteristics.

Additional information on the County’s long-term liabilities can be found in Note 10 in the Notes to the Financial Statements.

FINANCIAL ANALYSIS OF THE COUNTY’S FUND BALANCES

Fund Balances (in thousands)								Total	
	Nonspendable	Restricted	Committed	Unassigned	Total		Dollar Change	Percent Change	
					2023	2022			
General Fund	\$ 55	\$ 105,197	\$ 168,567	\$ 37,571	\$ 311,390	\$ 262,721	\$ 48,669	18.5%	
Major Funds									
Roads	--	44,623	--	(1,422)	43,201	40,315	2,886	7.2%	
Public Health	--	27,643	--	(820)	26,823	29,841	(3,018)	(10.1%)	
Social Services	309	9,415	2,989	(562)	12,151	9,199	2,952	32.1%	
Behavioral Wellness	--	47,566	--	(1,831)	45,735	45,101	634	1.4%	
Flood Control	4	63,393	--	(2,701)	60,696	70,207	(9,511)	(13.5%)	
Affordable Housing	--	11,579	--	(963)	10,616	10,814	(198)	(1.8%)	
Fire Protection	--	27,584	--	(339)	27,245	23,919	3,326	13.9%	
Capital Projects	--	9,080	13,892	(2,099)	20,873	23,284	(2,411)	(10.4%)	
Other Governmental Funds	707	45,674	11,683	(2,121)	55,943	55,167	776	1.4%	
Total Fund Balances	<u>\$ 1,075</u>	<u>\$ 391,754</u>	<u>\$ 197,131</u>	<u>\$ 24,713</u>	<u>\$ 614,673</u>	<u>\$ 570,568</u>	<u>\$ 44,105</u>	7.7%	

Governmental Funds

The focus of the County’s governmental funds is to provide information on near-term (See Note 1 – Summary of Significant Accounting Policies) inflows, outflows, and balances of spendable resources (modified accrual basis of accounting). Such information is useful in assessing the County’s financing requirements. In particular, total fund balance less the nonspendable portion is a useful measure of a government’s resources available for spending at the end of the fiscal year.

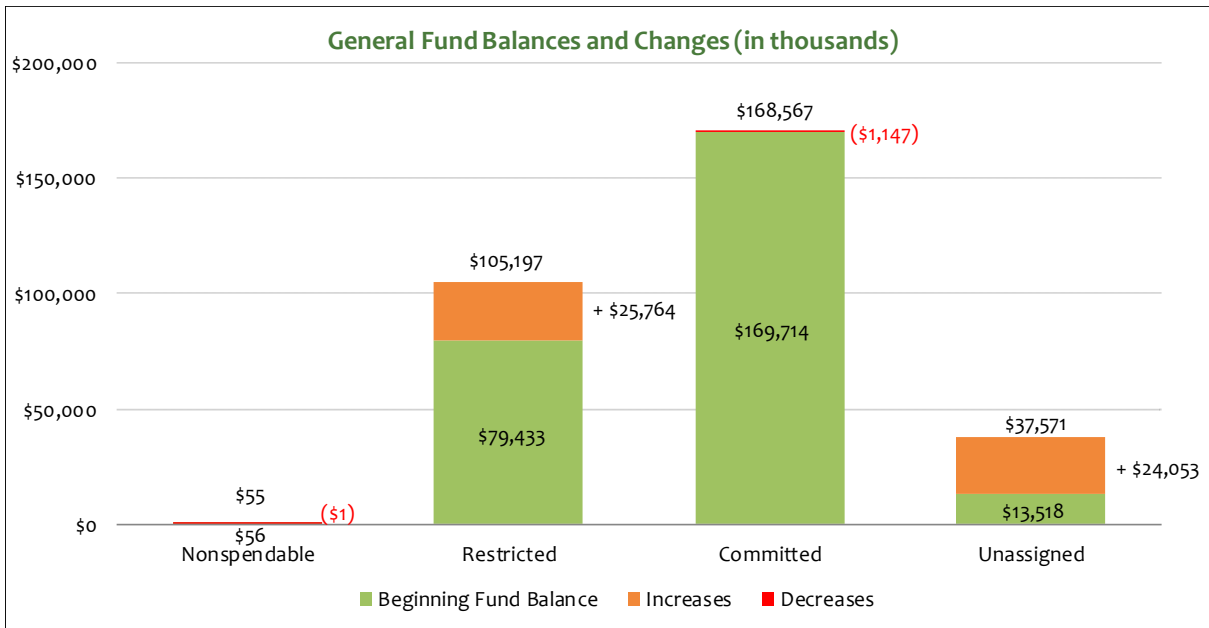
At June 30, 2023, the County’s Governmental Funds reported total fund balance of \$614,673, a \$44,105 increase in comparison with the prior year’s total ending fund balance. The components of total fund balance are as follows (for more information see Note 14 – Fund Balances):

- *Nonspendable Fund Balance*, \$1,075 are amounts that are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of long-term receivables, and prepaid expenses and deposits.
- *Restricted Fund Balance*, \$391,754 consists of amounts with constraints put on their use by creditors, grantors, contributors, laws, regulations or enabling legislation. Examples of restrictions on funds are those for (1) purpose of fund (i.e., flood control), (2) grants for capital outlay, and (3) reserved legislated amounts (i.e., healthcare).
- *Committed Fund Balance*, \$197,131, consists of amounts for specific purposes determined by the Board, which are binding unless removed by the Board in the same manner.
- *Unassigned Fund Balance*, \$24,713 represents the residual balance for the County’s General Fund.

Approximately 99.8%, or \$613,598, of the total fund balance is in restricted, committed, and unassigned (spendable fund balances) which means it is available to meet the County’s current and future needs. With the approval of the Board, County management can earmark a portion of fund balance to a particular function, project or activity, and can also earmark it for purposes beyond the current year, within the constraints applied to the various categories of fund balance. With the exception of the nonspendable portion, fund balances are available for appropriation at any time.

General Fund

The General Fund is the main operating fund of the County. As a measure of the General Fund’s liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total General Fund balance, essentially all of which is available in spendable form, equates to 68.0% of total General Fund expenditures.



Included in the balances above are the following:

- Nonspendable fund balance primarily includes \$50 for Prepaids and Deposits.
- Some significant restricted fund balance amounts of the General Fund include:
 - \$36,811 for Realignment funds for public safety, health, and social programs;
 - \$18,057 for Public Safety Proposition 172;
 - \$11,237 for Property Tax Loss Reserves in Purpose of Fund; and
 - \$6,125 for Probation Youth Offender Block Grant.
- Some significant committed fund balance amounts of the General Fund include:
 - \$40,578 Strategic Reserve earmarked for severe economic downturns and emergencies;
 - \$16,937 for Accumulated Capital Outlay for future capital projects;
 - \$15,129 for technology replacement and investments; and
 - \$12,123 for litigation settlements.
- Unassigned fund balance of \$37,571 is available for future discretionary appropriation by the Board.

The remaining \$116,772 of fund balances for the General Fund are comprised of over 60 components of nonspendable, restricted and committed fund balances (see Note 14 – Fund Balances).

Changes to General Fund Balances

Nonspendable fund balance decreased from \$56 to \$55 due to an adjustment related to a former agency fund.

The General Fund's total fund balance increased by 18.5%, or \$48,669, to \$311,390 at June 30, 2023. The spendable fund balances increased by \$48,670 to \$311,335 primarily in the following areas:

- Restricted fund balance
 - \$10,113 increase from local realignment for public safety, health, and social programs;
 - \$4,919 increase for public arts programs; and
 - \$2,846 increase for opioids litigation settlement.
- Committed fund balance
 - \$5,949 increase for technology replacement and investments; and
 - \$5,287 decrease for cannabis funded projects; and
 - \$1,548 decrease for advance construction reserve.
- Unassigned fund balance
 - General Fund unassigned fund balance increased \$24,053 from the prior year. The increase is primarily attributable to property tax revenue growth, in addition to prior year unassigned fund balance having decreased due to a recorded litigation case settlement.

Major Funds (exclusive of General Fund)

As compared with the prior year, the total fund balances of the major funds decreased 2.1%, or \$5,340, to \$247,340 with the following significant changes:

- The Flood Control Fund, with expenditures of \$31,697, had a negative \$9,511 change in fund balance primarily due to severe winter storm impacts that required the use of reserves to fund operations and clear debris-filled basins, creeks, and waterways.
- The Fire Protection District Fund, with expenditures of \$96,644, had a positive \$3,326 change in fund balance primarily due to increased property tax revenues, salary savings, and unspent proceeds related to delayed capital purchases and facilities projects.
- The Public Health Fund, with expenditures of \$94,226, had a negative \$3,018 change in fund balance primarily due to ARPA revenues received in FY 2021-22 no longer being received in the current fiscal year, as well as an increase in health and public assistance expenditures.
- The remaining net increases totaled \$3,863 across the other five major funds and were principally related to the receipt of funding from the Public Safety Realignment Act of 2011 and Measure A as a result of strong sales tax collections.

Other Governmental Funds

The fund balances of nonmajor governmental funds as a whole increased \$776, or 1.4%, to \$55,943. The following were significant changes:

- The Courthouse Construction fund balance decreased by \$3,713 primarily due to a transfer to the State Court Facilities Construction Fund in accordance with Government Code Section 70402(a).
- The Water Agency fund balance increased by \$2,095 due to the delay of planned projects as a result of increased rain and focus on disaster mitigation.
- The remaining net increases totaled \$2,394 across the other 21 nonmajor funds and were principally related to positive results of operations.

Proprietary Funds

Proprietary funds are County activities that operate like a business as opposed to government services, and are primarily supported by customer fees. They include two types of funds; enterprise funds, whose customers are mainly external to the primary government (citizens); and internal services funds, whose customers are predominantly the primary government itself.

The County has two enterprise funds: Resource Recovery and Laguna Sanitation. These funds are reported on the governmentwide statements as business-type activities. The only difference between what is reported in the proprietary fund financial statements and the governmentwide statements for the business-type activities is that the business-type activities include an allocation of the net position and activities of the Internal Service Funds. For a detailed analysis on Resource Recovery and Laguna Sanitation, please refer to page 27.

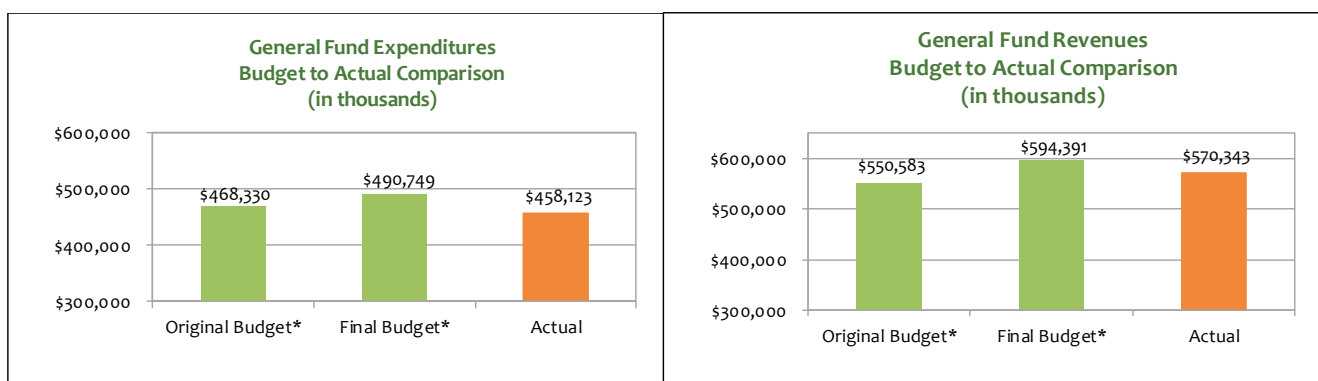
The County has five internal services funds: Information Technology Services, Vehicle Operations and Maintenance, Risk Management and Insurance, Communications Services, and Utilities. The net position and activities of the internal services funds are proportionally allocated between governmental and business-type activities in the governmentwide statements based on the fund rates charged to each activity type.

Total internal service funds’ net position increased by \$6,405, or 8.5%, to \$75,459. The total increase in net position is primarily due to lower than expected capital asset expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

The variance between General Fund final budget and actual expenditures resulted in \$32,626 of unspent appropriations. Key variances in unspent appropriations are primarily due to: \$12,932 for services and supplies, \$12,650 for salaries and benefits due to unfilled positions; \$864 from other charges; and \$6,180 resulting from capital assets budgeted but not procured in this fiscal cycle.

The primary difference between budgeted revenues and expenditures is mainly attributable to General Fund Contribution transfers to the County’s special revenue funds. These transfers out are shown as other financing sources and uses which are not included as expenditures.



*Fund balances are used to balance budgets.

Expenditures: The County’s final budget appropriations for the General Fund differed from the original budget by \$22,419, or 4.8%. The major changes were as follows:

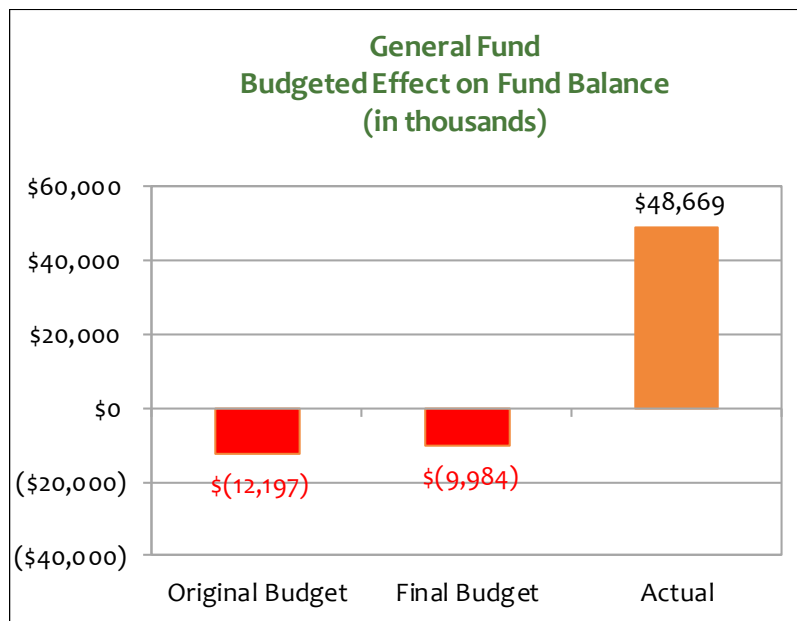
- Salaries and Employee Benefits increased \$4,713 primarily due to increases in Public Safety overtime and extra help.

- Services and Supplies increased \$12,006 primarily due to increases in contractual services.
- Other Charges increased \$783 primarily due to increases in natural gas and motor pool charges, as well as litigation judgments.
- Capital Assets increased \$2,080 primarily due to the replacement of the Toro Canyon Oil Water Separator Facility.

Revenues: The County’s General Fund final budgeted revenues were greater than the original budget by \$43,808, or 7.4%, due to unanticipated Public Safety Prop 172 sales tax allocation and intergovernmental revenue related to the American Rescue Plan Act of 2021.

The General Fund Budget and Actual schedule can be found on page 139 of this report.

Fund Balance: The General Fund’s fund balance increased by \$48,669, versus the final budget plan to decrease fund balance by \$9,984. By year-end, the increase to fund balance was more than the budget plan as departmental savings and positive operating results exceeded estimates.



ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The following factors were considered in preparing the County’s recommended budget for FY 2023-24:

The goal for the upcoming year is to be ready for today and prepare for tomorrow, signifying the progress made on Board priorities and investments and continued prudent planning for the known and emerging issues on the horizon. The recommended budget for FY 2023-24 is based on the assumptions that projected revenues will remain stable, and that cannabis tax revenue will continue to decline and will not be used for any new ongoing budgetary purposes. Cannabis tax revenue will continue to be used to fully fund enforcement and to offset program compliance and administrative costs, but some one-time and ongoing funding commitments unrelated to the cannabis program, approved by the Board in prior years, will be replaced with General Fund dollars.

Total Governmental Fund revenues show an increase of 5.4%, or \$69,524 comparing FY 2023-24 budget to FY 2022-23 actual revenues. The FY 2023-24 budget shows an increase in General Fund total revenues of 2.4%, or \$13,014, compared to FY 2022-23 actual revenues.

The adopted budget appropriations for total Governmental Fund expenditures for FY 2023-24 includes a 10.5%, or \$132,592, increase when compared to FY 2022-23 actuals. The primary reason for the increase is that the County's adopted budget includes \$30,330 for ARPA State and Local Fiscal Recovery Fund projects for various recovery efforts. The ARPA monies will continue to allow the County to invest in local programs to help homelessness and other allowable improvement initiatives. Overall, the focus of the FY 2023-24 budget is to continue to provide mandated and essential services, meet debt service obligations, and address critical deferred maintenance and infrastructure needs, and adhere to the Board's financial management policies.

As of June 30, 2023, the recommended available spendable General Fund balance is projected to be \$290,469. Of this amount, \$76,222 is Restricted and \$175,140 is Committed but remains available for appropriation. The County's General Fund is projected to end with \$39,107 of Unassigned fund balance. The County's Recommended performance-based FY 2023-24 budget and the County's Five-Year Capital Improvement Program can be found at <https://www.countyofsb.org/3213/Budget-Documents-Page>.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Santa Barbara County Auditor-Controller, PO Box 39, Santa Barbara, CA 93102-0039. The County's Annual Comprehensive Financial Report and Financial Highlights publications can also be found on the County's website at <https://www.countyofsb.org/375/Publications>.

A separately issued financial report for the County's discretely presented component unit, the First 5 Children and Families Commission, can be obtained online at <http://first5santabarbaracounty.org> or by writing to: First 5 Children and Families Commission, 5385 Hollister Avenue, Building 10, Suite 110, Santa Barbara, CA 93111.

A separately issued financial report for the County's fiduciary component unit, SBCERS, can be obtained online at <https://www.sbcers.org> under "Resources" or by writing to: SBCERS, 130 Robin Hill Road, Suite 100, Goleta, CA 93117.



Basic Financial Statements

COUNTY OF SANTA BARBARA, CALIFORNIA
STATEMENT OF NET POSITION
GOVERNMENTWIDE
June 30, 2023 (in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	First 5 Children and Families Commission
Assets				
Cash and investments (Note 3)	\$ 734,613	\$ 82,291	\$ 816,904	\$ 7,320
Accounts receivable, net:				
Taxes	44,962	--	44,962	--
Licenses, permits, and franchises	878	333	1,211	--
Fines, forfeitures, and penalties	203	--	203	--
Use of money and property	4,492	615	5,107	41
Intergovernmental	75,956	129	76,085	461
Charges for services	27,148	1,884	29,032	--
Lease receivables	2,345	147	2,492	--
Other	5,101	24	5,125	--
Internal balances	569	(569)	--	--
Inventories	305	322	627	--
Prepaid items	366	--	366	--
Notes receivable (Note 5)	7,145	--	7,145	--
Other receivables	1,261	972	2,233	10
Restricted cash and investments (Note 4)	46,584	42,721	89,305	--
Housing loans receivable, net (Note 5)	41,233	--	41,233	--
Housing loans interest receivable, net (Note 5)	10,843	--	10,843	--
Capital assets, not being depreciated/amortized (Note 6)	326,671	81,499	408,170	--
Capital assets, net of accumulated depreciation/amortization (Note 6)	630,580	210,354	840,934	441
Total assets	1,961,255	420,722	2,381,977	8,273
Deferred outflows of resources				
Deferred payables (Note 1)	830	--	830	--
Deferred pensions (Note 18)	191,254	3,544	194,798	337
Deferred OPEB (Note 19)	18,266	384	18,650	48
Total deferred outflows of resources	210,350	3,928	214,278	385
Liabilities				
Accounts payable	59,611	3,742	63,353	937
Salaries and benefits payable	38,926	799	39,725	62
Interest payable	111	665	776	--
Other payables	21,175	1,296	22,471	45
Litigation settlement payable (Note 21)	765	--	765	--
Advances from grantors and third parties (Note 8)	97,806	--	97,806	--
Unearned revenue	1,582	--	1,582	--
Customer deposits payable	33,166	34	33,200	--
Long-term liabilities (Note 10):				
Portion due within one year:				
Compensated absences (Note 10)	40,051	821	40,872	62
Lease liabilities (Notes 9 & 10)	1,941	--	1,941	86
Subscription liabilities	1,262	--	1,262	--
Certificates of participation, net (Note 10)	1,610	4,755	6,365	--
Other long-term obligations (Note 10)	283	--	283	--
Bonds and notes payable (Note 10)	1,674	305	1,979	--
Liability for self-insurance claims (Notes 10 & 11)	5,168	--	5,168	--
Landfill closure/postclosure care costs (Note 13)	--	2,918	2,918	--
Portion due in more than one year:				
Compensated absences (Note 10)	5,449	26	5,475	--
Lease liabilities (Notes 9 & 10)	20,315	--	20,315	389
Subscription liabilities	1,552	--	1,552	--
Certificates of participation, net (Note 10)	18,868	175,646	194,514	--
Other long-term obligations (Note 10)	7,488	--	7,488	--
Bonds and notes payable (Note 10)	1,959	625	2,584	--
Liability for self-insurance claims (Notes 10 & 11)	7,943	--	7,943	--
Estimated litigation liability (Note 12)	51	--	51	--
Landfill closure/postclosure care costs (Note 13)	--	35,821	35,821	--
Net pension liability (Note 18)	678,580	12,575	691,155	1,197
Net OPEB liability (Note 19)	81,660	1,717	83,377	215
Total liabilities	1,128,996	241,745	1,370,741	2,993
Deferred inflows of resources				
Deferred service concession arrangements (Note 7)	29,929	--	29,929	--
Deferred pensions (Note 18)	9,937	184	10,121	18
Deferred OPEB (Note 19)	2,100	44	2,144	6
Deferred lease proceeds	2,303	140	2,443	--
Total deferred inflows of resources	44,269	368	44,637	24
Net position				
Net investment in capital assets	876,913	125,396	1,002,309	(34)
Restricted for (Note 15):				
Policy & executive	1,641	--	1,641	--
Public safety	95,203	--	95,203	--
Health & human services	89,888	--	89,888	--
Community resources & public facilities	211,822	--	211,822	--
General government & support services	8,835	--	8,835	--
General county programs	37,688	--	37,688	--
Unrestricted	(323,650)	57,141	(266,509)	5,675
Total net position	\$ 998,340	\$ 182,537	\$ 1,180,877	\$ 5,641

The notes to the financial statements are an integral part of this statement.

COUNTY OF SANTA BARBARA, CALIFORNIA
STATEMENT OF ACTIVITIES
GOVERNMENTWIDE
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									Component Unit First 5 Children and Families Commission
	Program Revenues					Primary Government			Total	
	Direct Expenses	Indirect Expenses	Total Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
Governmental activities:										
Policy & executive	\$ 25,433	\$ (7,533)	\$ 17,900	\$ 747	\$ 28,166	\$ --	\$ 11,013	\$ --	\$ 11,013	
Public safety	329,120	11,858	340,978	65,149	109,925	--	(165,904)	--	(165,904)	
Health & human services	418,195	10,337	428,532	108,586	316,952	--	(2,994)	--	(2,994)	
Community resources & public facilities	148,271	4,947	153,218	49,464	70,638	161	(32,955)	--	(32,955)	
General government & support services	60,275	(20,266)	40,009	16,292	10,302	136	(13,279)	--	(13,279)	
General county programs	65,662	(7)	65,655	19,113	11,096	--	(35,446)	--	(35,446)	
Interest on long-term debt	2,490	--	2,490	--	--	--	(2,490)	--	(2,490)	
Total governmental activities	<u>1,049,446</u>	<u>(664)</u>	<u>1,048,782</u>	<u>259,351</u>	<u>547,079</u>	<u>297</u>	<u>(242,055)</u>	<u>--</u>	<u>(242,055)</u>	
Business-type activities:										
Resource Recovery	48,984	538	49,522	48,936	2,878	--	--	2,292	2,292	
Laguna Sanitation	9,246	126	9,372	15,729	289	--	--	6,646	6,646	
Total business-type activities	<u>58,230</u>	<u>664</u>	<u>58,894</u>	<u>64,665</u>	<u>3,167</u>	<u>--</u>	<u>--</u>	<u>8,938</u>	<u>8,938</u>	
Total primary government	<u>\$ 1,107,676</u>	<u>\$ --</u>	<u>\$ 1,107,676</u>	<u>\$ 324,016</u>	<u>\$ 550,246</u>	<u>\$ 297</u>	<u>\$ (242,055)</u>	<u>\$ 8,938</u>	<u>\$ (233,117)</u>	
Component unit:										
First 5 Children and Families Comm.	<u>\$ 3,483</u>	<u>\$ --</u>	<u>\$ 3,483</u>	<u>\$ 1</u>	<u>\$ 3,357</u>	<u>\$ --</u>				<u>\$ (125)</u>
General Revenues:										
Taxes:										
Property							272,644	--	272,644	--
Sales							19,148	--	19,148	--
Transient occupancy							17,202	--	17,202	--
Cannabis							6,117	--	6,117	--
Payments in-lieu of taxes							2,218	--	2,218	--
Franchise fees							4,022	--	4,022	--
Other general revenues							376	--	376	--
Restricted for community resources and public facilities:										
Sales tax, allocated to roads							6,655	--	6,655	--
Property tax, levied for flood control districts							14,895	--	14,895	--
Property tax, levied for county service areas							1,836	--	1,836	--
Property tax, levied for water agency							3,863	--	3,863	--
Property tax, levied for lighting districts							684	--	684	--
Property tax, levied for community facilities districts							1,033	--	1,033	--
Property tax, residual distribution from the redevelopment property tax trust fund							7,655	--	7,655	--
Restricted for public safety:										
Property tax, levied for fire district							67,197	--	67,197	--
Unrestricted investment gain							3,177	1,217	4,394	77
Gain on sale of capital assets							320	26	346	--
Total general revenues and transfers							<u>429,042</u>	<u>1,243</u>	<u>430,285</u>	<u>77</u>
Change in net position							186,987	10,181	197,168	(48)
Net position - beginning							811,273	172,356	983,629	5,689
Prior period adjustment (Note 21)							80	--	80	--
Net position - beginning, as restated							<u>811,353</u>	<u>172,356</u>	<u>983,709</u>	<u>5,689</u>
Net position - ending							<u>\$ 998,340</u>	<u>\$ 182,537</u>	<u>\$ 1,180,877</u>	<u>\$ 5,641</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SANTA BARBARA, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023 (in thousands)

	General	Roads	Public Health	Social Services	Behavioral Wellness
Assets and deferred outflows of resources					
Assets:					
Cash and investments (Note 3)	\$ 349,680	\$ 42,053	\$ 22,626	\$ 16,241	\$ 47,913
Accounts receivable, net:					
Taxes	44,962	--	--	--	--
Licenses, permits, and franchises	426	--	52	--	--
Fines, forfeitures, and penalties	--	--	--	--	--
Use of money and property	2,319	219	120	88	294
Intergovernmental	18,551	8,342	7,185	19,378	11,400
Charges for services	1,693	1,938	2,341	--	13,167
Lease receivables	2,253	--	--	--	92
Other	4,273	--	--	--	--
Due from other funds (Note 16)	3,373	--	--	1,499	--
Prepaid items	50	--	--	309	--
Other receivables	45	--	--	--	--
Advances to other funds (Note 16)	5	--	--	--	--
Restricted cash and investments (Note 4)	28,733	--	--	--	--
Housing loans receivable	--	--	--	--	2,410
Housing loans interest receivable	--	--	--	--	348
Total assets	<u>456,363</u>	<u>52,552</u>	<u>32,324</u>	<u>37,515</u>	<u>75,624</u>
Deferred outflows of resources:					
Deferred payables (Note 1)	--	--	--	830	--
Total deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>830</u>	<u>--</u>
Total assets and deferred outflows of resources	<u>\$ 456,363</u>	<u>\$ 52,552</u>	<u>\$ 32,324</u>	<u>\$ 38,345</u>	<u>\$ 75,624</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	\$ 19,219	\$ 7,011	\$ 974	\$ 2,490	\$ 10,717
Salaries and benefits payable	18,666	947	3,786	5,132	3,305
Other payables	13,955	214	282	357	12,312
Litigation settlement payable (Note 21)	765	--	--	--	--
Advances from grantors and third parties (Note 8)	70,499	1,123	231	18,139	227
Unearned revenue	1,582	--	--	--	--
Due to other funds (Note 16)	981	3	228	63	482
Customer deposits payable	17,091	53	--	--	--
Advances payable (Note 16)	--	--	--	5	--
Total liabilities	<u>142,758</u>	<u>9,351</u>	<u>5,501</u>	<u>26,186</u>	<u>27,043</u>
Deferred inflows of resources:					
Deferred housing loan payments (Note 5)	--	--	--	--	2,758
Deferred miscellaneous unavailable revenue (Note 1)	--	--	--	8	--
Deferred lease proceeds	2,215	--	--	--	88
Total deferred inflows of resources	<u>2,215</u>	<u>--</u>	<u>--</u>	<u>8</u>	<u>2,846</u>
Fund balances (Note 14):					
Nonspendable	55	--	--	309	--
Restricted	105,197	44,623	27,643	9,415	47,566
Committed	168,567	--	--	2,989	--
Unassigned	37,571	(1,422)	(820)	(562)	(1,831)
Total fund balances	<u>311,390</u>	<u>43,201</u>	<u>26,823</u>	<u>12,151</u>	<u>45,735</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 456,363</u>	<u>\$ 52,552</u>	<u>\$ 32,324</u>	<u>\$ 38,345</u>	<u>\$ 75,624</u>

The notes to the financial statements are an integral part of this statement.

Flood Control District	Affordable Housing	Fire Protection District	Capital Projects	Other Governmental Funds	Total Governmental Funds	
						Assets and deferred outflows of resources
						Assets:
\$ 64,619	\$ 19,925	\$ 22,543	\$ 21,346	\$ 58,901	\$ 665,847	Cash and investments (Note 3)
--	--	--	--	--	44,962	Accounts receivable, net:
--	--	--	--	400	878	Taxes
--	--	--	--	203	203	Licenses, permits, and franchises
384	116	136	74	364	4,114	Fines, forfeitures, and penalties
3	2,241	2,997	4,208	1,651	75,956	Use of money and property
35	--	7,333	55	464	27,026	Intergovernmental
--	--	--	--	--	2,345	Charges for services
--	--	--	367	416	5,056	Lease receivables
12	--	--	--	1,018	5,902	Other
--	--	--	--	7	366	Due from other funds (Note 16)
--	--	--	--	31	76	Prepaid items
--	--	--	--	--	5	Other receivables
--	--	--	--	17,841	46,574	Advances to other funds (Note 16)
--	46,215	--	--	--	48,625	Restricted cash and investments (Note 4)
--	11,140	--	--	--	11,488	Housing loans receivable
65,053	79,637	33,009	26,050	81,296	939,423	Housing loans interest receivable
						Total assets
--	--	--	--	--	830	Deferred outflows of resources:
--	--	--	--	--	830	Deferred payables (Note 1)
\$ 65,053	\$ 79,637	\$ 33,009	\$ 26,050	\$ 81,296	\$ 940,253	Total deferred outflows of resources
						Total assets and deferred outflows of resources
						Liabilities, deferred inflows of resources, and fund balances
						Liabilities:
\$ 3,478	\$ 3,834	\$ 1,276	\$ 1,938	\$ 5,990	\$ 56,927	Accounts payable
342	--	4,488	--	1,510	38,176	Salaries and benefits payable
500	--	--	1,043	--	28,663	Other payables
--	--	--	--	--	765	Litigation settlement payable (Note 21)
--	7,587	--	--	--	97,806	Advances from grantors and third parties (Note 8)
--	--	--	--	--	1,582	Unearned revenue
37	245	--	2,032	1,831	5,902	Due to other funds (Note 16)
--	--	--	--	16,022	33,166	Customer deposits payable
--	--	--	--	--	5	Advances payable (Note 16)
4,357	11,666	5,764	5,013	25,353	262,992	Total liabilities
						Deferred inflows of resources:
--	57,355	--	--	--	60,113	Deferred housing loan payments (Note 5)
--	--	--	164	--	172	Deferred miscellaneous unavailable revenue (Note 1)
--	--	--	--	--	2,303	Deferred lease proceeds
--	57,355	--	164	--	62,588	Total deferred inflows of resources
						Fund balances (Note 14):
4	--	--	--	707	1,075	Nonspendable
63,393	11,579	27,584	9,080	45,674	391,754	Restricted
--	--	--	13,892	11,683	197,131	Committed
(2,701)	(963)	(339)	(2,099)	(2,121)	24,713	Unassigned
60,696	10,616	27,245	20,873	55,943	614,673	Total fund balances
\$ 65,053	\$ 79,637	\$ 33,009	\$ 26,050	\$ 81,296	\$ 940,253	Total liabilities, deferred inflows of resources, and fund balances

Amounts reported for governmental activities in the Statement of Net Position are different because (Note 2):

Total fund balances - governmental funds	\$ 614,673
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance Sheet.	921,212
Note receivable for governmental activities from the RDA Successor Agency private-purpose trust fund.	7,145
Housing loan and loan interest receivable forgivable portion.	(8,037)
Other receivable not due in the current period is not a current financial resource, therefore, it is not reported in the Balance Sheet.	842
Deferred outflows of resources reported in the Statement of Net Position.	205,865
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet.	(837,809)
Accrued interest on long-term debt.	(111)
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds and recognized as revenue in the Statement of Activities.	62,588
Deferred inflows of resources reported in the Statement of Net Position.	(44,056)
Internal Service Funds are used by management to charge the costs of fleet management, information technology, risk management, communications, and utility services to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Statement of Net Position.	75,459
Adjustment for Internal Service Funds are necessary to "close" those funds by charging additional amounts to participating business-type activities to completely cover the Internal Service Funds' costs for the year.	569
Net position of governmental activities	\$ 998,340

COUNTY OF SANTA BARBARA, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	General	Roads	Public Health	Social Services	Behavioral Wellness
Revenues					
Taxes	\$ 314,662	\$ 10,630	\$ --	\$ --	\$ --
Licenses, permits, and franchises	6,017	676	512	104	--
Fines, forfeitures, and penalties	9,658	--	536	12	48
Use of money and property	5,580	368	246	316	912
Intergovernmental	148,983	43,649	30,151	180,379	81,268
Charges for services	77,051	902	48,585	365	55,312
Other	8,392	6,408	1,147	901	182
Total revenues	<u>570,343</u>	<u>62,633</u>	<u>81,177</u>	<u>182,077</u>	<u>137,722</u>
Expenditures					
Current:					
Policy & executive	26,682	--	--	--	--
Public safety	264,063	--	--	--	--
Health & human services	4,937	--	93,956	186,494	143,809
Community resources & public facilities	35,766	69,587	--	--	--
General government & support services	56,673	--	--	--	--
General county programs	68,628	--	--	--	--
Debt service:					
Principal	1,196	66	260	1,199	317
Interest	178	35	10	787	99
Capital outlay	--	--	--	--	--
Total expenditures	<u>458,123</u>	<u>69,688</u>	<u>94,226</u>	<u>188,480</u>	<u>144,225</u>
Excess (deficiency) of revenues over (under) expenditures	<u>112,220</u>	<u>(7,055)</u>	<u>(13,049)</u>	<u>(6,403)</u>	<u>(6,503)</u>
Other financing sources (uses)					
Transfers in (Note 16)	14,262	12,985	10,720	9,186	8,466
Transfers out (Note 16)	(79,987)	(3,068)	(1,126)	(345)	(1,333)
Gain on sale of capital assets	102	24	6	--	4
Leases issued	--	--	--	--	--
Subscription assets financing source	2,072	--	431	514	--
Total other financing sources (uses)	<u>(63,551)</u>	<u>9,941</u>	<u>10,031</u>	<u>9,355</u>	<u>7,137</u>
Net change in fund balances	48,669	2,886	(3,018)	2,952	634
Fund balances - beginning	262,721	40,315	29,841	9,199	45,101
Fund balances - ending	<u>\$ 311,390</u>	<u>\$ 43,201</u>	<u>\$ 26,823</u>	<u>\$ 12,151</u>	<u>\$ 45,735</u>

The notes to the financial statements are an integral part of this statement.

Flood Control District	Affordable Housing	Fire Protection District	Capital Projects	Other Governmental Funds	Total Governmental Funds	
\$ 15,260	\$ --	\$ 70,139	\$ --	\$ 7,561	\$ 418,252	Revenues
8	--	55	--	14,453	21,825	Taxes
1	--	3	--	2,432	12,690	Licenses, permits, and franchises
868	302	102	186	742	9,622	Fines, forfeitures, and penalties
1,779	15,588	3,900	922	26,575	533,194	Use of money and property
4,149	--	34,112	581	6,190	227,247	Intergovernmental
12	568	129	850	7,805	26,394	Charges for services
22,077	16,458	108,440	2,539	65,758	1,249,224	Other
						Total revenues
						Expenditures
						Current:
--	--	--	--	--	26,682	Policy & executive
--	--	96,646	33	14,494	375,236	Public safety
--	--	--	--	22,778	451,974	Health & human services
31,697	27,684	--	--	23,541	188,275	Community resources & public facilities
--	--	--	--	4,753	61,426	General government & support services
--	--	--	--	4,455	73,083	General county programs
						Debt service:
--	--	--	--	2,857	5,895	Principal
--	--	--	--	1,308	2,417	Interest
--	--	--	20,409	--	20,409	Capital outlay
31,697	27,684	96,646	20,442	74,186	1,205,397	Total expenditures
(9,620)	(11,226)	11,794	(17,903)	(8,428)	43,827	Excess (deficiency) of revenues over (under) expenditures
						Other financing sources (uses)
41	13,230	322	17,084	14,297	100,593	Transfers in (Note 16)
--	(2,202)	(8,875)	(1,592)	(5,641)	(104,169)	Transfers out (Note 16)
68	--	85	--	--	289	Gain on sale of capital assets
--	--	--	--	548	548	Leases issued
--	--	--	--	--	3,017	Subscription assets financing source
109	11,028	(8,468)	15,492	9,204	278	Total other financing sources (uses)
(9,511)	(198)	3,326	(2,411)	776	44,105	Net change in fund balances
70,207	10,814	23,919	23,284	55,167	570,568	Fund balances - beginning
\$ 60,696	\$ 10,616	\$ 27,245	\$ 20,873	\$ 55,943	\$ 614,673	Fund balances - ending

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ 44,105
Capital assets:	
The acquisition of capital assets uses current financial resources but has no effect on net position.	75,274
The cost of capital assets is allocated over their estimated useful lives and reported as depreciation/amortization expense in the Statement of Activities.	(23,669)
Proceeds from the sale of capital assets provide current financial resources but have no effect on net position.	(289)
Net gain on the disposal of capital assets does not affect current financial resources but increases net position.	289
Lease acquisitions provide current financial resources but have no effect on net position.	(548)
Lease amortization expense does not use current financial resources but has an effect on net position.	(2,452)
Subscription asset acquisitions provide current financial resources but have no effect on net position.	(3,017)
Subscription asset amortization expense does not use current financial resources but has an effect on net position.	(694)
Lease asset valuation changes - new software	(57)
Long-term debt:	
Principal payments on long-term debt use current financial resources but have no effect on net position.	2,743
Lease principal payments on long-term debt use current financial resources but have no effect on net position.	1,991
Subscription principal payments on long-term debt use current financial resources but have no effect on net position.	1,161
Measurement focus:	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	4,830
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in interest payable liability	16
Change in compensated absences liability	(659)
Change in estimated litigation liability	150
Change in accrued net OPEB liability	11,098
Change in accrued net pension liability	70,339
Amortization of bond premiums/discounts and issuance costs	(9)
Internal service funds:	
Internal service funds are used by management to charge the costs of information technology, fleet management, risk management, communication services, and utilities to individual funds.	
The net revenue of internal service funds is reported within governmental activities.	6,385
Change in net position of governmental activities	\$ 186,987

COUNTY OF SANTA BARBARA, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023 (in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Resource Recovery	Laguna Sanitation	Total	
Assets				
Current assets:				
Cash and investments (Note 3)	\$ 55,733	\$ 26,558	\$ 82,291	\$ 68,766
Accounts receivable, net:				
Licenses, permits, and franchises	333	--	333	--
Use of money and property	455	160	615	378
Intergovernmental	50	79	129	--
Charges for services	1,858	26	1,884	122
Lease receivables	--	147	147	--
Other	--	24	24	45
Inventories	270	52	322	305
Total current assets	<u>58,699</u>	<u>27,046</u>	<u>85,745</u>	<u>69,616</u>
Noncurrent assets:				
Other receivables (Note 5)	963	9	972	343
Restricted cash and investments (Note 4)	42,097	624	42,721	10
Capital assets, not being depreciated/amortized (Note 6)	13,596	67,903	81,499	5,778
Capital assets, net of accumulated depreciation/amortization (Note 6)	174,633	35,721	210,354	30,261
Total noncurrent assets	<u>231,289</u>	<u>104,257</u>	<u>335,546</u>	<u>36,392</u>
Total assets	<u>289,988</u>	<u>131,303</u>	<u>421,291</u>	<u>106,008</u>
Deferred outflows of resources				
Deferred pensions (Note 18)	2,803	741	3,544	3,293
Deferred OPEB (Note 19)	308	76	384	362
Total deferred outflows of resources	<u>3,111</u>	<u>817</u>	<u>3,928</u>	<u>3,655</u>
Liabilities				
Current liabilities:				
Accounts payable	2,247	1,495	3,742	2,684
Salaries and benefits payable	645	154	799	750
Interest payable	591	74	665	--
Other payables	1,319	(23)	1,296	--
Customer deposits payable	--	34	34	--
Compensated absences (Note 10)	653	168	821	737
Certificates of participation payable (Note 10)	3,890	865	4,755	--
Other short-term liabilities	--	--	--	283
Bonds and notes payable (Note 10)	--	305	305	437
Subscription liability - short-term	--	--	--	712
Liability for self-insurance claims (Note 11)	--	--	--	5,168
Landfill closure/postclosure care costs (Note 13)	2,918	--	2,918	--
Total current liabilities	<u>12,263</u>	<u>3,072</u>	<u>15,335</u>	<u>10,771</u>
Noncurrent liabilities:				
Compensated absences (Note 10)	--	26	26	234
Subscription liability - long-term	--	--	--	245
Certificates of participation payable, net (Note 10)	150,772	24,874	175,646	--
Bonds and notes payable (Note 10)	--	625	625	1,501
Liability for self-insurance claims (Note 11)	--	--	--	7,943
Landfill closure/postclosure care costs (Note 13)	35,821	--	35,821	--
Net pension liability (Note 18)	9,946	2,629	12,575	11,684
Net OPEB liability (Note 19)	1,375	342	1,717	1,613
Total noncurrent liabilities	<u>197,914</u>	<u>28,496</u>	<u>226,410</u>	<u>23,220</u>
Total liabilities	<u>210,177</u>	<u>31,568</u>	<u>241,745</u>	<u>33,991</u>
Deferred inflows of resources				
Deferred pensions (Note 18)	146	38	184	171
Deferred OPEB (Note 19)	35	9	44	42
Deferred lease proceeds	--	140	140	--
Total deferred inflows of resources	<u>181</u>	<u>187</u>	<u>368</u>	<u>213</u>
Net position				
Net investment in capital assets	48,515	76,881	125,396	33,144
Unrestricted	34,226	23,484	57,710	42,315
Total net position	<u>\$ 82,741</u>	<u>\$ 100,365</u>	<u>183,106</u>	<u>\$ 75,459</u>
Adjustment to reflect the allocation of the internal service funds' cumulative net loss			(569)	
Net position of business-type activities			<u>\$ 182,537</u>	

The notes to the financial statements are an integral part of this statement.

COUNTY OF SANTA BARBARA, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Resource Recovery	Laguna Sanitation	Total	
Operating revenues				
Charges for services	\$ 41,414	\$ 15,593	\$ 57,007	\$ 89,613
Sale of scrap and recyclables	105	--	105	--
Self-insurance recovery	--	--	--	1,223
Other operating revenues	7,417	136	7,553	284
Total operating revenues	<u>48,936</u>	<u>15,729</u>	<u>64,665</u>	<u>91,120</u>
Operating expenses				
Salaries and benefits	9,383	2,552	11,935	11,687
Services and supplies	11,999	4,059	16,058	60,929
Self-insurance claims	--	--	--	5,527
Contractual services	11,996	529	12,525	2,761
Depreciation and amortization	6,681	1,574	8,255	6,176
County overhead allocation	538	126	664	2,968
Closure/postclosure care costs	2,918	--	2,918	--
Total operating expenses	<u>43,515</u>	<u>8,840</u>	<u>52,355</u>	<u>90,048</u>
Operating income	<u>5,421</u>	<u>6,889</u>	<u>12,310</u>	<u>1,072</u>
Non-operating revenues (expenses)				
Use of money and property	704	467	1,171	924
Interest expense	(5,987)	(520)	(6,507)	(80)
Gain (loss) on sale of assets	28	(2)	26	467
Settlements and damages	(50)	--	(50)	--
State and federal aid	37	--	37	--
Other non-operating revenues	2,986	184	3,170	446
Total non-operating revenues (expenses), net	<u>(2,282)</u>	<u>129</u>	<u>(2,153)</u>	<u>1,757</u>
Income before transfers	<u>3,139</u>	<u>7,018</u>	<u>10,157</u>	<u>2,829</u>
Transfers in (Note 16)	--	--	--	4,540
Transfers out (Note 16)	--	--	--	(964)
Total transfers, net	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,576</u>
Change in net position	<u>3,139</u>	<u>7,018</u>	<u>10,157</u>	<u>6,405</u>
Total net position - beginning	<u>79,602</u>	<u>93,347</u>	<u>172,949</u>	<u>69,054</u>
Total net position - ending	<u>\$ 82,741</u>	<u>\$ 100,365</u>	<u>\$ 183,106</u>	<u>\$ 75,459</u>
Change in net position - total enterprise funds			\$ 10,157	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			24	
Change in net position of business-type activities			<u>\$ 10,181</u>	

The notes to the financial statements are an integral part of this statement.

COUNTY OF SANTA BARBARA, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Resource Recovery	Laguna Sanitation	Total	
Cash flows from operating activities				
Receipts from interfund services provided	\$ --	\$ --	\$ --	\$ 89,827
Receipts from self-insurance recovery	--	--	--	1,223
Receipts from customers and users	52,563	15,650	68,213	--
Payments to employees	(10,410)	(2,606)	(13,016)	(12,538)
Payments to suppliers	(21,654)	(7,524)	(29,178)	(62,468)
Payments for self-insurance claims	--	--	--	(5,375)
Payments for landfill closure/postclosure costs	(5)	--	(5)	--
County overhead allocation payments to the General Fund	(538)	(126)	(664)	(2,968)
Other receipts	4,205	146	4,351	446
Net cash provided by operating activities	<u>24,161</u>	<u>5,540</u>	<u>29,701</u>	<u>8,147</u>
Cash flows from noncapital financing activities				
Transfers from other funds	--	--	--	4,540
Transfers to other funds	--	--	--	(964)
Payment on landfill settlement	(50)	--	(50)	--
State and federal aid	37	--	37	--
Net cash provided (used) by noncapital financing activities	<u>(13)</u>	<u>--</u>	<u>(13)</u>	<u>3,576</u>
Cash flows from capital and related financing activities				
Purchase of capital assets	(4,697)	(16,940)	(21,637)	(8,412)
Proceeds from sale of capital assets	187	(2)	185	701
Principal paid on certificates of participation	(3,425)	--	(3,425)	--
Interest and fees paid on certificates of participation	(7,159)	--	(7,159)	--
Principal paid on bonds and notes payable	--	(1,701)	(1,701)	(432)
Principal paid on SBITAs	--	--	--	(680)
Interest and fees paid on bonds and notes payable	--	--	--	(80)
Proceeds from certificates of participation premiums	--	(883)	(883)	--
Federal interest subsidy on bonds payable	--	38	38	--
Net cash used by capital and related financing activities	<u>(15,094)</u>	<u>(19,488)</u>	<u>(34,582)</u>	<u>(8,903)</u>
Cash flows from investing activities				
Use of money and property received	1,066	496	1,562	962
Changes in fair value of investments	(702)	(128)	(830)	(310)
Net cash provided by investing activities	<u>364</u>	<u>368</u>	<u>732</u>	<u>652</u>
Net change in cash and cash equivalents	9,418	(13,580)	(4,162)	3,472
Cash and cash equivalents - beginning	88,412	40,762	129,174	65,304
Cash and cash equivalents - ending	<u>\$ 97,830</u>	<u>\$ 27,182</u>	<u>\$ 125,012</u>	<u>\$ 68,776</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position				
Cash and investments per Statement of Net Position	\$ 55,733	\$ 26,558	\$ 82,291	\$ 68,766
Restricted cash and investments per Statement of Net Position	42,097	624	42,721	10
Total cash and cash equivalents per Statement of Net Position	<u>\$ 97,830</u>	<u>\$ 27,182</u>	<u>\$ 125,012</u>	<u>\$ 68,776</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 5,421	\$ 6,889	\$ 12,310	\$ 1,072
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	6,681	1,574	8,255	6,176
Other non-operating revenue	4,205	146	4,351	446
Non-cash loss on impairment charged to operating revenue	1,239	--	1,239	--
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:				
Accounts and other receivables	3,627	(70)	3,557	(71)
Inventories	71	(11)	60	51
Prepaid items	--	--	--	92
Accounts payable	982	(2,925)	(1,943)	1,080
Salaries and benefits payable	(1,027)	(54)	(1,081)	(851)
Customer deposits	--	(9)	(9)	--
Expense cancelled Work in Progress projects to Payments to Suppliers	49	--	49	--
Liability for self-insurance claims	--	--	--	152
Landfill closure/postclosure care cost liability	2,913	--	2,913	--
Net cash provided by operating activities	<u>\$ 24,161</u>	<u>\$ 5,540</u>	<u>\$ 29,701</u>	<u>\$ 8,147</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SANTA BARBARA, CALIFORNIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2023 (in thousands)

	Pension and Other Postemployment Benefits Trust Funds	Investment Trust Fund	Private-purpose Trust Fund	Other Custodial Funds
Assets				
Cash and investments (Note 3)	\$ --	\$ 1,668,857	\$ 1,526	\$ 35,502
Other cash and cash equivalents (Note 3)	42,178	--	--	--
Collateral held for securities lent	33,912	--	--	--
Short-term investments	33,588	--	--	--
Total other cash and cash equivalents	<u>109,678</u>	<u>1,668,857</u>	<u>1,526</u>	<u>35,502</u>
Investments:				
Private equity	575,753	--	--	--
Domestic equity	776,358	--	--	--
Core fixed income	624,470	--	--	--
Developed markets non-US equity	399,593	--	--	--
Emerging market equity	259,484	--	--	--
Non-core fixed income	282,549	--	--	--
Private credit	140,561	--	--	--
Real assets/real return	588,155	--	--	--
Real estate	456,311	--	--	--
Total Investments	<u>4,103,234</u>	<u>--</u>	<u>--</u>	<u>--</u>
Prepays and receivables				
Prepaid assets	9,584	--	--	--
Contributions	12,062	--	--	--
Accrued interest	2,833	--	5	--
Dividends	4,959	--	--	--
Security sales	4,084	--	--	--
Other receivables	--	9,080	--	537
Total prepaids and receivables	<u>33,522</u>	<u>9,080</u>	<u>5</u>	<u>537</u>
Restricted cash and investments (Note 4)	--	--	1,311	--
Total assets	<u>4,246,434</u>	<u>1,677,937</u>	<u>2,842</u>	<u>36,039</u>
Liabilities				
Accounts payable	1,039	23,964	--	191
Collateral held for securities lent	33,912	--	--	--
Benefits payable	16,482	--	--	--
Security purchases	5,271	--	--	--
Long-term debt:				
Due in more than one year	--	--	7,145	--
Total liabilities	<u>56,704</u>	<u>23,964</u>	<u>7,145</u>	<u>191</u>
Net position				
Restricted for:				
Pensions	4,132,090	--	--	--
Postemployment benefits other than pensions	57,640	--	--	--
Pool participants	--	1,653,973	--	--
Redevelopment agency dissolution	--	--	(4,303)	--
Individuals, organizations, and other governments	--	--	--	35,848
Total net position (deficit)	<u>\$ 4,189,730</u>	<u>\$ 1,653,973</u>	<u>\$ (4,303)</u>	<u>\$ 35,848</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SANTA BARBARA, CALIFORNIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Pension and Other Postemployment Benefits Trust Funds	Investment Trust Fund	Private-purpose Trust Fund	Other Custodial Funds
Additions				
Property tax collections	\$ --	\$ --	\$ 1,404	\$ 3,941,702
Other taxes and fees collected for other governments	--	--	--	37,977
Contributions:				
Employer	172,652	--	--	--
Plan members	38,522	--	--	--
Private contributions	--	6,612,189	--	2,616
Total contributions	<u>211,174</u>	<u>6,612,189</u>	<u>--</u>	<u>2,616</u>
Investment earnings (losses):				
Net increase (decrease) in the fair value of investments	257,277	(7,758)	(39)	1,739
Interest	14,103	28,133	30	--
Dividends	30,783	--	--	--
Total net investment earnings (losses)	<u>302,163</u>	<u>20,375</u>	<u>(9)</u>	<u>1,739</u>
Less investment expense	<u>(19,956)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net investment earnings (losses)	282,207	20,375	(9)	1,739
Net securities income	356	--	--	--
Total miscellaneous income	<u>679</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total additions	<u>494,416</u>	<u>6,632,564</u>	<u>1,395</u>	<u>3,984,034</u>
Deductions				
Beneficiary payments	238,672	--	--	2,562
Member withdrawals	2,563	--	--	--
Administrative expenses	6,912	--	3	--
Distributions from pooled investments	--	6,282,275	--	--
Property tax distributions	--	--	--	3,937,676
Payments to other local governments	--	--	--	37,418
Interest on note payable	--	--	357	--
Total deductions	<u>248,147</u>	<u>6,282,275</u>	<u>360</u>	<u>3,977,656</u>
Net increase in fiduciary net position	246,269	350,289	1,035	6,378
Net position (deficit) - beginning, as previously reported on 6/30/22	3,943,461	1,303,684	(5,338)	29,798
Change due to reclassification of a fund to a Governmental Fund	--	--	--	(328)
Net position - beginning, as restated on 6/30/22	<u>3,943,461</u>	<u>1,303,684</u>	<u>(5,338)</u>	<u>29,470</u>
Net position (deficit) - ending	<u>\$ 4,189,730</u>	<u>\$ 1,653,973</u>	<u>\$ (4,303)</u>	<u>\$ 35,848</u>

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements



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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

The County of Santa Barbara (County), which was established by an act of the California legislature on February 18, 1850, is a legal subdivision of the State of California charged with governmental powers. The County’s powers are exercised through a five-member Board of Supervisors (Board) which, as the governing body of the County, is responsible for the legislative and executive control of the County. As required by generally accepted accounting principles (GAAP) in the United States of America, the accompanying financial statements present the activities of the County (the primary government) and its component units. The component units discussed below are included in the County’s reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units

While each of these component units is legally separate from the County, the County is financially accountable for these entities. Financial accountability is primarily demonstrated by the County’s Board acting as, or appointing, the governing board for each of the component units and its ability to impose its will. Because of their relationship with the County and the nature of their operations, component units are, in substance, part of the County’s operations and, accordingly, the activities of these component units are combined, or blended, with the activities of the County for purposes of reporting in the accompanying basic financial statements.

Additional detailed information of the County’s component units can be obtained from the County Auditor-Controller’s office located at 105 East Anapamu Street, Room 303, Santa Barbara, CA 93101.

Descriptions of the County’s blended component units are as follows:

Component Unit	Included in the Reporting Entity Because:	Separate Financial Statements
<i>Flood Control and Water Conservation Districts:</i> established to control flood and storm waters and to conserve such waters for beneficial public use. Revenues consist primarily of property taxes and aid from other governmental units.	1) Units’ board are the same as the Board and 2) County Management has operational responsibility	Not available
<i>Santa Barbara County Fire Protection District:</i> established to provide a full range of fire services to most of the unincorporated territory of Santa Barbara County; the cities of Buellton, Solvang, and Goleta; and private lands within the National Forest. Revenues consist primarily of property taxes.	1) Unit’s board is the same as the Board and 2) County Management has operational responsibility	Not available

<p><i>In-Home Supportive Services Public Authority (IHSS):</i> established to act as the employer of record for IHSS individual providers. As an administrative unit, IHSS carries out functions prescribed in Welfare & Institutions Code Section 12301.6. Those functions include a provider screening process, a registry that will match eligible providers and consumers, and collective bargaining with providers and their representatives. IHSS also offers access to training for providers and consumers while continuing to allow for consumer choice in the selection of providers.</p>	<p>1) Unit’s board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>County Service Areas:</i> established to provide specific services to distinct geographical areas within the County. These services include street lighting, open space maintenance, library, community sewer sanitation and maintenance, and road maintenance. Revenues consist primarily of property taxes and benefit assessments.</p>	<p>1) Unit’s board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Community Facilities Districts:</i> established to allow for financing of public improvements and services. The services and improvements that can be financed include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums, and other cultural facilities. Revenues consist primarily of Mello-Roos property taxes.</p>	<p>1) Unit’s board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Lighting Districts:</i> established to provide operation and maintenance of streetlights in certain areas of the County. Revenues consist primarily of property taxes and benefit assessments.</p>	<p>1) Unit’s board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Sandyland Seawall Maintenance District:</i> established to provide for maintenance of a seawall constructed in the Sandyland Cove area. Revenues consist primarily of benefit assessments levied against those properties adjacent to that beachfront area.</p>	<p>1) Unit’s board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>

<p><i>Water Agency:</i> established to prepare investigations and reports on the County's water requirements, project development, and importation of water from the State Water Project. The Water Agency provides technical assistance to County departments, water districts, and the public relative to ground water availability and water-well locations and design. The Water Agency also administers the Cachuma Project and Twitchell Project contracts with the U.S. Bureau of Reclamation.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Santa Barbara County Finance Corporation:</i> established on July 28, 1983, this corporation is a nonprofit public benefit corporation and, in general, its purpose is to: purchase, lease or otherwise acquire real property; construct, install or acquire public improvements; operate, maintain, repair or improve real or personal property; and borrow money and become indebted for the purpose of acquiring and improving such property. The corporation facilitates financing for the County and other public entities.</p>	<p>1) Unit provides services almost entirely to the County</p>	<p>Not available</p>
<p><i>Laguna County Sanitation District:</i> established to provide water and sewage treatment services to users. The costs of operating this district are charged to the users in the form of water charges and sewer fees.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>

The accompanying financial statements include an Investment Trust Fund that holds assets of numerous self-governed school and special districts for which the County Treasurer acts as custodian. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments, and other assets, and the related fiduciary responsibility of the County for disbursement of these assets. The County Auditor-Controller makes disbursements upon the request of the responsible school or special district officers. Activities of the school and special districts are administered by separate boards and are independent of the County Board. The Board has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, or to appropriate surplus funds available in these entities.

The accompanying financial statements also include a statutorily required Private-Purpose Trust Fund for the Santa Barbara County Redevelopment Successor Agency (Successor Agency). The Successor Agency was created to serve, in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency (RDA). The Successor Agency operates under the auspices of a legislatively formed oversight board who has authority over its financial affairs and supervises its operations and timely dissolution. Its assets are held in trust for the benefit of the taxing entities within the former RDA boundaries and as such are not available for County use.

Discrete Component Unit

The First 5 Santa Barbara County Children and Families Commission (Commission) was established by the Board as a separate legal entity under the authority of the California Children and Families Act of 1998 (Proposition 10). The Commission invests tobacco tax revenues in programs that improve the lives of children prenatal through age 5 and their families. The Commission is governed by a nine-member Board of Commissioners (Commissioners) who are appointed by the County Board and may be removed at will. The Commissioners are responsible for the operation of the Commission. The Commission is discretely presented because its board is not substantively the same as the County's and it does not provide services entirely or almost entirely to the County. A separately issued financial report can be obtained online at <http://first5santabarbaracounty.org> or by writing to: First 5 Children and Families Commission, 5385 Hollister Avenue, Building 10, Suite 110, Goleta, CA 93111.

Fiduciary Component Unit

The County pension plan is administered by the Santa Barbara County Employees' Retirement System (SBCERS), which was established on January 1, 1944, and is administered by the Board of Retirement to provide service retirement, disability, death, and survivor benefits for employees of the County and participating districts. SBCERS also administers the County's agent multiple-employer defined benefit postemployment healthcare plan (OPEB Plan). The Santa Barbara County Board of Supervisors and the governing boards of the participating districts adopt resolutions, as permitted by the California State Government Code §31450 (County Employees' Retirement Law of 1937 (CERL)), which affect the benefits of the SBCERS members. SBCERS is governed by the California Constitution; CERL; and the bylaws, policies and procedures adopted by the SBCERS' Board of Retirement. SBCERS is reported in the Pension and OPEB Trust Funds on the Statement of Fiduciary Net Position - Fiduciary Funds of the basic financial statements and has been included because there is a financial benefit or burden relationship and the County appoints a voting majority of the Board of Retirement. SBCERS issues its own Annual Comprehensive Financial Report (ACFR) that may be obtained by writing to SBCERS at 130 Robin Hill Road, Suite 100, Goleta, CA 93117 or on the SBCERS website at: <http://www.sbcers.org>.

New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following GASB Statements have been implemented in the current financial statements:

Statement No. 91 <i>"Conduit Debt Obligations"</i>	This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity of practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. (FY 22/23) This statement was implemented without impact to the County.
Statement No. 94 <i>"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"</i>	This statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (P3s). It also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. (FY 22/23) Refer to Note 7 for additional information.
Statement No. 96 <i>"Subscription-Based Information Technology Arrangements"</i>	This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs).The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. (FY 22/23) Refer to Note 9 for additional information.
Statement No. 99 <i>"Omnibus 2022"</i>	The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of other GASB statements, and (2) adding accounting and financial reporting guidance for financial guarantees. The requirements related to leases, Public-Private and Public-Public Partnerships (P3s), and Subscription-Based Information Technology Arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. (FY 22/23) Refer to Notes 7 and 9 for additional information.

Financial Statements

The County’s financial statements consist of the following:

- Governmentwide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

The governmentwide financial statements consist of the Statement of Net Position and the Statement of Activities and report information on all of the nonfiduciary activities of the primary government and its component units. All

internal balances in the Statement of Net Position have been eliminated, with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column. The Statement of Activities presents function revenue and expenses of governmental activities and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

In the Statement of Activities, internal service funds' revenue and expenses related to interfund services have been eliminated. Revenue and expenses related to services provided to external customers have not been eliminated and are presented within governmental activities. As a general rule, interfund activities (e.g., interfund transfers and interfund reimbursements) have been eliminated in the governmentwide Statement of Activities. Exceptions to the general rule are interfund services provided and used between functions, such as mental health services provided to certain inmates at the County jail. Elimination of these interfund activities would distort the direct costs and program revenues reported for the various functions concerned.

The governmentwide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include policy and executive, public safety, health and human services, community resources and public facilities, general government and support services, and general County programs. The business-type activities of the County include resource recovery and waste management and sanitation operations.

The Statement of Activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated based on the annual Countywide Cost Allocation Plan which allocates the cost of central service departments to service user departments. Costs allocated in the Cost Allocation Plan include administrative and support costs such as budget preparation and oversight, County counsel, landscaping, payroll, utilities, and facilities maintenance. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions, including special assessments, that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the governmentwide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The governmentwide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds' financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as a deferred inflow of resources as soon as all eligibility requirements have been met, except for the timing requirement.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County, in general, considers revenues available if they are collected within 180 days after fiscal year-end, except for property taxes, which the County considers

available if they are collected within 60 days after fiscal year-end. Grants, Medi-Cal reimbursements and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures that meet accrual criteria are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, and claims and judgments which are recognized when payment is due. General capital asset acquisitions, including contracts giving the County control of right-to-use leased and subscription-based information technology assets, are reported as expenditures in governmental funds. Financing through leases are reported as other financing sources.

For the governmental funds financial statements, the County considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, sales taxes, franchise taxes, licenses, interest, special assessments, charges for services and other miscellaneous revenue are all considered to be susceptible to accrual, and have been recognized as revenue in the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All expenditure-driven grants are recorded at the time of receipt or earlier. If qualifying expenditures have been incurred and all other eligibility requirements have been met, expenditure-driven grants are recognized as revenue. When all eligibility requirements are met, except for the timing requirement, a deferred inflow of resources is reported until time requirements have passed.

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained, consistent with legal and managerial requirements.

In accordance with GAAP, the County reports on each major governmental fund. By definition, the general fund is always considered a major fund. Governmental funds other than the general fund must be reported as major funds if they meet both the ten percent and five percent criterion, defined respectively, 1) An individual governmental fund reports at least ten percent of any of the following: a) total governmental fund assets and deferred outflows of resources, b) total governmental fund liabilities and deferred inflows of resources, c) total governmental fund revenues, or d) total governmental fund expenditures; 2) an individual governmental fund reports at least five percent of the aggregated total for both governmental funds and enterprise funds of any one of the items for which it met the ten percent criterion. In addition, a fund may be reported as major if it is believed to be of particular importance to financial statement users.

The County reports the following major governmental funds:

- The **General Fund** is the County's primary operating fund. It accounts for all the financial resources and the legally authorized activities of the County except those required to be accounted for in specialized funds.
- The **Roads Fund** is used to account for the planning, design, construction, maintenance and administration of County roads. It is also used to account for traffic safety and other transportation planning activities. Funding comes primarily from local sales and state highway user taxes, along with state and federal highway improvement grants.
- The **Public Health Fund** accounts for a variety of preventative health programs, outpatient services and inmate health programs. The fund is also used to account for Environmental Health and Emergency Medical Services. Revenue sources are primarily state and federal grants and vehicle license fees.
- The **Social Services Fund** accounts for a variety of public assistance and social service programs that are funded primarily from state and federal grants.
- The **Behavioral Wellness Fund** is used to account for mandated community health services under the California Mental Health Act including a mandated responsibility to "guarantee and protect public safety." Revenue sources are primarily charges for services, sales tax revenue and state grants.

- The **Flood Control District Fund** is used to account for the provision of flood protection activities. Revenues come from a variety of sources including property taxes, charges for services, benefits assessments, and federal grants.
- The **Affordable Housing Fund** is used to account for the various affordable housing programs administered by the County and provides local match to leverage federal funding for the creation of affordable housing.
- The **Fire Protection District Fund** is used to account for the finances of the Santa Barbara County Fire Department. The Fire Department utilizes property tax revenues, which are collected for public safety within the district's boundaries. The Fire Department provides a full range of emergency services for most of the unincorporated territory of Santa Barbara County; the Cities of Buellton, Solvang, and Goleta; and private lands within the National Forest. The National Forest and military installations provide their own fire protection.
- The **Capital Projects Fund** is used to account for financial resources used in constructing major facilities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Resource Recovery and Laguna Sanitation enterprise funds and of the County's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County reports the following proprietary funds:

- The **Resource Recovery and Waste Management Fund (Resource Recovery)** accounts for the activities of refuse collection, disposal, landfill operations, and recycling programs.
- The **Laguna County Sanitation District Fund (Laguna Sanitation)** accounts for the activities of sewer collection and sewage treatment in the Orcutt area.
- **Internal Service Funds** account for information technology, vehicle operations, risk management, communications operations, and utilities operations that provide services to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

Fiduciary funds include all Trust and Custodial funds, which account for assets held by the County as a trustee or as a custodian for individuals or other government units.

The County reports the following fiduciary funds:

- **Pension and Other Postemployment Employee Benefits Trust Funds** account for the activities of the SBCERS pension plans and Other Postemployment Benefits Trust Funds, which accumulate resources for pension and other postemployment benefit payments to qualified beneficiaries. The County reports on 4 different pension trust funds.
- The **Investment Trust Fund** accounts for the external portion of the County Treasurer's investment pool, which commingles resources of legally separate local governments within the County in an investment portfolio for the benefit of all participants. These entities include school and community college districts, other special districts governed by local boards, and regional boards and authorities. The County separately maintains these entities' money in 375 individual funds; these funds represent the assets, primarily cash and investments.

- The **Private-Purpose Trust Fund** is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Santa Barbara County Redevelopment Successor Agency (Successor Agency).
- **Custodial Funds – Other** are funds held by the County in a custodial capacity for individuals or other government units. The County reports on 137 different custodial funds.

Cash and Investments

The County's cash and cash equivalents for Statement of Cash Flows purposes are considered to be cash on hand, demand deposits, restricted cash, and investments held by the County Treasurer in a cash management investment pool (Pool). The County has stated required investments at fair value in the accompanying financial statements using the fair value measurement within the fair value hierarchy established by GAAP.

The Pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Treasury Oversight Committee set forth the various investment policies that the County Treasurer must follow.

The Air Pollution Control District and the Santa Barbara County Association of Governments, as well as the public school districts, cemetery districts, fire protection districts, pest control districts, recreation and park districts, and resource conservation districts within the County are required by legal provisions to participate in the County's investment pool. The deposits held for these districts are included in the Investment Trust Fund.

Accounts Receivable and Payable

The County only accrues revenues at fiscal year-end and accrues only those revenues it deems collectible; as such, the County has no allowance for uncollectible accounts. The County expects to collect all accounts receivable within one year. County policy requires that all revenues and expenditures greater than \$5 be accrued at fiscal year-end, while revenues and expenditures under \$5 may be accrued at fiscal year-end at the discretion of individual departments.

The County levies, collects, and apportions property taxes for all taxing jurisdictions within the County including school and special districts. Article XIII B of the State of California Constitution limits the property tax levy to support general government services of the various taxing jurisdictions to one dollar per 100 dollars of full cash value. Taxes levied to service voter-approved debt are excluded from this limitation.

Secured property taxes are levied in September of each year based upon the assessed valuation as of the previous January 1 (lien date). They are payable in two equal installments due on November 1 and February 1 and are considered delinquent with penalties after December 10 and April 10, respectively. Unsecured property taxes are due on the January 1 lien date and become delinquent with penalties after August 31.

Since Fiscal Year (FY) 1993-94, the County has used an alternative property tax distribution method referred to as the "Teeter Plan." This method allows for a 100% distribution of the current tax levy to California entities electing the alternative method, as compared to the previous method where only the current levy less any delinquent taxes was distributed. This results in the General Fund receiving distributions of approximately 50-55% in December, 40-45% in April and the remaining 5% in June of each year. This method also provides that all of the delinquent penalties and redemption penalties of the participating entity flow to the County's General Fund. All County entities receiving property taxes were required by statute to participate once the alternative method was elected. All delinquent taxes are recorded as accounts receivable in the General Fund. At June 30, 2023, property taxes receivable of \$44,962 are recorded in the General Fund. In addition, the Teeter Plan requires that a property tax loss reserve be maintained in an amount equal to 1% of the current year's secured tax levy, which is shown as a restricted portion of fund balance in the General Fund (see Note 14).

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets by the County that is applicable to a future reporting period and will not be recognized as an outflow of resources (expense/expenditures) until that time. The County, including its discretely presented component unit, recognized deferred outflows of resources related to: 1) Social Services benefit payments that did not meet the grant eligibility timing requirement to be recorded as an expenditure, 2) changes in the net pension liability, and 3) changes in the net OPEB liability.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets by the County that is applicable to a future reporting period and will not be recognized as an inflow of resources (revenue or a credit to expense) until that time. The County recognized deferred inflows of resources in the governmentwide Statement of Net Position related to: 1) assets and future installment payments of the Service Concession Arrangements (also known as Public-Private and Public-Public Partnerships (P3s)), 2) inflows from changes related to the net pension and net OPEB liabilities, and 3) inflows from right-to-use leases where the County is the lessor.

Under the modified accrual basis of accounting, it is not enough that expenditures are incurred; they must also meet all eligibility requirements other than timing. The County recognized deferred outflows of resources on the Governmental Funds Balance Sheet from Social Service benefit payments. In addition, revenue that is earned must also be available to finance expenditures in the current period under the modified accrual basis of accounting. The County recognized deferred inflows of resources on the Governmental Funds Balance Sheet related to total housing loan principal and interest receivable amounts as well as lease proceeds where the County is the lessor.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmentwide financial statements as “internal balances.” In the governmental funds financial statements, advances between funds are offset by a corresponding nonspendable portion of fund balance in the General Fund, restricted portion in all other funds, to indicate that they are not available for appropriation and are not expendable available financial resources.

Inventories and Prepaid Items

Inventories for both governmental and proprietary funds, consisting principally of materials and supplies held for consumption, are valued at cost, approximating market value, using the first-in, first-out (FIFO) method. The costs of governmental funds inventories are recorded as expenditures when consumed, rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the governmentwide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The inventories and prepaid items recorded in the governmental funds do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reported as nonspendable.

Capital Assets

Capital assets include land, land improvements, structures and improvements (e.g., office buildings and building improvements), equipment (e.g., vehicles, machinery and computers), infrastructure (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (e.g., land easements and computer software). The County also includes capital assets held by Service Concession Arrangements (SCA). Capital assets are reported in the applicable governmental or business-type activities columns in the governmentwide financial statements. If purchased or constructed, the capital assets are reported at historical or estimated historical cost. Capital assets received by the County in an SCA and donated capital assets, including works of art and historical treasures, are recorded at the estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The capitalization thresholds are \$0 for land, \$5 for equipment, and \$100 for land improvements, buildings and improvements, infrastructure, and computer software.

Capital assets, with the exception of non-depreciable land, are depreciated/amortized using the straight-line method over the following estimated useful lives:

Land improvements:	Parking lots, sidewalks, outdoor lighting, landscaping, drainage and irrigation systems	5 to 50 years
Buildings & improvements:	Office buildings Building improvements	20 to 100 years 5 to 50 years
Equipment:	Automobiles and light trucks Construction and maintenance vehicles General machinery and office equipment	5 to 10 years 5 to 20 years 2 to 25 years
Infrastructure:	Pavement and traffic signals Bridges All other	15 to 30 years 40 to 75 years 20 to 99 years
Intangible assets:	Computer software Right-to-use lease assets Right-to-use SBITAs	2 to 10 years 2 to 40 years 2 to 20 years

Outlays for capital assets and improvements are capitalized, as projects are constructed, in accordance with the County’s capitalization policy. Interest and indirect costs incurred during the construction phase of capital assets of proprietary funds are reflected in the capitalized value of the asset constructed. Depreciation/amortization expense is allocated to functions/programs and included as a direct expense in the Statement of Activities. Capital assets that are under construction or development and have not been completed are put into Work in Progress and are presented as a capital asset not being depreciated on the Statement of Net Position.

Right-to-use Lease Assets

Right-to-use lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payment made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service.

Right-to-use lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life on the underlying asset, unless the lease contains a purchase option that the County has determined is reasonably certain of being exercised.

Right-to-use SBITAs

Right-to-use Subscription-Based Information Technology Arrangements (SBITAs) are recorded at the amount of the initial measurement of the subscription liabilities, and are modified by any subscription payment made at or before the commencement of the subscription term. Right-to-use SBITAs are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying asset.

Long-term Debt

In the governmentwide and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmentwide activities or proprietary funds Statement of Net Position. Bond premiums and discounts are amortized over the life of the bond and issuance costs are expensed in the year incurred.

In the governmental funds financial statements, bond premiums, discounts, and issuance costs are recognized in the period issued. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Interest is reported as an expenditure in the period in which the related payment is made. The matured portion of long-term debt (i.e., portion that has come due for payment) is reported as a liability in the fund financial statement of the related fund.

Compensated Absences

County policy permits employees to accumulate earned but unused vacation, holiday, and sick pay benefits. County policy states that unused sick leave shall not be cashed out at time of separation from service with the County; therefore, no liability for unpaid accumulated sick leave exists. Employees eligible for full retirement benefits, however, may convert their unused sick leave to up to one year's service credit in determining their retirement benefits.

All vacation and holiday pay is accrued when incurred in the governmentwide and proprietary funds' financial statements. In the governmental funds financial statements, a liability for these amounts is reported only if they have matured, for example, as a result of employee resignations or retirements prior to year-end, and payment of the liability is made subsequent to year-end.

Pensions

In governmentwide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note 18 and the required supplementary information (RSI) section immediately following the Notes to Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the County recognizes a net pension liability, which represents the County's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Santa Barbara County Employees' Retirement System (SBCERS). The net pension liability is measured as of the County's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on

the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability, deferred outflows/inflows of resources relating to pensions, and pension expense, information about the fiduciary net position of the County's pension plan with SBCERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by SBCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits' terms. Investments are reported at fair value. Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's OPEB Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by Santa Barbara County Employees' Retirement System (SBCERS). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form; or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- *Assigned fund balance* – amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds. This classification is currently not used by the County.
- *Unassigned fund balance* – the residual classification for the County's General Fund that includes amounts not contained in the other classifications. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The Board establishes, modifies or rescinds fund balance appropriations for commitments and assignments by passage of an ordinance or resolution (ordinances and resolutions are considered of equal authority with respect to fund balance). This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the County's policy to use Restricted fund balance resources first, followed by the unrestricted resources in the Committed and Unassigned fund balances, as they are needed.

Fund Balance Policy

The County believes that sound financial management principles require that sufficient funds be retained by the County to provide a stable financial base at all times. To retain this stable financial base, the County needs to maintain unrestricted fund balance in its County funds sufficient to fund cash flows of the County and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed and unassigned fund balances are considered unrestricted.

The purpose of the County's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

The County has adopted a policy to achieve and maintain unrestricted fund balance in the General Fund of 15% of operating revenue (approximately 60 days working capital) at the close of each fiscal year, consistent with the recommended level promulgated by the Government Finance Officers Association (GFOA).

Additional detailed information, along with the complete *Fund Balance Policy*, can be obtained from the County Auditor-Controller's office located at 105 East Anapamu Street, Room 303, Santa Barbara, CA 93101.

Strategic Reserve Policy

The County has established a separate committed fund balance account known as the Strategic Reserve. The target funding level for the Strategic Reserve is an amount equivalent to 8% of operating revenue (approximately 30 days working capital) for the General Fund. Funding for the Strategic Reserve is appropriated annually by the Board as part of the budget approval process.

The purpose of the County's Strategic Reserve is to:

1. Mitigate economic downturns that reduce County general revenue;
2. Mitigate state or federal budget actions that may reduce County revenue;
3. Maintain core service levels essential to public health, safety, and welfare;
4. Front-fund or completely fund, if necessary, disaster costs or costs associated with emergencies. Only those events that have been legally declared to be a disaster at the local, state, or federal level are eligible for funding from the Strategic Reserve; and
5. Absorb liability settlements in excess of available resources in the County's committed litigation fund balance.

The monies in the Strategic Reserve are separate monies used only for the purposes stated above. The funds are used only to support the operating budget when general revenue increases less than 3% from the prior fiscal year. Any transfer of funds is approved by the Board and does not exceed the amount sufficient to balance the General Fund. Transfers require approval by 3/5 vote during budget hearings and 4/5 vote at all other times during the fiscal year in accordance with the County Budget Act.

As of June 30, 2023, the County’s Strategic Reserve fund balance was \$40,578.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Future Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements will be implemented in future financial statements:

Statement No. 99 <i>"Omnibus 2022"</i>	The requirements of this statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. (FY23/24)
Statement No. 100 <i>"Accounting Changes and Error Corrections"</i>	This statement improves accounting and financial reporting requirements for accounting changes and errors corrections to provide more understandable, reliable, relevant, consistent, and comparable information. It also requires the display of note disclosures of the accounting change and error corrections. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. (FY23/24)
Statement No. 101 <i>"Compensated Absences"</i>	This statement updates the recognition and measurement guidance for compensated absences. This is achieved by a unified model and amends certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. (FY24/25)
Statement No.102 <i>"Certain Risk Disclosures"</i>	This statement improves financial reporting by providing users of financial statements with essential information that currently is not often provided. It focuses on providing users with timely information regarding specific concentrations or constraints and related events that could significantly impact a government. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. (FY 24/25)

2. RECONCILIATION OF GOVERNMENTWIDE AND FUND FINANCIAL STATEMENTS

Amounts reported for governmental activities in the Statement of Net Position are different from those reported on the Balance Sheet for governmental funds. The following two schedules provide a reconciliation of those differences:

	Total Governmental Funds (Page 42)	Long-term Assets and Liabilities (1)	Internal Service Funds (2) (Page 46)	Adjustments (3)	Total Governmental Activities (Page 40)
Assets & deferred outflows of resources:					
Assets					
Cash and investments	\$ 665,847	\$ --	\$ 68,766	\$ --	\$ 734,613
Accounts receivable, net:					
Taxes	44,962	--	--	--	44,962
Licenses, permits, and franchises	878	--	--	--	878
Fines, forfeitures, and penalties	203	--	--	--	203
Use of money and property	4,114	--	378	--	4,492
Intergovernmental	75,956	--	--	--	75,956
Charges for services	27,026	--	122	--	27,148
Lease receivables	2,345	--	--	--	2,345
Other	5,056	--	45	--	5,101
Due from other funds	5,902	--	--	(5,902)	--
Internal balances	--	--	--	569	569
Inventories	--	--	305	--	305
Prepaid items	366	--	--	--	366
Note receivable	--	7,145	--	--	7,145
Other receivables	76	842	343	--	1,261
Advances to other funds	5	--	--	(5)	--
Restricted cash and investments	46,574	--	10	--	46,584
Housing loans receivable	48,625	(7,392)	--	--	41,233
Housing loans interest receivable	11,488	(645)	--	--	10,843
Capital assets	--	899,874	36,039	--	935,913
Right-of-use lease assets	--	21,338	--	--	21,338
Total assets	<u>939,423</u>	<u>921,162</u>	<u>106,008</u>	<u>(5,338)</u>	<u>1,961,255</u>
Deferred outflows of resources					
Deferred social services	830	--	--	--	830
Deferred pensions	--	187,961	3,293	--	191,254
Deferred OPEB	--	17,904	362	--	18,266
Total deferred outflows of resources	<u>830</u>	<u>205,865</u>	<u>3,655</u>	<u>--</u>	<u>210,350</u>
Total assets & deferred outflows of resources	<u>\$ 940,253</u>	<u>\$ 1,127,027</u>	<u>\$ 109,663</u>	<u>\$ (5,338)</u>	<u>\$ 2,171,605</u>

The Reconciliation of Governmentwide and Fund Financial Statements for the year ended June 30, 2023 continued:

	Total Governmental Funds (Page 42)	Long-term Assets and Liabilities (1)	Internal Service Funds (2) (Page 46)	Adjustments (3)	Total Governmental Activities (Page 40)
Liabilities, deferred inflows of resources, & fund balances/net position:					
Liabilities					
Accounts payable	\$ 56,927	\$ --	\$ 2,684	\$ --	\$ 59,611
Salaries and benefits payable	38,176	--	750	--	38,926
Interest payable	--	111	--	--	111
Other payables and long-term obligations	28,663	--	--	--	28,663
Litigation settlement payable (Note 21)	765	--	--	--	765
Advances from grantors and third parties	97,806	--	--	--	97,806
Unearned revenue	1,582	--	--	--	1,582
Due to other funds	5,902	--	--	(5,902)	--
Customer deposits payable	33,166	--	--	--	33,166
Advances payable	5	--	--	(5)	--
Compensated absences	--	44,529	971	--	45,500
Lease liability	--	22,256	--	--	22,256
Subscription liability	--	1,857	957	--	2,814
Capital lease obligations	--	--	--	--	--
Certificates of participation (COP)	--	20,478	--	--	20,478
Other short-term obligations	--	--	283	--	283
Bonds and notes payable	--	1,695	1,938	--	3,633
Liability for self-insurance claims	--	--	13,111	--	13,111
Estimated litigation liability	--	51	--	--	51
Net pension liability	--	666,896	11,684	--	678,580
Net OPEB liability	--	80,047	1,613	--	81,660
Total liabilities	262,992	837,920	33,991	(5,907)	1,128,996
Deferred inflows of resources					
Deferred service concession arrangements	--	29,929	--	--	29,929
Deferred housing loan payments	60,113	(60,113)	--	--	--
Deferred pensions	--	9,766	171	--	9,937
Deferred OPEB	--	2,058	42	--	2,100
Deferred miscellaneous unavailable revenue	172	(172)	--	--	--
Deferred lease proceeds	2,303	--	--	--	2,303
Total deferred inflows of resources	62,588	(18,532)	213	--	44,269
Fund balances/net position:					
Total fund balances/net position	614,673	307,639	75,459	569	998,340
Total liabilities, deferred inflows of resources, & fund balances/net position					
	\$ 940,253	\$ 1,127,027	\$ 109,663	\$ (5,338)	\$ 2,171,605

(1) Note receivable for governmental activities from the RDA Successor Agency		
Private-Purpose Trust Fund.	\$	7,145
Other receivables		842
Housing loans receivable		(7,392)
Housing loans interest receivable		(645)
Capital assets used in governmental activities (excluding Internal Service Funds) are not current financial resources and, therefore, are not reported in the Balance Sheet (Note 6).		899,874
Right-to-use Lease Assets		21,338
Deferred outflows of resources reported in the Statement of Net Position (Note 1).		205,865
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet (Note 10):		
Other payables and long-term obligations	\$	-
Compensated absences (excluding Internal Service Funds)		(44,529)
Lease liability		(22,256)
Subscription liability		(1,857)
Capital lease obligations (excluding Internal Service Funds)		--
Certificates of participation		(20,478)
Bonds and notes payable (excluding Internal Service Funds)		(1,695)
Estimated liability for litigation		(51)
Net pension liability (excluding Internal Service Funds)		(666,896)
Net OPEB liability (excluding Internal Service Funds)		<u>(80,047)</u>
Total long-term liabilities		(837,809)
Accrued interest on long-term debt		(111)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds and recognized as revenue in the Statement of Activities (Note 1).		62,588
Deferred inflows of resources (excluding Internal Service Funds) reported in the Statement of Net Position (Note 1).		<u>(44,056)</u>
	\$	<u><u>307,639</u></u>
(2) Internal Service Funds are used by management to charge the costs of information technology, reprographics and digital imaging services, vehicle operations and maintenance, risk management and insurance, communications and utility services to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Statement of Net Position.	\$	<u><u>75,459</u></u>
(3) Adjustment for Internal Service Funds are necessary to "close" those funds by charging additional amounts to participating business-type activities to completely cover the Internal Service Funds' costs for the year. Also included are immaterial rounding adjustments.	\$	<u><u>569</u></u>

3. CASH AND INVESTMENTS

Cash and investments include the cash balances of substantially all funds, which are pooled and invested by the County Treasurer. The Santa Barbara County Treasury Pool (Pool) is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool.

Custodial Credit Risk Related to Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Pool will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. This risk is mitigated in that, of the County's total bank balance, \$250 is insured by the Federal Deposit Insurance Corporation (FDIC). The remaining \$147,563 on deposit is collateralized with securities held by the pledging financial institution's agent. Per Government Code Section 53652, the depository is required to maintain a market value of at least 110% of the pledged collateral.

At June 30, 2023, the carrying amount of the Pool's deposits was \$147,813 and the corresponding bank balance was \$142,370. The difference of \$5,443 was principally due to deposits in transit.

Investments

Pursuant to Section 53646 of the Government Code, the County Treasurer prepares an Investment Policy Statement annually, and presents it to the Treasurer's Oversight Committee (TOC) for review and to the Board of Supervisors for approval.

The Investment Policy Statement provides the basis for the management of a prudent, conservative investment program. Public funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the Treasurer's Investment Policy is more restrictive than state law. Types of securities in which the Treasurer may invest include U.S. Treasury and U.S. Government agency securities; state and/or local agency bonds, notes, warrants or certificates of indebtedness; bankers' acceptances; commercial paper; corporate notes; negotiable certificates of deposit; repurchase agreements; reverse repurchase agreements; securities lending; bank deposits; money market mutual funds; the State of California Local Agency Investment Fund (LAIF); Federally Insured Cash Accounts (FICA); and the investment pools managed by a Joint Powers Authority. As of June 30, 2023, all investments are in compliance with State law and with the Treasurer's Investment Policy.

Investments are stated at fair value. Fair value is established quarterly based on quoted market prices received from the securities custodian. Fair value of investments held fluctuates with interest rates. The fair value of participants' position in the Pool is the same as the value of the Pool shares. The value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawal.

The Pool participates in LAIF and the California Asset Management Program (CAMP). Investments in LAIF and CAMP are governed by state statutes and overseen by a five member Local Investment Advisory Board and a seven member Board of Trustees, respectively. The Pool participates in the Federally Insured Cash Account (FICA) program which is governed by state and federal statutes and overseen by a seven member Board of Directors.

The California State Treasurer's Office operates the LAIF. LAIF is available for investment of funds administered by California local governments and special districts and is not registered with the SEC as an investment company. The enabling legislation for LAIF is Section 16429.1 et seq. of the California Government Code. The Local Investment Advisory Board (LIAB) provides oversight for LAIF.

CAMP is a California Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p).

FICA is managed by StoneCastle Cash Management, LLC (StoneCastle) and is registered with the SEC as a Registered Investment Advisor. This program places the County's cash in deposit accounts at banks and savings institutions (Insured Depositories) in a manner that maintains full insurance of the funds by the FDIC. FICA is open to participants that are (a) both "accredited investors" under the Securities Act of 1933 and "qualified purchasers" under the Investment Company Act of 1940 as amended and/or (b) U.S. governmental units.

LAIF, CAMP, and FICA operate and report to participants on an amortized cost basis. For both LAIF and CAMP, the income, gains, and losses, net of administration fees, are allocated based upon the participant's average daily balance. CAMP and LAIF participants share proportionally in any realized gains or losses on investments. For FICA, interest is accrued daily on each Insured Depository and paid monthly. Deposits in LAIF and CAMP are not insured or otherwise guaranteed by the State of California, while the FICA deposit accounts are insured by the FDIC and are fully guaranteed by the U.S. Government. The fair value of the LAIF and CAMP investment pools are approximately equal to the value of the pool shares. The fair value of FICA is approximately equal to the value of all cash on deposit with the Insured Depositories.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Treasurer mitigates these risks by holding a diversified portfolio of high quality investments.

The following is a summary of the concentration of credit risk distribution by investment type as a percentage of fair value as of June 30, 2023:

	Fair Value	% of Portfolio	Max % of Portfolio Pool Policy
Treasurer's Pooled Investments:			
CAMP	\$ 85,000	3.44%	Limited by CAMP
LAIF	10,000	0.41%	Limited by LAIF
FICA	1,000	0.04%	Limited by FICA
US Treasuries	879,300	35.62%	100%
Government Agency Bonds	618,776	25.07%	100%
Government Agency Discount Notes	148,956	6.03%	100%
Government Agency Bonds - Callable	725,577	29.39%	50%
	<u>\$ 2,468,609</u>	<u>100.00%</u>	

The Treasurer's Investment Policy sets specific parameters by type of investment to be met at the time of purchase. Commercial paper obligations and negotiable certificates of deposit shall be rated by at least two of the three major rating services at a minimum of F1 by Fitch Ratings (Fitch), P-1 by Moody's Investor Service (Moody's) and A-1 by Standard & Poor's (S&P). Corporate notes, with a maturity greater than three years, shall be rated at a minimum of AA by at least two of the three major rating services. Corporate notes, with a maturity of three years or less, shall be rated at a minimum of AA- by at least two of the three major ratings services. Corporate Temporary Liquidity Guarantee Program (TLGP) notes shall be rated AAA by one of three major ratings services.

The following is a summary of the credit quality distribution by investment type as a percentage of fair value at June 30, 2023:

	Moody's	S&P	Fitch	% of Portfolio
Treasurer's Pooled Investments:				
CAMP	NR*	AAA	NR*	3.44%
LAIF	NR*	NR*	NR*	0.41%
FICA	NR*	NR*	NR*	0.04%
Government Agency Bonds and Notes	Aaa	AA+	AA+	24.14%
Government Agency Bonds and Notes	Aaa	AA+	NR*	36.35%
US Treasury Bills and Notes	Aaa	AA	F1+u	35.62%
Total Treasurer's Pooled Investments				<u>100.00%</u>

* Not Rated

Instruments in any one issuer that represent 5% or more of the County's investments as of June 30, 2023 are as follows (excluding external investment pools and debt explicitly guaranteed by the U.S. government):

Issuer	Issuer Type	Fair Value Holdings	Percentage Holdings
Treasurer's Pooled Investments:			
Federal Home Loan Bank	Government Sponsored	\$ 897,353	34.30%
Federal Farm Credit Bank	Government Sponsored	385,744	14.74%
		\$ 1,283,097	49.04%

Custodial Credit Risk

Custodial credit risk for investments is the risk that the Pool will not be able to recover the value of investment securities that are in the possession of an outside party. All securities owned by the Pool are deposited in trust for safekeeping with a custodial bank different from the County’s primary bank. Securities are not held in broker accounts.

Interest Rate Risk and Interest Apportionment

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Pool mitigates this risk by making longer-term investments only with funds that are not needed for current cash flow purposes and holding these securities to maturity. The maturity of investments purchased is governed by a demand for funds analysis of prior periods’ revenues and expenditures, and is also determined by current cash flow demands assessed on an ongoing basis. The Treasurer’s Investment Policy also dictates that the final maturity date of any individual security shall not exceed five years and that long-term investments (greater than one year), in the aggregate, shall not exceed 75% of the portfolio. At June 30, 2023, the weighted average days to maturity for the Pool was 643 days.

The fair value of investments generally changes with the fluctuations of interest rates. In a rising interest rate market, the fair value of investments could decline below original cost. Conversely, when interest rates decline, the fair value of investments increases. The Treasurer believes liquidity in the portfolio is sufficient to meet cash flow needs for the next six months and will preclude the Treasurer from having to sell investments below amortized cost. At June 30, 2023, \$18,110 or 0.76% of the Treasurer’s Pooled Investments was held in U.S. agency step-up notes. These securities grant the issuer the option to call the note on a certain specified date(s). On a certain date, or dates, the coupon rate of the notes increases (steps up) by an amount specified at the inception of the note.

The net realized earnings on investments are apportioned to Pool participants quarterly based upon each participant’s average daily cash balance. Unrealized gains and losses are also apportioned quarterly to participants based upon the participant’s ending cash balance.

Investment income / (loss) consisted of the following for the year ended June 30, 2023:

Investment earnings	\$ 30,376
Net decrease in fair value of investments	(12,280)
Administrative expenses	(2,389)
Net investment income	\$ 15,707

The Treasurer may purchase securities at a discount from face value to earn higher than nominal rates of return. This discount, when realized, is considered a gain rather than interest.

The following is a summary of investments held by the County as of June 30, 2023:

Investment	Cost	Fair Value	Interest Rate Range	Maturity Range	Weighted Average Maturity
Treasurer's pooled investments:					
CAMP	\$ 85,000	\$ 85,000	5.24%	7/23 - 3/24	26
LAIF	10,000	10,000	3.26%	7/23 - 3/43	260
FICA	1,000	1,000	5.06%	1 Day	1 Day
US Treasury Bills*	24,577	24,794	Discount	8/23 - 9/23	60
US Treasury Notes	878,342	854,506	0.17% - 4.52%	7/23 - 2/28	716
Government Agency Bonds	633,570	618,776	0.20% - 4.84%	7/23 - 6/26	895
Government Agency Discount Notes*	145,552	148,956	3.41% - 5.30%	7/23 - 2/24	52
Government Agency Bonds - Callable	780,602	725,577	0.17% - 5.25%	8/23 - 2/27	688
Total pooled and directed investments	\$ 2,558,643	2,468,609			
Investments held with fiscal agents:					
US Treasury Notes		16,761	0.25% - 1.125%	11/23 - 10/26	1,148
Cash & Cash Equivalents		2,469	0.01% - 0.05%	Same Day	Same Day
Total investments held with fiscal agents		19,230			
Cash in banks:					
Non-interest bearing deposits		138,558			
Interest bearing deposits		20,000			
Total cash in banks		158,558			
Cash on hand:					
Total cash and investments		\$ 2,646,461			
Total unrestricted cash and investments					
		\$ 2,555,845			
Total restricted cash and investments (Note 4)					
		90,616			
Total cash and investments		\$ 2,646,461			
Total cash and investments summary:					
Total Governmental activities		\$ 781,197			
Total Business-type activities		125,012			
Total Discrete component unit activities		7,320			
Total Fiduciary Funds		1,732,932			
Total cash and investments		\$ 2,646,461			

* US Treasury Bills and Government Agency Discount Notes are purchased at a discount. The difference between maturity value and principal is apportioned to the investment pool as earnings.

The following is a reconciliation between cash and investments and the Net Position of the Treasurer's Investment Pool as of June 30, 2023:

Total cash and investments	\$ 2,646,461
Less: investments held with fiscal agents	(19,230)
Less: cash on hand	(64)
Less: purchase interest	(351)
Less: Proposition 64 cash on hand	(10,394)
Add: cash and investment interest receivable	11,043
Net Position of the Treasurer's Investment Pool	\$ 2,627,465

The following represents a condensed Statement of Net Position and Changes in Net Position for the Treasurer's Investment Pool as of June 30, 2023:

Statement of Net Position	
Net position held in trust	\$ 2,627,465
Equity of internal pool	\$ 958,608
Equity of external pool participants (voluntary and involuntary)	1,668,857
Total equity	<u>\$ 2,627,465</u>
Statement of Changes in Net Position	
Net position held for pool participants, July 1, 2022	\$ 2,215,597
Net change in investments by pool	411,868
Net position held for pool participants, June 30, 2023	<u>\$ 2,627,465</u>

Additional detailed information and/or separately issued financial statements of the County Treasurer's Investment Pool can be obtained by writing to the County Treasurer-Tax Collector's Office located at 105 East Anapamu Street, Room 109, Santa Barbara, CA 93101 or on their website at: <https://www.countyofsb.org/926/Investment-Reports> under Annual Reports.

Fair Value Measurements

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The following is a description of the valuation methods and assumptions used by the County to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2023. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. County management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The County treasury pool's asset market prices are derived from closing bid prices as of the last business day of the month as supplied by IDSI Institutional Bond Quotes. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy.

For investments classified within Level 2 of the fair value hierarchy, the County's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others. Investments classified at Level 3 represent securities that are entirely owned by the County and have not traded publicly. The securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated.

The Pool has the following recurring fair value measurements as of June 30, 2023:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
US Treasuries	\$ 879,300	\$ --	\$ 879,300	\$ --
Government agency bonds	618,776	--	618,776	--
Government agency discount notes	148,956	--	148,956	--
Government agency bonds - callable	725,577	--	725,577	--
Total investments measured at fair value	2,372,609	\$ --	\$ 2,372,609	\$ --
Investments not subject to fair value hierarchy				
CAMP	85,000			
LAIF	10,000			
FICA	1,000			
Total pooled and directed investments	\$ 2,468,609			

Investment held with fiscal agents have the following recurring fair value measurements as of June 30, 2023:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments held with fiscal agents				
US Treasury Notes	\$ 16,761	\$ 16,761	\$ --	\$ --
Total investments measured at fair value	16,761	\$ 16,761	\$ --	\$ --
Investments not subject to fair value hierarchy				
Cash & Cash Equivalents	2,469			
Total Investments held with fiscal agents	\$ 19,230			

Santa Barbara County Employees’ Retirement System (SBCERS or the System) Deposits and Investments

The following narratives, tables, and schedules presented for investments managed by SBCERS are taken directly from SBCERS’ financial statements for the fiscal year ended June 30, 2023 (please note that tables and schedules were formatted to conform with the County’s presentation). The custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk related to SBCERS investments are different than the related risks on investments held by the County Treasurer.

Investments

The Board adopts an investment policy statement and reviews that policy periodically. The investment policy statement sets forth the asset allocation and controls for the investment portfolio. The policy was updated in March 2022. The policy statement is available on the SBCERS website <http://www.sbcers.org>.

Investments are reported at fair value. Investment income is recognized as revenue when earned. Net appreciation in fair value of investments held by the System is recorded as an increase to investment income based on valuation of investments at year-end. Realized gains and losses are recognized upon the maturity or disposition of the security.

Debt and equity securities are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Fair value of investments in commingled funds is based on the fund share price provided by the fund manager, which is based on net asset value.

Deposits and Investments

SBCERS operates under the “Prudent Investor Rule” which authorizes the Board, at its discretion, to purchase, hold, or sell any form or type of investment, financial instrument, or enter into any financial transaction when prudent in the informed opinion of the Board.

Deposits and Short-Term Investments

Amounts shown as Cash are held as part of the County Treasurer’s investment pool. Amounts held as Short-Term Investments are held with SBCERS’ Investment Custodian, BNY Mellon Global Securities Services (BNY Mellon). Short-term investments consist of cash held in money market accounts and securities readily convertible to cash. All cash, deposits, and short-term investments are carried at cost, which approximates fair value.

Santa Barbara County Treasurer’s Investment Pool

The funds in the County Treasury are intended to provide for liquidity needed to meet benefit payroll and operating needs of the System. The balances in the County Treasurer’s investment pool are funded by the participating employers and employee contributions and transfers from the investment pool. All participants in the County investment pool share earnings and losses. The County Treasury Oversight Committee has regulatory oversight for all monies deposited into the County investment pool. Such amounts are invested in accordance with investment policy guidelines in compliance with California Government Code requirements, established by the County Treasurer and approved by the County Board of Supervisors. Interest earned on pooled investments is apportioned quarterly to participating funds based upon each fund’s average daily deposit balance. The County has not provided or obtained any legally binding guarantees during the fiscal year ending June 30, 2023, to support the value of shares in the pool. More information on the risk of the County Treasurer’s Investment pool and the Treasurer’s policies can be found on the County’s website at <http://www.countyofsb.org>.

BNY Mellon Global Securities Services Employee Benefit Temporary Investment Fund (EBTF)

SBCERS’ short-term investments are comprised of funds held with SBCERS’ investment custodian, BNY Mellon Global Securities Services. Balances held by the custodian are held in the BNY Mellon Global Securities Services EBTF. This fund is intended to provide liquidity to fund capital calls, portfolio rebalancing activities and, when needed, replenishment of the funds on account at the County Treasury. The primary sources of these accounts are cash transfers from other investments in the portfolio.

The EBTF is invested primarily in instruments issued by the U.S. Government, Federal agencies, sponsored agencies, and sponsored corporations. The fund must have 10% of its assets in “daily liquid assets,” defined as cash, direct obligations of the U.S. Government, or securities readily convertible to cash within one business day. 30% of the fund’s assets must be in “weekly liquid assets” defined as cash direct obligations of the U.S. Government, including certain government agency securities with remaining maturities of 60 days or less and securities readily convertible to cash within five business days. The fund may invest up to five percent of its assets in illiquid securities. The fund maintains prudent diversification across instruments, market sectors, industries, and specific issuers.

SBCERS maintains balances in EBTF to facilitate funding investment mandates and receiving distributions from investment mandates. Additionally, when underlying managers maintain a tactical position to cash, these amounts are also held in EBTF. Amounts held at SBCERS’ custodian bank are uninsured over \$250,000 and uncollateralized.

The following is a summary of SBCERS deposits and short-term investments as of June 30, 2023:

	<u>County Treasury</u>	<u>BNY Mellon</u>
Cash Held for Pension Benefits	\$ 41,122	\$ -
Cash Held for OPEB Benefits	1,056	-
Short-term Investments for Pension Benefits	-	33,588
Total by custodian	<u>\$ 42,178</u>	<u>\$ 33,588</u>
Total Deposits and Short-Term Investments	<u><u>\$ 75,766</u></u>	

Custodial Credit Risk for Deposits and Short-Term Investments

Custodial Credit Risk for deposits is the risk that, in the event of a financial institution's failure, SBCERS would not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not insured or not collateralized. SBCERS does not have a policy on Custodial Credit Risk for Deposits and Short-Term Investments.

Santa Barbara County Treasury

SBCERS' investments held in the name of the County are not specifically identifiable. On June 30, 2023, cost approximated fair value of the SBCERS' share of pooled cash and investments. Deposits with the County Treasury are insured and/or collateralized to the extent the monies are held in its depository institution. The fair value of deposits approximated the bank balances on June 30, 2023.

The following is a summary of SBCERS pension and OPEB investments as of June 30, 2023:

Pension Plan Investments at Fair Value	
Domestic Equity	\$ 742,605
Developed Markets Non-US Equity	399,593
Emerging Market Equity	259,484
Core Fixed Income	602,490
Non-Core Fixed Income	282,549
Real Assets/Real Return	588,155
Private Equity	575,753
Real Estate	456,311
Private Credit	140,561
Collateral Held for Securities Lending	33,912
Total Pension Plan Investments at Fair Value	<u>\$ 4,081,413</u>
OPEB Plan Investments at Fair Value	
Domestic Equity	\$ 33,753
Core Fixed Income	21,980
Total OPEB Plan Investments at Fair Value	<u>\$ 55,733</u>
Total All Plans	<u><u>\$ 4,137,146</u></u>

Fair Value Measurements

SBCERS categorizes fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Unadjusted quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3: Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. SBCERS' assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The table *Investments Measured at Fair Value* in this footnote (presented on the following page) shows the fair value leveling of the investments for SBCERS.

Bid evaluations may include market quotations, yields, maturities, call features, and ratings.

Level 1 investments are valued using pricing derived from active markets, examples of which include NYSE, NASDAQ, Chicago Board of Trade and Pink Sheets. US Government Treasury Securities are classified at Level 1 due to the reduced risk component and because they are traded more actively than other fixed income instruments. US Government Agency Notes are not classified in Level 1.

Level 2 investments are evaluated using matrix pricing, market corroborated pricing and inputs such as yield curves and indices. Examples of Level 2 investments include Corporate Bonds and Asset Backed Securities and Government Bonds that are not US Treasury Securities.

Level 3 investments are valued using pricing provided by Investment Managers and also information provided by investment management firms. Examples of Level 3 investments include pooled investment funds and term loans.

The following is a summary of SBCERS investments measured at fair value as of June 30, 2023:

	June 30, 2023	Quoted Prices in Active Markets for Identical Assets: Level 1	Significant Other Observable Inputs: Level 2	Significant Unobservable Inputs: Level 3
Pension Investments Measured at Fair Value				
Equity				
Domestic Equity	\$ 331,463	\$ 331,463	\$ -	\$ -
International Equity	361,030	361,030	-	-
Total Equity	692,493	692,493	-	-
Fixed Income Securities				
Asset Backed Securities	657	-	657	-
Developed Markets	4,236	4,236	-	-
Corporates and Other Credits	80,640	3,498	75,428	1,714
Government Securities	305,070	138,199	166,871	-
Other	11	11	-	-
Total Fixed Income Securities	390,614	145,944	242,956	1,714
Real Estate				
Real Estate Investment Trusts (REITs)	15,970	15,970	-	-
Total Real Estate	15,970	15,970	-	-
Securities Lending	33,912	-	33,912	-
Total Pension Investments Measured at Fair Value	1,132,989	\$ 854,407	\$ 276,868	\$ 1,714
Pension Investments Measured at Net Asset Value (NAV)				
Commingled Funds	1,318,938			
Real Estate Funds	456,311			
Private Equity Funds	575,753			
Private Credit	140,561			
Private Real Asset Funds	456,861			
Total Pension Investments Measured at NAV	2,948,424			
TOTAL PENSION INVESTMENTS	\$ 4,081,413			
Pension Investment Derivative Instruments				
Futures	18,121	-	-	18,121
Participation Certificate	4,236	-	-	4,236
Total Pension Investment Derivative Instruments	\$ 22,357	\$ -	\$ -	\$ 22,357
OPEB Trust Investments Measured at Net Asset Value (NAV)				
Equity Commingled Funds	\$ 33,753			
Debt Commingled Funds	21,980			
Total OPEB Trust Investments Measured at NAV	\$ 55,733			

Investments Measured at the Net Asset Value

The fair values of investments in these types of funds have been determined using the Net Asset Value (NAV) per share of the investments.

The following is a summary of SBCERS pension and OPEB trust investments measured at the net asset value as of June 30, 2023:

	June 30, 2023	Unfunded Commitments	Redemption Frequency	Notice Period
Pension Investments				
Commingled Funds ⁽¹⁾	\$ 1,318,938	\$ -	Daily to Monthly	Daily to 90 Days
Private Real Estate Funds ⁽²⁾	456,311	95,307	Quarterly, Annually or Not Redeemable	Daily to 90 Days
Private Equity Funds ⁽³⁾	575,753	290,074	Not Redeemable	
Private Credit Funds ⁽⁴⁾	140,561	-	Annually, Tri-Annually or Not Redeemable	90 Days
Private Real Asset Funds ⁽⁵⁾	456,861	273,999	Not Redeemable	
Total Pension Investments Measured at Net Asset Value	\$ 2,948,424			
Total Pension Unfunded Commitments				
		\$ 659,380		
OPEB Trust Investments				
Equity Commingled Funds	\$ 33,753	\$ -		
Debt Commingled Funds	21,980	-		
Total OPEB Trust Investments Measured at Net Asset Value	\$ 55,733			
Total OPEB Trust Unfunded Commitments				
		\$ -		

(1) Commingled Funds (Pension Trust Investments and OPEB)

This investment type consists of commingled funds that invest primarily in equity, debt, or real estate investments. There were 15 commingled funds as of June 30, 2023. The six commingled equity funds in this investment type include foreign, domestic, and emerging market investments. Five commingled debt funds contain Treasury Inflation Protected Securities (TIPS), investment grade bonds, foreign bonds and bank loans. Four real asset commingled funds encompass public infrastructure, global listed natural resources, real estate, and commodities businesses. Each investment fund is benchmarked to an appropriate index and investments can be redeemed with 1 to 90 day advance notice depending on the fund. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

(2) Private Real Estate Funds

This investment type is comprised of investments that are allocated to value added, core and opportunistic real estate strategies. Investments in this type are geographically diversified across the United States and Europe. The fair value of these investments has been determined by the investment custodian bank by using the last capital account statement from the respective general partner and adjusting for capital calls, management fees inside the commitment, return of capital, gain or loss, and income. The investments in this pool are illiquid and mostly closed end funds.

For the fiscal year ended June 30, 2023, this investment type consists of 39 limited partnership investments ranging in commitment sizes from \$4 million to \$40 million. The remaining commitments outstanding on these funds as of June 30, 2023 are \$95.3 million.

Robin Hill Road, LLC NAV is included in this investment type. The NAV used is the appraised price as of June 30, 2020 based on an appraisal as of May 27, 2022. SBCERS hires an appraiser to update this value every two years.

(3) Private Equity Funds

Investments of this type consist of corporate finance/buy out, distressed debt, venture capital, and secondary funds and are globally diversified. The fair value of these investments have been determined by the investment custodian bank by using the last capital account statement from the respective general partner and adjusting for

capital calls, management fees inside the commitment, return of capital, gain or loss, and income. The investments in this pool are illiquid and mostly closed end funds.

For the fiscal year ended June 30, 2023, this investment type consists of 110 limited partnership investments ranging in commitment size from approximately \$2 million to \$30 million with \$291.1 million remaining commitments outstanding.

(4) Private Credit Funds

Investments of this type include direct lending credit funds. The fair value of these investments have been determined by the investment custodian bank by using the last capital account statement from the respective general partner and adjusting for capital calls, management fees inside the commitment, return of capital, gain or loss, and income.

For the fiscal year ended June 30, 2023, this investment type of funds consists of seven limited partnership investments ranging in commitment sizes from approximately \$20 million to \$25 million. There are no remaining commitments outstanding on these funds as of June 30, 2023. The investments in this pool are illiquid and contain both closed and open-ended fund structures.

(5) Real Asset Funds

Investments of this type include infrastructure and natural resources oriented partnerships and are globally diversified. The fair value of these investments have been determined by the investment custodian bank by using the last capital account statement from the respective general partner and adjusting for capital calls, management fees inside the commitment, return of capital, gain or loss, and income.

For the fiscal year ended June 30, 2023, these investment type of funds consists of 53 limited partnership investments ranging in commitment sizes from approximately \$2 million to \$30 million. The remaining commitments outstanding on these funds as of June 30, 2023 are \$274.0 million. The investments in this pool are illiquid and contain mostly closed-end fund structures.

Investment Risk

The Board's investment policies and guidelines allocate the asset classes of the portfolio investments within ranges. The portfolio is maintained within the ranges and reported each month. The Board annually reviews the allocation model and the risk structure of the total portfolio. The investment policy does not address Credit Risk, Concentration of Credit Risk, Interest Rate Risk, or Foreign Currency Risk, as investment managers within their specific mandates are given risk parameters that would result in limiting these types of risk on a total portfolio level. GASB Statement No. 40 requires that investments be evaluated to give an indication of the level of risk assumed at year-end.

Concentration Risk

The System does not hold investments in any one underlying security that represents 5% or more of the System's fiduciary net position.

Credit Risk

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. SBCERS seeks to maintain a diversified portfolio of fixed income instruments in order to obtain the highest total return for the fund at an acceptable level of risk within this asset class. To control Credit Risk, credit quality guidelines have been established.

The credit quality ratings of SBCERS investments in fixed income securities by a nationally recognized statistical rating organization are shown in the following *Credit Risk by Quality Analysis* table:

S & P Rating	Treasurer Investment Pool	Domestic Fixed Income	International Fixed Income	Total	%
AAA	\$ 774	\$ -	\$ -	774	0.2%
AA+	-	306,680	-	306,680	76.0%
AA	22,711	-	-	22,711	5.6%
AA-	-	-	-	-	0.0%
A+	-	215	23	238	0.1%
A	-	1,044	-	1,044	0.3%
A-	-	30,448	-	30,448	7.5%
BBB+	-	21,611	427	22,038	5.5%
BBB	-	3,579	104	3,683	0.9%
BBB-	-	3,044	2,030	5,074	1.3%
BB+	-	1,554	586	2,140	0.5%
BB	-	1,288	398	1,686	0.4%
BB-	-	1,423	89	1,512	0.4%
B+	-	723	399	1,122	0.3%
B	-	875	-	875	0.2%
B-	-	320	-	320	0.1%
CCC+	-	153	791	944	0.2%
CCC	-	7	-	7	0.0%
CCC-	-	-	-	-	0.0%
CC	-	196	-	196	0.0%
C	-	-	-	-	0.0%
NR	1,472	534	144	2,150	0.5%
Totals	\$ 24,957	\$ 373,694	\$ 4,991	\$ 403,642	100.0%

This table does not tie to Investments Measured at Fair Value because this presentation includes accruals.

Custodial Credit Risk for Investments

Custodial Credit Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, SBCERS would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in SBCERS' name, and held by a counterparty. Generally, SBCERS' securities are not exposed to custodial risk as they are held by our custodial bank in our nominee name.

Short-term investments held in the BNY Mellon Global Securities Services EBTF are uninsured over \$250,000, and uncollateralized.

Concentrations of Credit Risk

As of June 30, 2023, SBCERS' investment portfolio contained no concentration of investments in any one entity (other than investments guaranteed by the U.S. Government, investments in mutual funds, and external investment pools) that represented 5 percent or more of the total investment portfolio.

Securities Lending

SBCERS is legally authorized to engage in securities lending transactions pursuant to the CERL, California Government Code §31594. SBCERS participates in securities lending through its custodian BNY Mellon to increase income. Securities are lent to brokers and dealers (borrower) and in turn, SBCERS receives collateral. Collateral can

be in the forms of cash (both United States and foreign currency), securities issued or guaranteed by the U.S. Government, sovereign debt of foreign countries, or irrevocable bank letters of credit or such other forms as may be agreed upon. SBCERS pays the borrower a negotiated rebate rate on the collateral received and invests the collateral with the goal of earning a higher yield than the rebate rate paid to the borrower. Earnings generated above and beyond the rebate paid to the borrower represent the net income to SBCERS from the transaction.

At year-end, SBCERS had no credit risk exposure to borrowers because the amount of collateral received exceeded the value of securities on loan. As of June 30, 2023, there were no violations of legal or contractual provisions. SBCERS had no losses on securities lending transactions resulting from the default of a borrower for the fiscal year ended June 30, 2023. Due to the nature of the securities lending program and the custodian bank's collateralization of loans at amounts greater than the fair value of the loaned securities, it is deemed that there were no material credit risks to SBCERS as defined by GASB Statements No. 28 and No. 40 by its participation in the Securities Lending Program. However, similar to any other investment portfolio, there is risk associated with investing cash collateral in securities.

Transactions are collateralized at no less than 100% of the security's fair value. Collateral is marked to market daily. The custodian invests the collateral received in short-term investment funds (maintained by the custodian), money market mutual funds, and other similar investments as the custodian may select.

The average term of all SBCERS' loans is overnight or "on demand." The custodian ensures that there is an absolute right to terminate the agreement without cause, upon short notice and without any penalty. SBCERS cannot pledge or sell collateral securities received unless the borrower defaults. In the event of a borrower default, BNY Mellon indemnifies SBCERS to the extent of replacing the securities loaned.

As of June 30, 2023, the fair value of securities on loan was \$48.4 million and the value of collateral received for the securities on loan was \$50.0 million, of which \$16.1 million was non-cash collateral and \$33.9 million was cash collateral from equity and fixed income securities. Non-cash collateral, which SBCERS does not have the ability to sell unless the borrower defaults, is not reported in the Statement of Fiduciary Net Position. SBCERS' income net of expense from securities lending was \$356 thousand for the fiscal year ending June 30, 2023.

The following is a summary of SBCERS securities lending program:

Securities on Loan	Fair Value of Securities on Loan	Collateral Received	Collateral Percent
Domestic Equities	\$ 12,675	\$ 12,632	
International Equities	3,499	3,990	
Domestic Corporate Fixed Income	1,027	1,050	
International Fixed Income	-	-	
US Government Debt	15,949	16,240	
<i>Total Cash</i>	33,150	33,912	
<i>Total Non-Cash</i>	15,281	16,113	
Total Securities on Loan	\$ 48,431	\$ 50,025	103%

Interest Rate Risk

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. It is calculated as the weighted average of time to receive a bond's coupon and principal payments. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates.

Foreign Currency Risk

Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. SBCERS' international equity managers are permitted to invest in authorized countries. Forward currency contracts and currency futures (maturity ranging from at least 20 days and not to exceed one year for either instrument) are permitted for defensive currency hedging.

The following schedule is a summary of SBCERS foreign currency risk:

<u>Currency</u>	<u>Cash</u>	<u>Equity</u>	<u>Fixed Income</u>	<u>Total Fair Value</u>
Australian Dollar	\$ 5	\$ 15,953	\$ -	\$ 15,958
Brazilian Real	-	11,534	-	11,534
Canadian Dollar	30	8,111	587	8,728
Chilean Peso	-	1,624	-	1,624
Chinese Yuan Renminbi	-	13,492	-	13,492
Colombian Peso	-	51	37	88
Czech Koruna	-	132	-	132
Danish Krone	-	14,190	-	14,190
Euro	(78)	131,249	303	131,474
Hong Kong Dollar	38	55,166	-	55,204
Hungarian Forint	-	294	-	294
Indian Rupee	-	43,099	1	43,100
Indonesian Rupiah	-	6,794	-	6,794
Israeli Shekel	-	613	-	613
Japanese Yen	245	56,432	-	56,677
Malaysian Ringgit	-	99	-	99
Mexican Peso	-	2,085	-	2,085
New Taiwan Dollar	-	3,652	-	3,652
New Zealand Dollar	-	45,142	13	45,155
Norwegian Krone	-	235	-	235
Peruvian Nuevo Sol	-	2,894	-	2,894
Philippines Peso	-	3,769	-	3,769
Polish Zloty	-	1,170	-	1,170
Qatari Riyal	-	831	-	831
Saudi Riyal	-	4,921	-	4,921
Singapore Dollar	-	5,710	-	5,710
South African Rand	-	8,572	-	8,572
South Korean Won	-	27,921	1	27,922
Swedish Krona	-	8,037	-	8,037
Swiss Franc	119	40,574	-	40,693
Thai Baht	-	3,749	-	3,749
Turkish Lira	-	1,128	-	1,128
United Arab Emirates Dirham	-	1,505	-	1,505
United Kingdom Pound Sterling	41	46,119	406	46,566
Total Securities Held in Foreign Currency	<u>\$ 400</u>	<u>\$ 566,847</u>	<u>\$ 1,348</u>	<u>\$ 568,595</u>

Derivatives

Derivatives are investments that derive their value, usefulness, and marketability from an underlying instrument, and represents direct ownership of an asset or obligation of an issuer whose payments are based on or "derived" from the performance of an agreed upon benchmark. The notional amount is the nominal or face amount that is used to calculate payments made on that instrument. As of June 30, 2023, SBCERS' derivatives investments were in Futures and Participation Certificates. Investments in commingled funds may provide added exposure to derivatives.

Futures

Futures are a type of derivative contract agreement to buy or sell a specific commodity asset or security at a set future date for a set price. Futures are utilized to secure a specific price and protect against future price swings. Futures are traded on futures exchanges and require a brokerage account that's approved to trade futures.

Participation Certificates

Participation certificates are equity-linked securities that provide economic exposure to a security of a non-U.S. company without a direct investment in that security.

The following is a summary of SBCERS holdings of derivative securities:

Derivative Type	Notional Amount	Fair Value
Futures	\$ 18,121	\$ 90,283
Participation Certificates	4,236	4,236
Total	<u>\$ 22,357</u>	<u>\$ 94,519</u>

Derivative Credit Risk

SBCERS is exposed to credit risk on investment derivatives that are traded over the counter and are reported in asset positions. Derivatives exposed to derivative credit risk include collateralized mortgage obligations, swap agreements, and futures contracts. The following Derivative Credit Risk Schedule discloses the counterparty ratings of SBCERS’ investment derivatives in asset positions by type as of June 30, 2023. These amounts represent the maximum loss that would be recognized if all counterparties fail to perform as contracted, without respect to any collateral or other security, or netting arrangement. The schedule displays the fair value of investments by credit rating. As of June 30, 2023, SBCERS’ has a net exposure to derivative credit risk of \$22.5 million.

The following schedule is a summary of SBCERS derivative credit risk:

S&P Investment Rating	Derivative Type			Total Fair Value
	Forward Contracts	Futures	Participation Certificates	
Investment Grade				
AA	\$ -	\$ -	\$ -	\$ -
A	-	-	-	-
BBB	-	-	-	-
Total Investment Grade	\$ -	\$ -	\$ -	\$ -
Not Rated	-	90,283	4,236	94,519
Total Fair Value	<u>\$ -</u>	<u>\$ 90,283</u>	<u>\$ 4,236</u>	<u>\$ 94,519</u>

Ratings are not applicable to all derivative instruments held. Those presented above are based on the counterparty's S&P rating.

Derivative Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2023, SBCERS did not have any derivatives with material exposure to interest rate risk.

Derivative Foreign Currency Risk

For those dollar-denominated securities issued by foreign countries, there is an exposure to a foreign currency risk. Currency forward contracts represent foreign exchange contracts that are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions. SBCERS had no exposure to derivative foreign currency exposure as of June 30, 2023.

4. RESTRICTED CASH AND INVESTMENTS

Cash and investments at June 30, 2023 that are restricted by legal or contractual requirements are comprised of the following:

Governmental Activities

General Fund		
Funds for disaster recovery	\$ 16,710	
Property tax loss reserve	11,237	
Deposits by various developers	408	
RDA bond proceeds	378	
Total General Fund		\$ 28,733
Nonmajor Governmental Funds		
Deposits by various developers	16,454	
Debt service reserves	1,277	
Clean water plan check trust	110	
Total nonmajor governmental funds		17,841
Internal Service Funds		
Funds for underground tank clean-up	10	
Total internal service funds		10
Total governmental activities		46,584

Business-Type Activities

Resource Recovery Fund		
Funds for landfill site closure and maintenance costs (see Note 13)	25,373	
Debt service reserves	14,280	
Financial assurance for landfill corrective action (see Note 13)	2,444	
Total Resource Recovery Fund		42,097
Laguna Sanitation Fund		
Financial assurance for landfill corrective action	624	
Total Laguna Sanitation Fund		624
Total business-type activities		42,721
Total restricted cash and investments*		\$ 89,305

*Governmental and Business-type Activities do not include \$1,311 of Fiduciary Private-Purpose Trust Fund restricted cash and investments.

5. RECEIVABLES

The detail of receivable balances and the portion not expected to be collected within the next fiscal year is as follows:

Notes Receivable

The County has recorded a note receivable for governmental activities from the RDA Successor Agency Private-Purpose Trust Fund. The total balance of the note receivable at June 30, 2023 is \$7,145 and the amount not expected to be collected within the next fiscal year is \$6,085.

Housing Loans Receivable, Net and Loans Interest Receivable, Net

A total of \$41,233 was recorded as housing loans receivable, net and a total of \$10,843 was recorded as housing loans interest receivable, net at June 30, 2023.

Affordable Housing recorded \$46,215 as loans receivable and \$11,140 as interest receivable. A portion of the principal and interest balance, \$7,392 and \$645 respectively, is for loans containing forgiveness clauses and more than likely will not be repaid back to the County. As a result, the Governmentwide Statement of Net Position reports \$38,823 as loans receivable, net and \$10,495 as interest receivable, net assuming the entire forgiveness clause is executed. These amounts represent low or no interest mortgage notes and related accrued interest to finance multi-family and single-family construction and rehabilitation projects, as well as homebuyer assistance for low-income families, as part of the County's affordable housing program. Loan terms range from 5 to 55 years with interest rates from 0% to 5.00%. The County's primary sources of funding for these loans come from grants from the federal HOME Investment Partnership (HOME) and Community Development Block Grant (CDBG) programs. The HOME and CDBG grants contain monitoring requirements to ensure grant compliance. These requirements are reflected in the loan agreements. Due to the terms of the loans, offsetting deferred inflows of resources of \$57,355 have been established in the Governmental Funds Balance Sheet for the housing loan principal and interest payments.

Behavioral Wellness recorded \$2,410 as housing loans receivable and \$348 as housing loan interest receivable. These represent Mental Health Services Act (MHSA) Housing Program funds to provide assistance in accordance with Welfare and Institutions Code. A 55-year loan of MHSA Housing Program funds for development of The Residences at Depot Street in Santa Maria provides for an 80-unit affordable rental housing project with 35 units dedicated for a term of 35 years for qualified MHSA tenants. The loan bears simple interest at 3% with principal and interest due and payable on the earlier of: 1) 55 years, 2) the date the property is sold or transferred, 3) borrower fails to commence construction, or 4) there is an uncured event of default by the borrower. Due to the terms of the loan, offsetting deferred inflows of resources of \$2,758 have been established in the Governmental Funds Balance Sheet for the housing loan principal and interest.

Other Receivables

The County has recorded a total of \$1,231 in other receivables for governmental activities; the following amounts are not expected to be received within the next fiscal year:

- \$200 deposit with the County's workers' compensation claims administrator.

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 includes the following adjusted amounts:

	Balance July 1, 2022	Restatements, Transfers & Adjustments, net	Additions	Deletions	Balance June 30, 2023
Governmental activities:					
Capital assets, non-depreciable:					
Land	\$ 63,940	\$ --	\$ 5,860	\$ (368)	\$ 69,432
Land easements	53,133	--	--	--	53,133
Service concession arrangements	40,782	--	--	--	40,782
Work in progress	110,914	385	70,477	(18,452)	163,324
Total capital assets, non-depreciable	<u>268,769</u>	<u>385</u>	<u>76,337</u>	<u>(18,820)</u>	<u>326,671</u>
Capital assets, depreciable:					
Land improvements	32,688	--	--	--	32,688
Structures and improvements	400,079	1,485	13,558	(430)	414,692
Equipment	169,642	87	7,431	(7,073)	170,087
Infrastructure	420,102	--	4,059	--	424,161
Intangible assets					
Software	19,286	--	488	(2,491)	17,283
Subscription assets	--	--	4,655	--	4,655
Lease assets					
Structures and improvements	16,760	8,964	548	--	26,272
Total capital assets, depreciable	<u>1,058,557</u>	<u>10,536</u>	<u>30,739</u>	<u>(9,994)</u>	<u>1,089,838</u>
Less accumulated depreciation for:					
Land improvements	(12,245)	--	(789)	--	(13,034)
Structures and improvements	(147,934)	(453)	(10,626)	423	(158,590)
Equipment	(106,725)	(93)	(10,353)	6,995	(110,176)
Infrastructure	(148,755)	--	(6,444)	--	(155,199)
Intangible assets					
Software	(17,423)	(63)	(1,055)	2,491	(16,050)
Subscription Assets	--	--	(1,275)	--	(1,275)
Lease assets					
Structures and improvements	(2,961)	479	(2,452)	--	(4,934)
Total accumulated depreciation	<u>(436,043)</u>	<u>(130)</u>	<u>(32,994)</u>	<u>9,909</u>	<u>(459,258)</u>
Total capital assets, depreciable, net	<u>622,514</u>	<u>10,406</u>	<u>(2,255)</u>	<u>(85)</u>	<u>630,580</u>
Sub-total governmental activities	<u>\$ 891,283</u>	<u>\$ 10,791</u>	<u>\$ 74,082</u>	<u>\$ (18,905)</u>	<u>\$ 957,251</u>

Capital asset activity for the year ended June 30, 2023 continued:

	Balance July 1, 2022	Restatements, Transfers & Adjustments, net	Additions	Deletions	Balance June 30, 2023
Business-Type activities:					
Capital assets, non-depreciable:					
Land	\$ 15,654	\$ --	\$ --	\$ --	\$ 15,654
Work in progress	53,866	--	17,834	(5,855)	65,845
Total capital assets, non-depreciable	69,520	--	17,834	(5,855)	81,499
Capital assets, depreciable					
Land improvements	483	1	--	--	484
Structures and improvements	105,702	(4)	6,718	(5,290)	107,126
Equipment	93,231	(4)	1,037	(911)	93,353
Infrastructure	80,498	--	1,170	--	81,668
Total capital assets, depreciable	279,914	(7)	8,925	(6,201)	282,631
Less accumulated depreciation for:					
Land improvements	(265)	--	(11)	--	(276)
Structures and improvements	(9,566)	3	(2,536)	2	(12,097)
Equipment	(22,221)	4	(3,901)	750	(25,368)
Infrastructure	(32,729)	--	(1,807)	--	(34,536)
Total accumulated depreciation	(64,781)	7	(8,255)	752	(72,277)
Total capital assets, depreciable, net	215,133	--	670	(5,449)	210,354
Sub-total business-type activities	284,653	--	18,504	(11,304)	291,853
Total capital assets, net	\$ 1,175,936	\$ 10,791	\$ 92,586	\$ (30,209)	\$ 1,249,104
First 5 Santa Barbara County					
Discrete component unit activities:					
Capital assets, depreciable:					
Equipment	\$ 25	\$ --	\$ --	\$ --	\$ 25
Intangible assets					
Lease asset					
Structures and improvements	626	3	--	--	629
Total capital assets, depreciable	651	3	--	--	654
Less accumulated depreciation for:					
Equipment	(25)	--	--	--	(25)
Intangible assets					
Lease asset					
Structures and improvements	(93)	(1)	(94)	--	(188)
Total accumulated depreciation	(118)	(1)	(94)	--	(213)
Total capital assets, depreciable, net	\$ 533	\$ 2	\$ (94)	\$ --	\$ 441

Capital assets activity for each major enterprise fund for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Restatements, Transfers & Adjustments, net	Additions	Deletions	Balance June 30, 2023
Resource Recovery:					
Capital assets, non-depreciable:					
Land	\$ 11,965	\$ --	\$ --	\$ --	\$ 11,965
Work in progress	106	--	1,616	(91)	1,631
Total capital assets, non-depreciable	12,071	--	1,616	(91)	13,596
Capital assets, depreciable:					
Structures and improvements*	91,361	--	757	(5,290)	86,828
Equipment	84,690	--	939	(903)	84,726
Infrastructure	50,488	--	743	--	51,231
Total capital assets, depreciable	226,539	--	2,439	(6,193)	222,785
Less accumulated depreciation for:					
Structures and improvements	(5,213)	--	(2,084)	2	(7,295)
Equipment	(17,356)	--	(3,447)	744	(20,059)
Infrastructure	(19,648)	--	(1,150)	--	(20,798)
Total accumulated depreciation	(42,217)	--	(6,681)	746	(48,152)
Total capital assets, depreciable, net	184,322	--	(4,242)	(5,447)	174,633
Sub-total Resource Recovery	196,393	--	(2,626)	(5,538)	188,229
Laguna Sanitation:					
Capital assets, non-depreciable:					
Land	3,689	--	--	--	3,689
Work in progress	53,760	--	16,218	(5,764)	64,214
Total capital assets, non-depreciable	57,449	--	16,218	(5,764)	67,903
Capital assets, depreciable:					
Land improvements	483	1	--	--	484
Structures and improvements	14,341	(4)	5,961	--	20,298
Equipment	8,541	(4)	98	(8)	8,627
Infrastructure	30,010	--	427	--	30,437
Total capital assets, depreciable	53,375	(7)	6,486	(8)	59,846
Less accumulated depreciation for:					
Land improvements	(265)	--	(11)	--	(276)
Structures and improvements	(4,353)	3	(452)	--	(4,802)
Equipment	(4,865)	4	(454)	6	(5,309)
Infrastructure	(13,081)	--	(657)	--	(13,738)
Total accumulated depreciation	(22,564)	7	(1,574)	6	(24,125)
Total capital assets, depreciable, net	30,811	--	4,912	(2)	35,721
Sub-total Laguna Sanitation	88,260	--	21,130	(5,766)	103,624
Total capital assets, net - business-type activities	\$ 284,653	\$ --	\$ 18,504	\$ (11,304)	\$ 291,853

*On October 12, 2021, the Tajiguas Landfill incurred damages as a result of the Alisal Fire, which caused harm to one of the ReSource Center's biofilters, resulting in an impairment loss of \$4,617. The County initially received a high restoration cost estimate of \$10,615 but obtained a lower restoration cost estimate of \$2,985 on June 28, 2022. The impairment was not initially recognized due to the need for approval from the trustee. The recognition of the impairment was delayed until after the end Fiscal Year 2022. On January 17, 2023, the County received insurance proceeds of \$3,379 in connection with the damage to the Resource Center's biofilter which partially offset the impairment loss.

Internal Service Funds (ISF) predominantly serve the governmental funds. Accordingly, their capital assets are included within governmental activities. Capital assets activity for Internal Service Funds for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Restatements, Transfers & Adjustments, net	Additions	Deletions	Balance June 30, 2023
Internal Service Funds:					
Capital assets, non-depreciable:					
Construction in progress	\$ 639	\$ --	\$ 5,139	\$ --	\$ 5,778
Total capital assets, non-depreciable	639	-	5,139	-	5,778
Capital assets, depreciable:					
Structures and improvements	2,606	-	(1)	-	2,605
Equipment	83,733	--	3,277	(5,409)	81,601
Intangible assets					
Software					
Subscription assets	--	--	1,637	--	1,637
Total capital assets, depreciable	86,339	--	4,913	(5,409)	85,843
Less accumulated depreciation for:					
Structures and improvements	(1,411)	--	(65)	--	(1,476)
Equipment	(53,166)	--	(5,530)	5,171	(53,525)
Intangible assets					
Subscription assets	--	--	(581)	--	(581)
Total accumulated depreciation	(54,577)	--	(6,176)	5,171	(55,582)
Total capital assets, depreciable, net	31,762	--	(1,263)	(238)	30,261
Total capital assets, net - internal service funds	\$ 32,401	\$ -	\$ 3,876	\$ (238)	\$ 36,039

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

	Depreciation/ Amortization (excluding ISF)	ISF Depreciation/ Amortization Allocation (1)	Total
Governmental activities:			
Policy & executive	\$ 518	\$ 159	\$ 677
Public safety	5,864	2,984	8,848
Health & public assistance	4,046	1,510	5,556
Community resources & public facilities	9,019	1,002	10,021
General government & support services	7,298	521	7,819
General county programs	73	--	73
Sub-total governmental activities	26,818	6,176	32,994
Business-Type activities:			
Resource Recovery	6,681	--	6,681
Laguna Sanitation	1,574	--	1,574
Sub-total business-type activities	8,255	--	8,255
Total depreciation expense	\$ 35,073	\$ 6,176	\$ 41,249

- (1) Depreciation/amortization of capital assets held by the County's ISF is charged to the various functions based on their usage of the assets.

Work in progress at June 30, 2023 consists of the following projects for the primary government:

Governmental activities:

Flood Control projects:	
Mission Creek Corps project	\$ 33,749
Randall Road Debris Basin	21,325
SMDB Improvement	4,389
Romero Creek Improvement	3,230
Cold Springs Basin	1,129
Buena Vista Basin	791
San Ysidro Basin	643
Other projects (individually less than \$500)	<u>499</u>
	\$ 65,755

Roads projects:	
Foothill Road Low Water Crossing replacement	18,222
Floridale Avenue bridge	17,733
Fernald Point bridge	5,472
Modoc Road Path Improvement	2,878
Bonita School Road Bridge	2,448
Santa Claus Lane Circulation	1,811
Hollister and State Improvement	1,048
Modoc Road MultiModal Path	805
Padaro Lane Improvements	765
Wallace Avenue Improvements	668
Other projects (individually less than \$500)	<u>568</u>
	52,418

Capital Outlay projects:	
Renewable Energy	5,902
Santa Barbara Courthouse Roof	2,642
Fire Dispatch Center	1,993
Probation Headquarters	1,631
Admin Bldg HVAC	1,165
Main Jail Remodel	1,046
CEO Office Remodel	752
Probation Juvenile Hall Upgrade	729
Calle Real Water Loop	662
BOS Hearing Room AudioVisual	646
PSRadio Tower Enhancement	531
Other projects (individually less than \$500)	<u>5,108</u>
	22,807

General Fund projects 9,433

Behavioral Wellness projects 1,876

Fire Protection District 903

Other Governmental Funds:

Santa Claus Beach Access	771
Jalama Cabin/Yurts	761
Other projects (individually less than \$500)	<u>2,822</u>
	4,354

Internal Service Fund projects:

EMS Transport Ambulances	3,622
Public Safety Radio Network	<u>2,156</u>
	5,778

Sub-total governmental activities 163,324

Business-Type activities:

Laguna Sanitation projects	64,214
Resource Recovery projects	<u>1,631</u>
Sub-total business-type activities	65,845
Total work in progress	<u>\$ 229,169</u>

7. PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS (P3s)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships (P3s) and Availability Payment Arrangements (APAs)* establishes standards of accounting and financial reporting for P3s in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset for a period of time in an exchange or exchange-like transaction. This statement requires recognition of certain assets, receivables, deferred inflow of resources (transferor) and liabilities and deferred outflow of resources (operators) for P3 arrangements. Some P3s meet the definition of a service concession arrangement (SCA), which is defined in Statement No. 94 as a P3 in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying P3 asset at the end of the arrangement. The statement also provides guidance for accounting and financial reporting for APAs, in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating a nonfinancial asset for a period of time in an exchange or exchange-like transaction. It was also determined that there are no incidences where the County would qualify as such an operator or meet the criteria of having an APA arrangement.

The County has determined that the following arrangements meet the criteria set forth in GASB Statement No.94 where the County is the transferor and therefore included these P3s in the County's financial statements.

Service Concession Arrangements

Jalama Beach Store

On January 1, 2008, the County entered into a 10-year agreement (having an option for two 5-year extensions) with Jalama Beach Store Incorporated (Jalama), under which Jalama has the right to the sell food and beverages (including beer and wine), kitchen supplies, camping supplies, housekeeping and other related supplies and conveniences; rent swimming and beach equipment & supplies; operate a restaurant and delicatessen; and rent vacation trailers. On January 1, 2018, the first 5-year extension option was exercised and approved. On January 1, 2023, the second 5-year extension was exercised and approved. Services are to be provided at reasonable rates. The County has the ability to modify or approve what services Jalama is required to provide. A summary of the important details, capital assets and the present value of installment payments pertaining to this SCA follows.

Boathouse Restaurant

On February 1, 2008, the County entered into a 10-year agreement (having options for a 10-year extension and a subsequent 5-year extension) with Santa Barbara Shellfish Company Incorporated (SB Shellfish), under which SB Shellfish will operate the Boathouse Restaurant, a walk-up snack bar, and rent beach-related equipment and supplies. On January 1, 2018, the 10-year extension option was exercised and approved. Services are to be provided at reasonable rates. The County has the ability to modify or approve what services SB Shellfish is required to provide. A summary of the important details, capital assets and the present value of installment payments pertaining to this SCA follows.

Santa Barbara County Bowl

On June 1, 2011, the County entered into a 45-year agreement (having an option for a 25-year extension) with the Santa Barbara County Bowl Foundation (Foundation), under which the Foundation will operate the outdoor amphitheater, maximizing access for community programs, stage events, musical performances, and other performing art events. Prices for merchandise, food, and beverages are to be comparable to prices charged at similar establishments; however, the Foundation sets ticket pricing. A portion of each ticket goes to the Santa Barbara Arts Commission with the remaining revenue used to run operations and maintain and improve facilities. A summary of the important details and the capital assets pertaining to this SCA follows.

Cachuma Store and Marina

On March 6, 2012, the County entered into a 10-year agreement with Pyramid Enterprises, Incorporated (Pyramid), under which Pyramid will operate the Cachuma store and marina and sell gas. In December of 2020, Pyramid notified the County that it had come to an agreement to sell its interest in the SCA to Advenco, LLC (Advenco). The County has approved Advenco's past performance and its 2022 operating plan, and therefore, extended Advenco's lease through February 29, 2032. Services are to be provided at reasonable rates. The structures and related equipment pertaining to the SCA have been fully depreciated. A summary of the important details of this SCA follows.

Cachuma Café - Smoke on Water

On May 7, 2019, the County entered into a 10-year agreement (having an option for an 8-year extension) with Smoke on Water, LLC, under which Smoke on Water, LLC has exclusive rights to operate and maintain a food and beverage business. Services are to be provided at reasonable rates. Additionally, should Smoke on Water, LLC obtain an Alcoholic Beverage Control (ABC) license, the County shall receive 15% of gross sales derived from hard alcohol sales. A summary of the important details and present value of installment payments pertaining to this SCA follows.

Mission Rowing

On April 21, 2020, the County entered into a 5-year agreement (having options for a 5-year extension and a subsequent 5-year extension) with Mission Rowing under which Mission Rowing shall have the right to provide comprehensive rowing activities and conduct related concession activities at Lake Cachuma. A summary of the important details and present value of installment payments pertaining to this SCA follows.

The Ellwood at Goleta Beach (formerly known as SeaLegs) Restaurant

On October 19, 2021, the County entered into a 10-year agreement (having options for three 5-year extensions) with PRJKT SB, Inc. (Ellwood), under which Ellwood has the right to exclusively operate a restaurant, snack bar, and an outdoor patio venue as well as non-exclusively offer food and beverage catering services at Goleta Beach. Ellwood took over the Beachside Restaurant, which was the former SCA at this location, and is undergoing a remodel. Ellwood will not be in operation until the following fiscal year. Services are to be provided at reasonable rates. The County has the ability to modify or approve what services Ellwood is required to provide. A summary of the important details pertaining to this SCA follows.

A summary of the important details for each SCA over the term of their agreements are as follows:

	Date SCA Entered Into	Term of SCA	Expiration of SCA	Minimum Installment Payment (per month)	Revenue Sharing
Jalama Beach Store	1/1/2008	10 yrs plus two 5 yr extensions	12/31/2027	\$ 3	8.5% of gross sales
Boathouse Restaurant	2/1/2008	10 yrs plus one 10 yr extension and one 5 yr extension	12/31/2027	16	10% of gross sales; 1.47% on income over \$3.8 million
Santa Barbara County Bowl	6/1/2011	45 years	5/31/2056	-	\$0.50 per ticket sold up to \$50,000 per concert season
Cachuma Store and Marina	3/6/2012	10 years plus 10 yr extension	2/29/2032	-	10% of marina gross sales; 7% of store gross sales
Cachuma Café	5/7/2019	10 yrs plus 8 yr extension	3/31/2029	1	8% of gross sales until 3/31/2022; 8.5% of gross sales thereafter
Mission Rowing	4/21/2020	5 yrs plus two 5 yr extensions	4/20/2025	1	8% of gross monthly income for the first year; 10% of gross monthly income afterwards
The Ellwood at Goleta Beach (formerly known as SeaLegs)	10/19/2021	10 yrs plus three 5 yr extensions	10/19/2031	12	10% of gross sales for Restaurant & Snack Bar 12.5% of gross sales for catering of special events 15% of gross alcohol sales
				<u>\$ 33</u>	

Capital assets balances for each SCA for the year ended June 30, 2023 and over the term of the agreement are as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Structures & Structure Improvements				
Santa Barbara County Bowl	\$ 37,692	\$ -	--	\$ 37,692
Boathouse Restaurant	1,710	--	--	1,710
Cachuma Café	137	--	--	137
Jalama Beach Store	55	--	--	55
Sub-total Structures & Structure Improvements	<u>39,594</u>	<u>--</u>	<u>--</u>	<u>39,594</u>
Land Improvements				
Santa Barbara County Bowl	1,188	--	--	1,188
Sub-total Land Improvements	<u>1,188</u>	<u>--</u>	<u>--</u>	<u>1,188</u>
Total SCA Capital Asset Balance	<u>\$ 40,782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,782</u>

The deferred inflow of resources activity for each SCA for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Amortization Allocation (1)	Balance June 30, 2023
SCA Capital Assets (1)				
Santa Barbara County Bowl	\$ 29,809	\$ -	\$ (881)	\$ 28,928
Cachuma Café	109	--	(17)	92
Boathouse Restaurant	76	--	(14)	62
Sub-total SCA capital assets	<u>29,994</u>	<u>--</u>	<u>(912)</u>	<u>29,082</u>
Present Value of Installment Payments (2):				
Boathouse Restaurant	952	--	(173)	779
Jalama Beach Store	18	--	(3)	15
Cachuma Café	39	--	(6)	33
Mission Rowing	23	--	(3)	20
Sub-total SCA installment payments	<u>1,032</u>	<u>--</u>	<u>(185)</u>	<u>847</u>
Total deferred inflows	<u>\$ 31,026</u>	<u>\$ -</u>	<u>\$ (1,097)</u>	<u>\$ 29,929</u>

- (1) Amortization is calculated using straight-line method for the term of agreement for each SCA.
- (2) Installment payments present value is calculated using a discount rate of 2.1% for the term of agreement for each SCA.

8. ADVANCES FROM GRANTORS AND THIRD PARTIES

Under both the accrual and modified accrual bases of accounting, revenue may be recognized only when earned. The governmentwide Statement of Net Position as well as governmental and enterprise funds therefore defer revenue recognition in connection with resources that have been received as of year-end, but have not yet been earned. Assets recognized in connection with a transaction before the earnings process is complete are offset by a corresponding liability for advances from grantors and third parties.

At June 30, 2023, the various components of advances from grantors and third parties reported are as follows:

	<u>Advances</u>
General Fund:	
Camping and day use fees	\$ 3,479
CARES funds for Emergency Rental Assistance Program	<u>67,020</u>
Total General Fund	<u>70,499</u>
Roads Fund:	
Advances from California Department of Transportation for road projects	<u>1,123</u>
Public Health Fund:	
SB Cottage/Marian STEMI/Trauma pre-paid revenue	<u>231</u>
Social Services Fund:	
Grant drawdowns prior to meeting eligibility requirements	<u>18,139</u>
Behavioral Wellness Fund:	
Early, periodic, screening, diagnosis, and treatment	134
Mental Health Services Act capital/information technology	<u>93</u>
Total Behavioral Wellness Fund	<u>227</u>
Affordable Housing Fund:	
Advances on State & federal grants for Affordable Housing	<u>7,587</u>
Total advances from grantors and third parties	<u>\$ 97,806</u>

9. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

Leases as Lessee

The County has entered into various lease agreements as a lessee for the right-to-use buildings and structures. Fourteen of the leases had an inception date of July 1, 2021, and one had an inception date of March 1, 2023.

These leases include a range of options to extend the lease term for a period of 1 to 18 years, with the final extension period ending June 30, 2039. The County is required to make annual principal and interest payments ranging from \$27 to \$1,495, subject to annual rent increases ranging from 0-3%. The County is utilizing a range of incremental borrowing rates between 4.5-5.5%. All County leases were classified as Governmental activities. As of June 30, 2023, the value of the lease liability was \$22,256.

The First 5 Children and Families Commission has entered into two (2) lease agreements as lessee for the right-to-use office space.

The leases include three 12-month extension options and two 36-month extension options, with the final extension period ending August 31, 2039. The Commission is required to make monthly principal and interest payments between \$31 and \$100, subject to annual rent increases ranging between 2-3%. The Commission is utilizing an incremental borrowing rate of 5%.

The two leases for the Commission had an initial lease liability recorded in the amount of \$629 as of July 1, 2021. As of June 30, 2023, the value of the lease liability was \$475. The difference of \$154 represents the reduction of the principal portion of the lease payments made in the current year.

Principal and interest payment to maturing for the County and the Commission are as follows:

Year Ending June 30,	County of Santa Barbara		First 5 Children and Families Commission	
	Principal	Interest	Principal	Interest
2024	\$ 1,941	\$ 1,027	\$ 86	\$ 22
2025	1,853	935	63	18
2026	1,888	843	68	15
2027	1,965	749	74	11
2028	1,964	652	81	7
2029-2033	8,725	1,926	88	3
2034-2038	3,752	447	15	-
2039-2040	168	3	-	-
Total leases	<u>\$ 22,256</u>	<u>\$ 6,582</u>	<u>\$ 475</u>	<u>\$ 76</u>

Leases as Lessor

The County has entered into three (3) lease agreements as a lessor for right-to-use buildings and structures and one (1) lease agreement as a lessor for land used by a single entity. For lessor leases, the County is utilizing an incremental borrowing rate between 4.5-5.5%. The leases include a range of options to extend the lease term for a period of 1 to 18 years with the final extension period ending April 30, 2040.

Governmental Activities

The County receives annual principal and interest payments between \$95 and \$163, not subject to rent increases. During the year, the County received current year revenue of \$359, with \$115 attributable to interest income, resulting in a principal reduction of \$244 for governmental leases. In addition, two of the leases have a variable component of utilities and janitorial service where the lessee pays a proportionate share of costs based upon square footage of premises occupied. As of June 30, 2023, the value of the lease receivable was \$2,345. Additionally, as of June 30, 2023, the deferred inflow of resources of \$2,303 has been presented on the governmentwide Statement of Net Position.

Business-Type Activities

The County receives \$104 annually, not subject to rent increases. The current year revenue was \$104, with \$11 attributable to interest income, resulting in a principal reduction of \$93. As of June 30, 2023, the value of the lease receivable was \$147. Additionally, as of June 30, 2023, the deferred inflow of resources of \$140 has been presented on the governmentwide Statement of Net Position.

Subscription-Based Information Technology Arrangements (SBITAs)

The County has entered into various noncancelable subscription-based information technology arrangements (SBITAs), all of which are classified as governmental activities, with original terms ranging from 2 years to 6.6 years. The County is utilizing an incremental borrowing rate ranging from 2-3%. As of June 30, 2023, the value of the subscription liability was \$2,814.

The future principal and interest SBITA payments as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,262	\$ 65
2025	865	43
2026	398	16
2027	169	9
2028	95	4
2029	25	1
Total SBITAs	<u>\$ 2,814</u>	<u>\$ 138</u>

10. LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2023 are as follows:

	Balance July 1, 2022	Restatements / Adjustments	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Governmental activities:						
Compensated absences	\$ 44,822	\$ -	\$ 41,191	\$ (40,513)	\$ 45,500	\$ 40,051
Leases	14,281	9,419	548	(1,992)	22,256	1,941
Subscriptions	--	--	4,655	(1,841)	2,814	1,262
Certificates of participation (COP)	22,082	--	--	(1,545)	20,537	1,610
Unamortized discount on COP	(68)	--	--	9	(59)	--
Other long-term obligations	7,805	--	--	(34)	7,771	283
Bonds from direct borrowings	4,481	782	--	(1,630)	3,633	1,674
Liability for self-insurance claims	12,959	--	5,527	(5,375)	13,111	5,168
Sub-total governmental activities	106,362	10,201	51,921	(52,921)	115,563	51,989
Business-Type activities:						
Compensated absences	902	--	837	(892)	847	821
Certificates of participation	169,726	--	--	(4,245)	165,481	4,755
Unamortized premium on COP	16,438	--	--	(1,518)	14,920	--
Bonds and notes from direct borrowings and direct placements	1,811	--	--	(881)	930	305
Sub-total business-type activities	188,877	--	837	(7,536)	182,178	5,881
Total long-term liabilities	\$ 295,239	\$ 10,201	\$ 52,758	\$ (60,457)	\$ 297,741	\$ 57,870
First 5 Santa Barbara County Component unit activities:						
Compensated absences	\$ 82	\$ -	\$ 68	\$ (88)	\$ 62	\$ 62
Leases	552	1	--	(78)	475	86
Total long-term liabilities	\$ 634	\$ 1	\$ 68	\$ (166)	\$ 537	\$ 148

Changes in long-term liabilities for each major enterprise fund for the year ended June 30, 2023 are as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Resource Recovery:					
Compensated absences	\$ 723	\$ 654	\$ (724)	\$ 653	\$ 653
Certificates of participation	145,996	--	(3,425)	142,571	3,890
Unamortized premium on COP	13,252	--	(1,161)	12,091	--
Sub-total Resource Recovery	159,971	654	(5,310)	155,315	4,543
Laguna Sanitation:					
Compensated absences	179	183	(168)	194	168
Certificates of participation	23,730	--	(820)	22,910	865
Unamortized premium on COP	3,186	--	(357)	2,829	--
Bonds and notes from direct borrowings and direct placements	1,811	--	(881)	930	305
Sub-total Laguna Sanitation	28,906	183	(2,226)	26,863	1,338
Total long-term liabilities - business-type activities	\$ 188,877	\$ 837	\$ (7,536)	\$ 182,178	\$ 5,881

In governmental activities, the liability for the majority of employee compensated absences is liquidated by the General Fund. Other long-term liabilities consist of a multi-year payment on a Medicare settlement, which is liquidated by the Behavior Wellness Fund. The self-insurance claims liability is reported in the risk management and insurance internal service fund and will be liquidated by that fund.

Internal Service Funds predominantly serve the governmental funds. Accordingly, their long-term debt is included as part of the totals for governmental activities.

Changes in long-term liabilities for the Internal Service Funds for the year ended June 30, 2023 are as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Internal Service Funds:					
Compensated absences	\$ 951	\$ 757	\$ (737)	\$ 971	\$ 737
Subscription	--	1,637	(680)	957	712
Bonds from direct borrowings	2,371	--	(433)	1,938	437
Liability for self-insurance claims	12,959	5,527	(5,375)	13,111	5,168
Total long-term liabilities - Internal Service Funds	\$ 16,281	\$ 7,921	\$ (7,225)	\$ 16,977	\$ 7,054

The following is a schedule of total debt service requirements on long-term debt as of June 30, 2023:

Year Ending June 30,	Governmental Activities				Business-Type Activities			
	COP		Bonds and Notes from Direct Borrowings and Direct Placements		COP		Bonds and Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,610	\$ 1,129	\$ 1,674	\$ 111	\$ 4,755	\$ 7,791	\$ 305	\$ 44
2025	1,680	1,045	614	60	4,715	7,595	310	28
2026	1,750	956	628	36	5,295	7,359	315	12
2027	1,825	863	532	11	5,930	7,079	--	--
2028	1,900	765	66	--	6,650	6,765	--	--
2029-2033	4,812	2,766	119	--	45,551	27,740	--	--
2034-2038	4,125	1,548	--	--	71,315	13,599	--	--
2039-2043	2,835	270	--	--	21,270	556	--	--
Sub-total	20,537	9,342	3,633	218	165,481	78,484	930	84
Unamortized premium	--	--	--	--	14,920	--	--	--
Unamortized discount	(59)	--	--	--	--	--	--	--
Total, net	\$ 20,478	\$ 9,342	\$ 3,633	\$ 218	\$ 180,401	\$ 78,484	\$ 930	\$ 84

Bonds and Notes Payable

Governmental Activities (Excluding Internal Service Funds)

Notes Payable from Direct Borrowings

On November 09, 2006, the County entered into a financed purchase of \$2,400 at an interest rate of 5.43% for Alcohol, Drug and Mental Health Services (ADMHS). The notes payable outstanding at June 30, 2023 is \$625.

Bonds from Direct Borrowings

On December 17, 2014, the County issued \$9,925 in direct borrowing bonds at an interest rate of 2.33% and used the proceeds to refund the County's 2005 COP debt. The bonds payable outstanding at June 30, 2023 is \$1,070.

Internal Service FundsPhotovoltaic Solar Energy Facility Qualified Energy Conservation Bonds from Direct Borrowings

On September 27, 2011, the County issued \$5,250 in direct borrowing Qualified Energy Conservation Bonds (QECB) at an interest rate of 4.08% per annum. The proceeds were used to acquire a photovoltaic solar energy facility for the County's Calle Real campus.

The QECBs are taxable bonds that entitle the issuer to receive a direct subsidy payment from the United States Treasury (Treasury) equal to the lesser of (i) the taxable rate of the bonds or (ii) 70% of the Qualified Tax Credit Bond (QTCB) Rate on every semi-annual interest payment date. At the time of issuance, the QTCB Rate was 4.55%; therefore, the County will receive a Treasury subsidy of 70% of 4.55%, or approximately \$1,395 over the life of the bonds, resulting in a true interest cost of 0.94%. These bonds will be repaid from the Utilities Fund. The Calle Real solar facility bonds payable outstanding at June 30, 2023 is \$1,470.

Pacific Gas and Electric (PG&E) On-Bill Note from Direct Borrowing

On November 10, 2019, the County entered into a direct placement financing contract in the amount of \$614 with PG&E's On-Bill Financing Loan Agreement on a 10-year term at an interest rate of 0% per annum. The loans issued under the program are unsecured loans to fully or partially reimburse qualified PG&E customers for the costs they incur in connection with a qualified energy efficient retrofit project. These proceeds are being used for the LED lighting portion of a renewable energy project at the County's Betteravia Campus. The note contains a provision that, in the event of termination resulting from non-compliance by the County, the entire outstanding loan balance will become immediately due and payable. The PG&E loan balance outstanding at June 30, 2023 is \$468.

Business-Type ActivitiesLaguna Sanitation Wastewater Treatment Plant Note from Direct Borrowing

On August 16, 2001, the Laguna County Sanitation District (Laguna Sanitation) entered into a direct placement financing contract with the State of California (State) for the construction of a Total Dissolved Solids and Recycled Water Treatment Plant. Under the contract, the State made fifteen disbursements totaling \$9,150 to Laguna Sanitation during the period of February 2002 through June 2003. Repayment of the note commenced in July 2004 and the final payment of \$581 was made on June 21, 2023.

Laguna Sanitation Qualified Energy Conservation Bonds from Direct Borrowing

On May 25, 2011, the Laguna County Sanitation District (Laguna Sanitation) issued \$4,170 in direct borrowing Qualified Energy Conservation Bonds (QECB) at an interest rate of 5.25% per annum. The proceeds were used to acquire a photovoltaic solar energy facility, which is projected to save Laguna Sanitation \$12,000 in financing, operating and maintenance costs over a 30-year period.

The QECBs are taxable bonds that entitle the issuer to receive a direct subsidy payment from the United States Treasury (Treasury) equal to the lesser of (i) the taxable rate of the bonds or (ii) 70% of the Qualified Tax Credit Bond (QTCB) Rate on every semi-annual interest payment date. At the time of issuance, the QTCB Rate was 4.95%; therefore, Laguna Sanitation will receive a Treasury subsidy of 70% of 4.95%, or \$1,162 over the life of the bonds, resulting in a true interest cost of 1.97%. The bond documents contain a provision that, in the event of default, the outstanding principal balance and accrued interest shall become due and payable immediately. Bond payments are secured by net revenues on user rates and charges collected by Laguna Sanitation for sanitation services. The Laguna Sanitation QECB bonds payable at June 30, 2023 is \$930.

Certificates of Participation (COP)

The Santa Barbara County Finance Corporation (Corporation), a public benefit corporation, was created to issue certificates of participation that are securities issued and marketed to investors. The certificates are sold to provide funds to finance the costs of acquisition, installation and construction of capital projects. These certificates are secured by annual lease payments paid by the County to the Corporation and these lease payments are used by the Corporation to pay the interest and principal of the debt.

The certificates contain certain debt covenants, which are deemed by the County to be duties imposed by law. The County must include the applicable lease payments due each year in its annual budget and make the necessary appropriations. The County is also required to maintain certain levels of liability, property damage, casualty, business interruption, earthquake and title insurance in connection with each lease agreement. The County is in compliance with all significant financial restrictions and requirements as set forth in its various debt covenants.

In FY 2007-08, the Corporation issued \$23,600 of tax-exempt COP debt, comprised of \$17,000 classified as Series A-1 Certificates and \$6,600 classified as Series A-2 Certificates. The COP debt was issued for the purpose of financing the costs of the acquisition, installation and construction of capital improvements; paying capitalized interest on all or a portion of the Series A-1 Certificates; funding a reserve fund as security for the certificates; and paying certain costs of delivery associated with the certificates. The COP agreement contains a provision that, in the event of default, all rights, title and interest in the lease and sublease will be assigned to the trustee. Pursuant to the trust agreement, a debt service reserve fund was established with a fund requirement in the amount of \$560 as of June 30, 2023.

In FY 2009-10, the Corporation issued \$14,935 of taxable COP debt classified as Recovery Zone Economic Development Bonds (RZEDB) for purposes of the American Recovery and Reinvestment Act (ARRA). Pursuant to the ARRA, the County expects to receive a cash subsidy payment from the United States Treasury equal to 45% of the interest payable. The County received a subsidy of \$362 during the year ended June 30, 2023.

In FY 2018-19, the Resource Recovery and Waste Management Fund (Resource Recovery) issued \$149,000 of COP debt classified as the Solid Waste Revenue Certificates of Participation: \$8,130 of tax-exempt certificates, \$129,870 tax-exempt alternative minimum tax certificates, and \$11,000 of taxable certificates. The COP debt was issued for the purpose of funding certain improvements to the County's solid waste system (Solid Waste System), including the costs of a Materials Recovery Facility, an Anaerobic Digestion Facility and landfill gas engines which collectively constitute the Resource Center. The COP agreement contains a provision that, in the event of default, the outstanding principal balance and accrued interest are due and payable immediately. The Solid Waste System COP payments are secured by net revenues of user charges, fees and rates collected by the Solid Waste System. As of June 30, 2023, the remaining principal and interest requirements totaled \$214,092 with a current fiscal year pledged revenue amount of \$54,380. Pursuant to the trust agreement, a debt service reserve fund was established with a fund requirement in the amount of \$14,900 as of June 30, 2023.

In FY 2020-21, Laguna Sanitation issued \$24,510 of tax-exempt COP debt classified as the Laguna County Sanitation District Sanitation System Revenue Certificates of Participation. The COP debt was issued for the purpose of funding certain improvements to Laguna Sanitation's management system (Management System). Pursuant to the trust agreement, all net revenues are pledged to the payment of the debt. Net revenues consist of fees, service charges, connection charges and income received by or imposed by Laguna Sanitation in connection with the ownership and operation of the Management System less the maintenance and operation costs of the Management System. As of June 30, 2023, the remaining principal and interest requirements totaled \$29,299 with a current fiscal year pledged revenue amount of \$16,387.

A summary of COP principal outstanding as of June 30, 2023 is as follows:

		Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of 6/30/2023
Governmental activities:						
2008 COPs	2008 Capital Improvements	4.00-4.75	6/25/2008	12/1/2028	\$ 17,000	\$ 7,145
2010 COPs	2010 Capital Improvements - RZEDB	6.22-6.25	6/10/2010	12/1/2040	14,935	13,392
	Sub-total governmental activities				<u>31,935</u>	<u>20,537</u>
Business-Type activities:						
2008 COPs	2008 Capital Improvements	3.00-4.50	6/25/2008	12/1/2023	6,600	561
2018 COPs	2018 Capital Improvements	3.30-5.25	11/28/2018	12/1/2038	149,000	142,010
2020 COP	2020 Capital Improvements	2.00-5.00	9/16/2020	12/1/2040	24,510	22,910
	Sub-total business-type activities				<u>180,110</u>	<u>165,481</u>
	Total COP principal outstanding				<u>\$ 212,045</u>	186,018
	Unamortized issuance premium					14,920
	Unamortized issuance discount					(59)
	Total COP principal, net outstanding					<u>\$ 200,879</u>

Rebateable Arbitrage Earnings

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings, and found that the County had no rebateable arbitrage liability at June 30, 2023.

11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; cyber liability, aviation and medical malpractice. For these risks, the County has chosen to establish risk management internal service funds where assets are set aside for insurance premium costs and self-insured retentions to pay for specific covered losses. In addition, the County has established separate self-insurance financing funds for unemployment claims and dental insurance benefits for employees and their dependents.

The County of Santa Barbara is a member of Public Risk Innovation, Solutions, and Management (PRISM, formerly CSAC-EIA), a member-directed risk sharing pool of public agencies that provides risk coverage programs. PRISM membership comprises 55 of the 58 California counties, 300 organizations and approximately 2,050 sub-members, which include 70% of the cities, as well as numerous school districts, special districts, housing authorities, fire districts, and other Joint Powers Authorities. A Board of Directors consisting of representatives from its members governs PRISM. The County purchases all its insurance through PRISM. The County's aggregate annual premium, including all insurances, paid to PRISM for the year ended June 30, 2023, was \$34,217. PRISM issues its own audited Annual Comprehensive Financial Report which can be obtained from PRISM located at 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

The unpaid claims liabilities included in the risk management self-insurance internal service funds are based on the results of actuarial studies and include amounts for claims incurred but not reported and adjustment expenses. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic and social factors. General liability liabilities are carried at present value using a discount rate of 1%. It is the County's practice to annually obtain full actuarial studies for general liability coverages. Rates charged to departments use various allocation methods that include actual costs, claims experience, and payroll costs. Rates charged annually are established such that, when added with cash reserves on hand, adequate resources are provided to meet liabilities as they come due.

Changes in the claims liability for all self-insurance claims during the past two fiscal years are as follows:

	Fiscal Year Ended	
	June 30, 2022	June 30, 2023
Unpaid claims, beginning of year	\$ 10,757	\$ 12,959
Incurred claims	8,909	5,527
Claim payments	(7,727)	(5,375)
Ceded premiums	1,020	--
Unpaid claims, end of year	<u>\$ 12,959</u>	<u>\$ 13,111</u>

In FY 2019-20, Risk Management’s Workers’ Compensation fund entered into a reinsurance agreement with PRISM to eliminate County liability exposure to self-insured workers’ compensation claims. The reinsurance agreement discharged the entire workers’ compensation self-insurance liability of the fund as the direct insurer of the risks insured. As of June 30, 2023, the only remaining Workers’ Compensation liabilities total an estimated \$283,000, which represents four claims which were not transferred to PRISM as part of the reinsurance agreement.

In addition to the risk coverage provided by the County’s internal service funds, the County also has coverage for bodily injury, including passengers and property, up to \$25 million through the County’s insurance broker, Alliant, for the Sheriff’s Aero Squadron. The premiums for this insurance are not allocated through the County’s internal service fund and instead are paid directly by the Sheriff’s office.

12. COMMITMENTS AND CONTINGENCIES

Litigation

The County is subject to various lawsuits and claims involving public liability and other actions incidental to the ordinary course of County operations. To the extent the outcome of such litigation has been determined to result in probable financial loss to the County, a liability for litigation of \$51, representing County Counsel’s best estimate of the ultimate loss, has been accrued in the governmentwide Statement of Net Position. The timing of the payment of these losses cannot presently be determined.

The County is involved in legal disputes regarding protested tax assessments. As of June 30, 2023, the County’s portion of property taxes related to the contested assessments was \$5,726.

A number of lawsuits and claims are pending against the County for which the financial loss to the County has been determined to be reasonably possible by County Counsel. These lawsuits include claims filed for inverse condemnation, tort liability, workers’ compensation, civil rights violation, breach of contract, land use disputes, and storm damage. The County intends to vigorously defend itself against these lawsuits. The aggregate amount of the uninsured liabilities of the County and the timing of any anticipated payments which may result from such claims will not, in the opinion of County Counsel, significantly affect the financial condition of the County.

The Santa Barbara County District Attorney’s Office, Consumer and Environmental Protection Unit, is investigating the County’s response to a “Toro Canyon Creek oil spill” and the County’s role with respect to an oil water separator facility there. The District Attorney’s Office has indicated that they could pursue either criminal or civil liability, or neither. The County’s excess insurance generally covers liability for negligence, but does not cover liability for criminal conduct or the violation of environmental regulations that could be at issue (Note 22).

Grants

The County recognizes as revenue grant monies received as reimbursement for costs incurred in certain federal and state programs it administers. Although the County's federal grant programs are audited in accordance with the requirements of the U.S. Office of Management and Budget Uniform Guidance 2 CFR Part 200, these programs may be subject to financial and compliance audits by the reimbursing agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial, with the exception of the Behavioral Wellness Fund.

Behavioral Wellness Fund

Counties provide mental health services to Medi-Cal beneficiaries through a publicly or privately operated mental health managed care plan contracted with the State Department of Health Care Services (DHCS) and share in the financial risk. Each California County operates its own mental health plan for Medi-Cal beneficiaries. The County, through the mental health plan, provides mental health services to adults and children directly and through Community Based Organizations (CBO).

Mental Health Medi-Cal claiming is a reimbursement system in which counties are provided an interim cash flow of State and Federal funding pending a three step process of reimbursement that includes filing a cost report, settlement of valid units of service and a cost report audit. Funding is made available through the Federal Medicaid entitlement program and California provides matching State and County funds. Claims are reimbursed based upon the appropriate Federal Medical Assistance Percentage (FMAP). This percentage represents the percentage of a claim for which the Federal government will pay Federal Financial Participation (FFP). Any amounts not provided by FFP must be matched by State or County funds. The year-end reporting process is the culmination of the mental health financial and statistical data accumulation for the services provided within the relevant Fiscal Year. The County is required to submit a cost report to DHCS by December 31 for all services provided by County and CBO staff for a fiscal year ending June 30. The cost report serves as a basis for computing the year-end settlement of approved service units and a settlement payment between DHCS and the County and is also the basic standardized record subject to audit. All year-end settlements are considered interim settlements and are subject to audit by DHCS. The audit is required to be completed three years after the year-end cost report is submitted and reconciled. Generally the cycle, from cost report submittal to final settlement, is not complete until five years after the initial cost report is filed by the County.

In past years this cost report settlement and audit process resulted in significant settlements with the State Department of Mental Health and now its successor agency DHCS. The County currently estimates a potential liability exposure of up to \$1,039 or outstanding issues with the State of California. The settlement and payment of these liabilities could span a five to ten year period. These liabilities have been recorded as other payables in the Behavioral Wellness Fund.

Santa Barbara County Redevelopment Successor Agency

In accordance with Assembly Bill (AB) 1X 26 and AB 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. It is reasonably possible that the State Department of Finance could invalidate any of the obligations reported on the Successor Agency's Recognized Obligations Payment Schedule. The range of potential loss of revenue to pay these obligations is between \$0 and \$20,000 over the remaining life of the Successor Agency (6 years).

Contracts

The County has entered into contracts to purchase goods and services from various vendors. Approximately \$406,461 will be payable upon future performance under these contracts.

Federal and State Disaster Assistance

On January 2, 2018, a presidential major disaster was declared for the areas affected by the Thomas Fire. On January 11, 2018, the declaration was expanded to include areas affected by the Montecito Debris Flows. The declaration made federal disaster assistance available to the State of California to supplement the County's local recovery efforts. During fiscal years 2021-22 and 2022-23, the County received \$41 and \$26, respectively, of State and Federal disaster aid payments, while an estimated \$11,195 of additional costs have been obligated but not received through the date these financial statements were issued. Due to uncertainty in the amount and timing of State and Federal awards that may be received in the future, no additional amounts have been recognized as of June 30, 2023.

On March 13, 2020, a presidential emergency was declared for all states, tribes, territories, and the District of Columbia due to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic. During fiscal years 2021-22 and 2022-23, the County received \$2,643 and \$2,043, respectively, of Federal assistance, \$1,139 of Federal assistance was received through the date these financial statements were issued. As of June 30, 2023, \$511 of Federal assistance have been obligated but not received and \$1,520 of eligible costs have been submitted to Federal Emergency Management Agency (FEMA). FEMA issued guidance on October 16, 2023 which limits eligible costs for Non-Congregate Sheltering for periods beginning after June 11, 2021. This new guidance may potentially impact funds received and costs submitted which were previously eligible under original guidance. Due to uncertainty in the amount and timing of Federal awards that may be received in the future and or costs that may be deemed ineligible, no additional amounts have been recognized as of June 30, 2023.

On January 14, 2023, a presidential major disaster was declared for the State of California as a result of the severe winter storms, flooding, landslides, and mudslides beginning on December 27, 2022. The declaration made federal disaster assistance available to the State of California to supplement the County's local recovery efforts. As of June 30, 2023, \$599 of eligible costs have been submitted to FEMA, and no funds have been obligated as of June 30, 2023. Although additional eligible costs exist for this event, final amounts are still being determined for submission to FEMA.

On April 3, 2023, a presidential major disaster was declared for the State of California as a result of the severe winter storms, straight-line winds, flooding, landslides, and mudslides that began on February 21, 2023. The declaration made federal disaster assistance available to the State of California to supplement the County's local recovery efforts. The County is currently determining eligible project costs for submission to FEMA and has not yet submitted eligible costs for FEMA review.

13. LANDFILL CLOSURE AND POSTCLOSURE CARE

The County owns and operates three landfill sites: Tajiguas, Foxen Canyon, and New Cuyama. Two of the three sites are closed - New Cuyama closed in FY 95-96; Foxen Canyon was converted to a transfer station in FY 03-04 and subsequently closed in FY 08-09.

State and federal laws and regulations require the County to place a final cover on these landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at each site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the respective landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each Balance Sheet date.

The \$38,739 reported as landfill closure and postclosure care liability at June 30, 2023, represents the cumulative amount reported to date based on the estimated percentages of used capacity of the landfills as follows:

<u>Landfill</u>	<u>Capacity Used</u>	<u>Remaining Years</u>	<u>Remaining Postclosure Years</u>
Tajiguas	95%	2	Open
Foxen Canyon	95%	closed	16
New Cuyama	100%	closed	6

The County will recognize the remaining estimated cost of closure and postclosure care of \$1,719 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all remaining closure and postclosure care in 2023. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. In FY 18-19, the Resource Recovery and Waste Management Fund initiated the ReSource Center. The intent of the project is to significantly extend the life of the landfill and reduce landfilling and greenhouse gas emissions. The facility will be fully operational in FY 23-24.

The County is required by state and federal laws and regulations to make annual contributions and/or provide an alternative funding mechanism to finance closure, postclosure, and corrective action care. The County is in compliance with these requirements, and, at June 30, 2023, restricted cash and investments of \$27,817 are held for these purposes. These are reported as restricted assets on the Balance Sheet (see Note 4).

Restricted cash for closure, postclosure care, and corrective action financial assurances costs at June 30, 2023 is comprised of the following:

<u>Landfill/Collection Facility</u>	<u>Closure Cost</u>	<u>Postclosure Care Cost</u>	<u>Corrective Action Cost</u>	<u>Total Restricted Cash</u>
Tajiguas	\$ 20,194	\$ 4,199	\$ 1,184	\$ 25,577
Foxen Canyon	--	841	349	1,190
New Cuyama	--	139	844	983
UCSB HHW Center	--	-	67	67
Total	<u>\$ 20,194</u>	<u>\$ 5,179</u>	<u>\$ 2,444</u>	<u>\$ 27,817</u>

Additionally, the County has pledged revenues from future tipping fees generated at the Santa Barbara South Coast Transfer Station to fund a portion of the postclosure maintenance costs. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered through landfill tip fees and/or added program fees to the municipal refuse rates paid by County residents.

14. FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2023 is as follows:

	General	Roads	Public Health	Social Services	Behavioral Wellness	Flood Control District	Affordable Housing	Fire Protection District	Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable - legally or contractually required to be maintained intact:											
Endowment	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 700	\$ 700
Nonspendable in form:											
Prepays/Deposits	50	--	--	309	--	--	--	--	--	7	366
Receivables	5	--	--	--	--	4	--	--	--	--	9
Total nonspendable fund balance	55	--	--	309	--	4	--	--	--	707	1,075
Restricted for:											
Purpose of Fund	12,274	36,344	808	9,018	43,417	47,446	9,668	15,556	1,319	35,787	211,637
Local Realignment 2011	36,811	--	--	--	566	--	--	--	--	--	37,377
Allocated for Capital Outlay	1	--	--	--	--	14,703	--	12,028	2,643	995	30,370
Health Care Programs	--	--	25,004	--	--	--	--	--	--	--	25,004
Public Safety Prop 172	18,057	--	--	--	--	--	--	--	--	--	18,057
Measure A Roads Funds	--	8,251	--	--	--	--	--	--	--	--	8,251
Probation YOBG	6,125	28	--	--	--	--	--	--	--	--	6,153
Public Arts Program	5,438	--	--	--	--	--	--	--	--	--	5,438
Sheriff Categorical Grants	5,050	--	--	--	--	--	--	--	--	--	5,050
Probation LESF/COPS	3,238	--	--	--	--	--	--	--	--	--	3,238
Parks Projects	--	--	--	--	--	--	--	--	2,899	224	3,123
Opioids Litigation Settlement	2,846	--	--	--	--	--	--	--	--	--	2,846
Consumer/Environmental	2,532	--	--	--	--	--	--	--	--	--	2,532
DMV/Livescan	--	--	--	--	--	--	--	--	2,219	--	2,219
MHSA Prudent Reserve	--	--	--	--	2,023	--	--	--	--	--	2,023
Housing Trust Funds	--	--	--	--	--	--	1,911	--	--	--	1,911
Recorder Operations	--	--	--	--	--	--	--	--	--	1,721	1,721
Recorder Modernization	--	--	--	--	--	--	--	--	--	1,705	1,705
Probation Programs	1,640	--	--	--	--	--	--	--	--	--	1,640
GATV Infrastructure	1,631	--	--	--	--	--	--	--	--	--	1,631
Sheriff Asset Forfeiture-State	1,383	--	--	--	--	--	--	--	--	--	1,383
Civil Funds CC 26731 & 26746	1,334	--	--	--	--	--	--	--	--	--	1,334
Alcoholism Programs	--	--	--	--	1,323	--	--	--	--	--	1,323
P&D Offsite Mitigation	--	--	--	--	--	--	--	--	--	1,303	1,303
Debt Service	--	--	--	--	--	--	--	--	--	1,282	1,282
PHD Special Projects	--	--	1,262	--	--	--	--	--	--	--	1,262
PRC Performance Security	--	--	--	--	--	1,043	--	--	--	--	1,043
Hollister Ranch Public Access	--	--	--	--	--	--	--	--	--	1,000	1,000
Sustainability Programs	999	--	--	--	--	--	--	--	--	--	999
Local Innovation Sub-Account	994	--	--	--	--	--	--	--	--	--	994
Maintenance-Casa Nueva Bldg	820	--	--	--	--	--	--	--	--	--	820
Los Prietos Donation	640	--	--	--	--	--	--	--	--	--	640
DA Asset Forfeiture-State	610	--	--	--	--	--	--	--	--	--	610
Animal Control Programs	228	--	364	--	--	--	--	--	--	--	592
Assessor AB818	504	--	--	--	--	--	--	--	--	--	504
Real Estate Fraud	497	--	--	--	--	--	--	--	--	--	497
Recorder Micrographics	--	--	--	--	--	--	--	--	--	396	396
Survey Monument	375	--	--	--	--	--	--	--	--	--	375
DSS Childrens Trust	--	--	--	350	--	--	--	--	--	--	350
Dispute Resolution	--	--	--	--	--	--	--	--	--	346	346
Gaviota Bikeway	--	--	--	--	--	--	--	--	--	335	335
District Attorney Programs	307	--	--	--	--	--	--	--	--	--	307
FY 12/13,13/14 Operating Plans	--	--	--	--	--	201	--	--	--	88	289
Drug Abuse Programs	--	--	--	--	233	--	--	--	--	--	233
Recorder ERDS	--	--	--	--	--	--	--	--	--	228	228
Vital Records	--	--	--	--	--	--	--	--	--	216	216
CalVet Subvention Program	203	--	--	--	--	--	--	--	--	--	203
EMS Programs	--	--	202	--	--	--	--	--	--	--	202
Donations	161	--	--	32	--	--	--	--	--	--	193
DSA Surplus Health Allocations	189	--	--	--	--	--	--	--	--	--	189
State Off Hwy Fee	147	--	--	--	--	--	--	--	--	--	147
Weights and Measures	80	--	--	--	--	--	--	--	--	--	80
DARE	37	--	--	--	--	--	--	--	--	--	37
DA Victim Emergency Fund	36	--	--	--	--	--	--	--	--	--	36
Recorder Redaction	--	--	--	--	--	--	--	--	--	35	35
Imprest Cash	10	--	3	15	4	--	--	--	--	1	33
COP Proceeds	--	--	--	--	--	--	--	--	--	12	12
	105,197	44,623	27,643	9,415	47,566	63,393	11,579	27,584	9,080	45,674	391,754

A detailed schedule of fund balances at June 30, 2023 continued:

	General	Roads	Public Health	Social Services	Behavioral Wellness	Flood Control District	Affordable Housing	Fire Protection District	Capital Projects	Other Governmental Funds	Total Governmental Funds
Committed to:											
Strategic Reserve	40,578	--	--	--	--	--	--	--	1	--	40,579
Accumulated Capital Outlay	16,937	--	--	--	--	--	--	--	--	--	16,937
Tech Replacement & Investment	15,129	--	--	--	--	--	--	--	--	--	15,129
Litigation	12,123	--	--	--	--	--	--	--	--	--	12,123
Emerging Issues	12,123	--	--	--	--	--	--	--	--	--	12,123
General Services Projects	2,422	--	--	--	--	--	--	--	7,393	--	9,815
Health Care Programs	--	--	--	--	--	--	--	--	--	9,275	9,275
Disaster Recovery	8,928	--	--	--	--	--	--	--	--	--	8,928
Props 215/64 - Cannabis	8,281	--	--	--	--	--	--	--	--	--	8,281
Purpose of Fund	712	--	--	2,989	--	--	--	--	2,256	1,681	7,638
Advance Construction Reserve	7,409	--	--	--	--	--	--	--	--	--	7,409
New Jail Operations	7,124	--	--	--	--	--	--	--	--	--	7,124
Program Stabilization	6,565	--	--	--	--	--	--	--	--	--	6,565
Parks Projects	1,579	--	--	--	--	--	--	--	4,073	--	5,652
County Executive Programs	5,218	--	--	--	--	--	--	--	--	--	5,218
Contingencies	4,830	--	--	--	--	--	--	--	--	--	4,830
Facilities Maintenance	3,686	--	--	--	--	--	--	--	--	--	3,686
Mental Health	2,800	--	--	--	--	--	--	--	--	--	2,800
Clerk Record Assessor Projects	1,757	--	--	--	--	--	--	--	--	--	1,757
Auditor Systems Maint/Develop	1,677	--	--	--	--	--	--	--	--	--	1,677
Planning/Development Projects	809	--	--	--	--	--	--	--	--	479	1,288
General County Programs	1,265	--	--	--	--	--	--	--	--	--	1,265
AB 199	977	--	--	--	--	--	--	--	--	--	977
Sheriff Replacement Vehicles	964	--	--	--	--	--	--	--	--	--	964
In-Car Video Equip Replacement	920	--	--	--	--	--	--	--	--	--	920
Elections Voting Equipment	916	--	--	--	--	--	--	--	--	--	916
Sheriff Projects	524	--	--	--	--	--	--	--	169	--	693
Tobacco Settlement	634	--	--	--	--	--	--	--	--	4	638
Housing Programs	346	--	--	--	--	--	--	--	--	--	346
North County Jail Contingency	302	--	--	--	--	--	--	--	--	--	302
Treas Tax Collector Projects	300	--	--	--	--	--	--	--	--	--	300
Air Support Unit Maintenance	230	--	--	--	--	--	--	--	--	--	230
P&D Land Use System	--	--	--	--	--	--	--	--	--	201	201
Rental Maintenance	187	--	--	--	--	--	--	--	--	--	187
Ag Commissioner Projects	134	--	--	--	--	--	--	--	--	--	134
Human Resources Programs	93	--	--	--	--	--	--	--	--	--	93
Probation Programs	49	--	--	--	--	--	--	--	--	--	49
Building & Safety Permitting	--	--	--	--	--	--	--	--	--	40	40
Imprest Cash	26	--	--	--	--	--	--	--	--	3	29
Public Defender Programs	8	--	--	--	--	--	--	--	--	--	8
PAPG Revolving Fund	5	--	--	--	--	--	--	--	--	--	5
	<u>168,567</u>	<u>--</u>	<u>--</u>	<u>2,989</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>13,892</u>	<u>11,683</u>	<u>197,131</u>
Unassigned fund balance:	<u>37,571</u>	<u>(1,422)</u>	<u>(820)</u>	<u>(562)</u>	<u>(1,831)</u>	<u>(2,701)</u>	<u>(963)</u>	<u>(339)</u>	<u>(2,099)</u>	<u>(2,121)</u>	<u>24,713</u>
Total fund balances	<u>\$ 311,390</u>	<u>\$ 43,201</u>	<u>\$ 26,823</u>	<u>\$ 12,151</u>	<u>\$ 45,735</u>	<u>\$ 60,696</u>	<u>\$ 10,616</u>	<u>\$ 27,245</u>	<u>\$ 20,873</u>	<u>\$ 55,943</u>	<u>\$ 614,673</u>

15. RESTRICTED COMPONENT OF NET POSITION

The restricted component of net position are assets that are subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

The restricted component of net position at June 30, 2023 for governmental activities is as follows:

Restricted for Policy and Executive:		
County Executive Office	\$ 1,641	
	<u>1,641</u>	\$ 1,641
Restricted for Public Safety:		
Probation	48,475	
Fire Protection District	28,375	
Sheriff	14,008	
District Attorney	3,999	
Trial Courts	346	
	<u>95,203</u>	95,203
Restricted for Health & Human Services:		
Public Health	28,157	
Behavioral Wellness	50,324	
Social Services	10,671	
Child Support Services	736	
	<u>89,888</u>	89,888
Restricted for Community Resources & Public Facilities:		
Flood Control District	63,397	
Housing	60,897	
Roads	44,623	
Water Agency	16,537	
Planning and Development	17,513	
County Service Areas	5,486	
Parks	3,369	
	<u>211,822</u>	211,822
Restricted for General Government & Support Services:		
Clerk-Recorder-Assessor	4,806	
General Services	3,826	
Other	203	
	<u>8,835</u>	8,835
Restricted for General County Programs:		
Other	36,536	
Courthouse Construction	1,152	
	<u>37,688</u>	37,688
Total restricted component of net position - governmental activities		<u>\$ 445,077</u>

Included in governmental activities restricted net position at June 30, 2023 is net position restricted by enabling legislation of \$7,774.

16. INTERFUND TRANSACTIONS

Interfund Receivables / Payables

Amounts due to/from other funds at June 30, 2023 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects	\$ 2,032
Social Services	IHSS Public Authority	1,499
Planning and Development	General Fund	505
General Fund	Behavioral Wellness	482
Court Operations	General Fund	476
General Fund	Planning and Development	315
General Fund	Affordable Housing	245
General Fund	Public Health	228
General Fund	Social Services	63
Water Agencies	Flood Control Districts	37
Flood Control Districts	Water Agencies	9
General Fund	Water Agencies	8
Flood Control Districts	Roads Fund	3
Total due to/from other funds		\$ 5,902

The balances above are due to be paid in the subsequent fiscal year and resulted from when funds overdraw their share of pooled cash; or the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Advances to/from other funds at June 30, 2023 are as follows:

Receivable Fund	Payable Fund	Amount
AFDC Homeless Revolving	Social Services	\$ 5

Transfers

Transfers are used to (1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, (2) move receipts identified for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers to/from other funds at June 30, 2023 are as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Affordable Housing Fund	\$ 13,048	ARPA Distribution
	Nonmajor Governmental Funds	11,317	General Fund Contribution
	Roads Fund	10,395	Roads Project
	Social Services Fund	9,103	General Fund Contribution
	Public Health Fund	7,946	General Fund Contribution
	Capital Projects Fund	7,754	ARPA Distribution
	Capital Projects Fund	5,921	Capital Projects
	Behavioral Wellness Fund	5,874	General Fund Contribution
	Nonmajor Governmental Funds	2,085	Debt Service
	Roads Fund	1,907	General Fund Contribution
	Behavioral Wellness Fund	1,498	ARPA Distribution
	Roads Fund	683	ARPA Distribution
	Internal Service Funds	397	Vehicles
	Behavioral Wellness Fund	395	Other
	Nonmajor Governmental Funds	351	Other
	Capital Projects Fund	309	Dispatch Services
	Internal Service Funds	280	Other
	Capital Projects Fund	275	General Fund Contribution
	Public Health Fund	209	Other
	Behavioral Wellness Fund	163	Program Administration
Social Services Fund	54	Other	
Fire Protection District Fund	23	Other	
		<u>79,987</u>	
Roads Fund	General Fund	3,000	Roads Project
	Internal Service Funds	68	Vehicles
		<u>3,068</u>	
Public Health Fund	General Fund	736	Medicaid
	Affordable Housing Fund	175	Program Administration
	Capital Projects Fund	138	Capital Projects
	General Fund	67	Other
	Social Services Fund	10	Program Administration
		<u>1,126</u>	
Social Services Fund	Behavioral Wellness Fund	223	Other
	General Fund	55	Other
	Internal Service Funds	35	Vehicles
	Capital Projects Fund	32	Capital Projects
		<u>345</u>	
Behavioral Wellness Fund	General Fund	913	Other
	Nonmajor Governmental Funds	303	Debt Service
	Public Health Fund	55	Other
	Internal Service Funds	36	Vehicles
	Social Services Fund	18	Program Administration
	Affordable Housing Fund	7	Other
Social Services Fund	1	Other	
		<u>1,333</u>	

Transfers to/from other funds at June 30, 2023 (continued):

Transfer From	Transfer To	Amount	Purpose
Affordable Housing Fund	General Fund	1,423	Program Administration
	General Fund	617	Other
	General Fund	139	ARPA Distribution
	Capital Projects Fund	23	Capital Projects
		2,202	
Fire Protection District Fund	Internal Service Funds	3,700	Vehicles
	General Fund	1,990	Dispatch Services
	Capital Projects Fund	1,372	Capital Projects
	Capital Projects Fund	965	Dispatch Services
	General Fund	586	Other
	Nonmajor Governmental Funds	241	Debt Service
	Public Health Fund	12	Other
	Capital Projects Fund	9	
	8,875		
Capital Projects Fund	General Fund	1,542	Other
	Public Health Fund	50	Other
		1,592	
Nonmajor Governmental Funds	Public Health Fund	2,362	Program Administration
	General Fund	1,191	Other
	General Fund	1,039	Program Administration
	Behavioral Wellness Fund	313	Program Administration
	Fire Protection District Fund	299	Other
	Capital Projects Fund	217	Other
	Public Health Fund	86	Other
	Capital Projects Fund	69	Capital Projects
	Flood Control Districts Fund	41	Other
	Internal Service Funds	24	Vehicles
	5,641		
Internal Service Funds	General Fund	964	Vehicles
		964	
	Total transfers	\$ 105,133	

17. TAX ABATEMENTS

The County provides property tax abatements through the Agricultural Preserve Program. The program enrolls land in Williamson Act or Farmland Security Zone contracts whereby the land is restricted to agricultural, open space, or recreational uses in exchange for reduced property tax assessments. Participation in the program is voluntary. The Santa Barbara County Uniform Rules for Agricultural Preserves and Farmland Security Zones is the set of rules by which the County administers its Agricultural Preserve Program. The Agricultural Preserve Advisory Committee is responsible for administering the County's Agricultural Preserve Program.

Under the provisions of these contracts, land parcels are assessed for property tax purposes at a rate consistent with their actual use, rather than potential market value of the property. The minimum contract term is ten years and automatically renews until a nonrenewal or cancellation process is initiated. Under the nonrenewal process, the annual tax assessment increases over a defined period of time until the assessment reflects the market value of the property. Under the cancellation process, a significant one-time cancellation fee is assessed based upon a certain percentage of the unrestricted, current fair market value of the property.

No other commitments were made by the County as part of the Williamson Act or Farmland Security Zone contracts. For the fiscal year ended June 30, 2023, the Agricultural Preserve Program tax abatements were \$5,989.

18. PENSIONS

General Information about the Pension Plans

Plan Descriptions

The County, including the discretely presented component unit First 5 Children and Families Commission, provides pension benefits to eligible employees through cost sharing multiple-employer defined benefit pension plans (pension plans) administered by the Santa Barbara County Employees' Retirement System (SBCERS). Members of the pension plans include all permanent employees working full time, or at least 50% part time for the County, and the following independent special districts: Carpinteria Cemetery District, Carpinteria-Summerland Fire Protection District, Goleta Cemetery District, Mosquito and Vector Management District of Santa Barbara County, Oak Hill Cemetery District, Santa Barbara County Air Pollution Control District, Santa Barbara County Association of Governments, Santa Barbara County Local Agency Formation Commission, Santa Maria Cemetery District, Summerland Sanitary District, and the Santa Barbara County Superior Court. SBCERS issues its own Annual Comprehensive Financial Report (ACFR) that may be obtained by writing to SBCERS at 130 Robin Hill Road, Suite 100, Goleta, CA 93117 or on the SBCERS website under "Resources" <http://www.sbcers.org>.

SBCERS was established on January 1, 1944, and is administered by the Board of Retirement to provide service retirement, disability, death, and survivor benefits for employees of the County and participating districts. The Santa Barbara County Board of Supervisors and the governing boards of the participating districts adopt resolutions, as permitted by the California State Government Code §31450 (County Employees' Retirement Law of 1937 (CERL)), which affect the benefits of the SBCERS members. SBCERS is governed by the California Constitution; CERL; and the bylaws, policies and procedures adopted by the SBCERS' Board of Retirement. SBCERS administers six County pension plans. With the passage of the Public Employees' Pension Reform Act (PEPRA), the County established a new pension plan, Plan 8, with two rate tiers – one for safety and one for general members. As of January 1, 2013, Plan 8 is the only pension plan available to new employees. PEPRA made several changes to the pension benefits that may be offered to employees hired on or after January 1, 2013, including increasing minimum retirement ages, increasing the percentage required for member contributions, and excluding certain types of compensation as pensionable. PEPRA has also created limits on pensionable compensation tied to the Social Security taxable wage base. The cumulative effect of these PEPRA changes will ultimately reduce the County's retirement costs.

Summary of Plans and Eligible Participants

Open for New Enrollment:

General Plan 8 (PEPRA) General members hired on or after January 1, 2013.*

Safety Plan 8 (PEPRA) Safety members hired on or after January 1, 2013.*

*Employees who transfer from and are eligible for reciprocity with another public employer will not be PEPRA members if their service in the reciprocal system was under a pre-PEPRA tier.

Closed to New Enrollment:

General Plan 2 Employees hired on or before June 30, 1999, who elected to join General Plan 2. Once vested, Plan 2 members have a one-time election to defer accrued Plan 2 benefits and enter a contributory plan in effect at the time of election. Contributions are based upon age at time of transfer.

General Plan 5A General employees hired before October 10, 1994, who did not elect to join General Plan 2.

General Plan 5B Members in certain bargaining units hired on or after October 10, 1994.

General Plan 5C Members in certain bargaining units hired on or after October 10, 1994. Members in those bargaining units transferred from Plan 5B on March 10, 2008.

General Plan 7 County General employees hired on or after June 25, 2012 and other new non-PEPRA General hires for employers that have adopted Plan 7.

Safety Plan 4A Some safety members hired before October 10, 1994.

Safety Plan 4B Employees in certain bargaining units hired on or after October 10, 1994. Some employees are in Safety Plan 4B without regard to hire date.

Safety Plan 4C Members in certain bargaining units hired on or after October 10, 1994. All members in certain bargaining units. Members in those bargaining units transferred from Plan 4B on July 3, 2006.

Safety Plan 6A Members in certain bargaining units hired prior to October 10, 1994. Members in those bargaining units transferred from Plan 4A on February 25, 2008.

Safety Plan 6B Members in certain bargaining units hired on or after October 10, 1994. Members in those bargaining units transferred from Plan 4B on February 25, 2008.

Benefits Provided

All pension plans provide benefits, in accordance with CERL regulations, upon retirement, disability or death of members. Retirement benefits are based on years of service, final average compensation, and retirement age. Employees terminating before accruing 5 years (or 10 years for Plan 2) of retirement service credit (5 or 10-year vesting) forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning 5 years (or 10 years for Plan 2) of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. Differences between expected or actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Service-related disability benefits are based upon final average compensation or retirement benefits (if eligible). Non-service-related disability benefits are based on 1) years of service and final average compensation or 2) retirement benefits (if eligible). General Plan 2 participants receive disability benefits through a long-term insurance policy. Death benefits are based upon a variety of factors including whether the participant was retired or not.

Annual cost-of-living adjustments (COLAs) after retirement are provided in all plans except General Plan 2. COLAs are granted to eligible retired members each April based upon the Bureau of Labor Statistics Average Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Riverside-Orange County area as of the preceding January 1 and is subject to an annual maximum dependent upon the provisions of the pension plans.

Detailed information about the retirement, disability or death benefit calculations and COLA maximums for each of the pension plans are available in the separately issued SBCERS ACFR.

Contributions

Per Article 16 of the Constitution of the State of California, contribution requirements of the active employees and the participating employers are established and may be amended by the SBCERS Board of Retirement. Depending upon the applicable plan, employees are required to contribute a certain percent of their annual pay. For each of the plans, the County's contractually required contribution rate for the year ended June 30, 2023 was a specified percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Additional amounts required to finance any unfunded accrued liability are the responsibility of the plan sponsors. Contributions to the pension plans from the County were \$145,895 for the year ended June 30, 2023. Active members are plan members who are currently accruing benefits and/or paying contributions into the applicable plan.

For the measurement date June 30, 2022, employer and employee contribution rates and active members for each plan are as follows:

	<u>Employer</u> <u>Contribution Rates</u>	<u>Employee</u> <u>Contribution Rates</u>	<u>Active Members</u>
General Plan 2	26.59%	Non-contributory	4
General Plan 5A	37.55%	3.01 - 6.12%	193
General Plan 5B	37.52%	6.03 - 12.23%	195
General Plan 5C	39.27%	2.92 - 6.09%	942
General Plan 7	39.22%	2.43 - 5.08%	102
General Plan 8	31.36%	8.40%	1609
Safety Plan 4A	58.38%	5.58 - 9.65%	9
Safety Plan 4B	63.51%	11.15 - 19.30%	8
Safety Plan 4C	57.06%	5.38 - 9.52%	253
Safety Plan 6A	66.41%	5.58 - 9.65%	9
Safety Plan 6B	65.37%	5.38 - 9.52%	205
Safety Plan 8	45.94%	15.22%	414

Beginning in FY 2018-19, members of certain plans and bargaining units paid a portion of the employer contributions between 0.83% - 6.00% depending on the member’s bargaining unit. No net change occurred in the combined pension contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the County, including its discretely presented component unit, reported a liability of \$692,352 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, updated to June 30, 2022. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all pension plan participants, actuarially determined. At June 30, 2022, the County’s proportion was 93.0133%, which was a decrease of 0.0843% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County and its discretely presented component unit recognized pension expense of \$74,183 and \$128, respectively. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2023, the County and its discretely presented component unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Proportionate Share			
	County of Santa Barbara		First 5 Children and Families Commission	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,215	\$ 1,636	\$ 63	\$ 4
Changes in assumptions	10,656	\$ 2,769	18	\$ 5
Net difference between projected and actual earnings on retirement plan investments	--	\$ 4,308	--	\$ 7
Changes in proportion and differences between County and Commission contributions and proportionate share of	2,284	\$ 1,408	4	\$ 2
County and Commission contributions subsequent to the measurement date	145,643	\$ -	252	\$ -
	<u>\$ 194,798</u>	<u>\$ 10,121</u>	<u>\$ 337</u>	<u>\$ 18</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

The County and its discretely presented component unit reported \$145,895 as deferred outflows of resources related to pension contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the measurement year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Proportionate Share	
	County of Santa Barbara	First 5 Children and Families Commission
2024	\$ 6,711	\$ 12
2025	5,703	10
2026	(37,609)	(65)
2027	64,229	110
	<u>\$ 39,034</u>	<u>\$ 67</u>

Actuarial Assumptions

The total pension liability, measured as of June 30, 2022, was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Increases in pay	3.00% plus merit component based on employee classification and years of service
Investment rate of return	7.00%, net of investment expense
Administrative expenses	Base of \$5.6 million for the fiscal year ended June 30, 2022 with assumed wage inflation of 3.00% annually
Basic COLA	The cost-of-living as measured by the Consumer Price Index (CPI) will increase at the rate of 2.75% per year.
Post-Retirement COLA	Benefits are assumed to increase after retirement at the rate of 2.60% per year for General Plans 5, and Safety Plans 4, 6, and 8 (PEPRA); 1.90% per year for General Plans 7 and Plan 8 (PEPRA); and 0% per year for General Plan 2.

Post-Retirement mortality Healthy Lives:
 Mortality rates for General active members are based on the sex distinct Public General 2010 Above-Median Income Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2019, without adjustment.

Non-duty related mortality rates for Safety active members are based on the sex distinct Public Safety 2010 Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2019, without adjustment.

Safety active members are also subject to the 2014 California Public Employees Retirement System (CalPERS) Preretirement Industrial Mortality Table for duty-related death, with generational improvement using Projection Scale MP-2019 from a base year of 2009.

Mortality rates for healthy General annuitants are based on the sex distinct Public General 2010 Above-Median Income Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2019.

Mortality rates for Safety annuitants are based on the sex distinct Public Safety 2010 Retiree Mortality Table, with generational improvements projected from 2010 using Projection Scale MP-2019.

Disabled Lives:
 Mortality rates for disabled retirees are based on 2014 CalPERS Industrial Disabled Annuitant Mortality, with no adjustment (Safety only), 2014 CalPERS Non-Industrial Disabled Annuitant Mortality, with no adjustment (General only), with Generational improvement using Projection Scale MP-2019 from a base year of 2009.

The actuarial assumptions used in the June 30, 2021 valuation, updated to June 30, 2022, were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2019. As a result of the June 30, 2019 actuarial experience study, no changes were made to the economic assumptions used in the previous actuarial valuation.

The long-term expected rate of return, measured as of June 30, 2022, on pension plan investments (7.0 percent) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Broad U.S. equity	19%	3.30%
Developed market non-U.S. equity	11%	5.00%
Emerging markets equity	7%	7.75%
Core fixed income	17%	0.00%
Custom non-core fixed income	11%	3.13%
Custom real return	15%	3.73%
Custom real estate	10%	4.50%
Private equity	10%	6.50%
Cash	0%	-1.00%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund's fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County and its discretely presented component unit’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate:

Proportionate share - Net pension liability	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
County of Santa Barbara	\$ 1,290,627	\$ 691,155	\$ 200,726
First 5 Children and Families Commission	\$ 2,235	\$ 1,197	\$ 348

Pension Fund Fiduciary Net Position

Detailed information about the pension fund’s fiduciary net position is available in the separately issued SBCERS ACFR.

19. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan Description

The County’s agent multiple-employer defined benefit postemployment healthcare plan (OPEB Plan) is administered by the Santa Barbara County Employees’ Retirement System (SBCERS). The OPEB Plan is funded by the County and other plan sponsors, and is administered in accordance with §401(h) of the Internal Revenue Code (IRC). It was established on September 16, 2008, by the County Board of Supervisors who created a 401(h) Medical Trust. Also in 2008, an application for determination and a voluntary compliance plan was submitted to the Internal Revenue Service (IRS), and in October 2013, the IRS acted favorably on the application. SBCERS and its plan sponsors currently operate under the Voluntary Compliance Plan Statement and regulations adopted in 2013.

Other employer OPEB Plan sponsors include the Carpinteria Cemetery District, Carpinteria-Summerland Fire Protection District, Goleta Cemetery District, Santa Barbara County Air Pollution Control District, Santa Barbara County Association of Governments, Santa Barbara County Superior Court, Santa Maria Cemetery District, and the Summerland Sanitary District.

On June 26, 2012, the County closed the OPEB Plan to new general employees, and on June 20, 2016, the OPEB Plan was closed to new County Safety members.

SBCERS issues its own Annual Comprehensive Financial Report which includes note disclosures and required supplementary information for the OPEB Plan. This may be obtained by writing to the Santa Barbara County Employees’ Retirement System at 130 Robin Hill Road, Suite 100, Goleta, CA 93117 or on the SBCERS website under “Resources” at <http://www.sbcers.org>.

Benefits Provided

The OPEB Plan offers healthcare, vision, and dental benefits to eligible County retirees and their dependents. Benefits are provided by third party providers. The County negotiates health care insurance contracts with providers for both its active employees and the participating retired members of SBCERS. Retirees are offered the same health plans as active County employees, as well as enhanced senior plans for retirees on Medicare. Retiree premiums are rated separately from active County employees; as such, the County does not have a retiree premium implicit rate subsidy.

Retirees who elect to participate in a County-sponsored health insurance plan are eligible to receive an explicit subsidy for medical premiums funded by the County and other plan sponsors. The monthly subsidy is \$15 per year of service. If the monthly premium for the health plan selected is less than \$15 times the member’s years of service, the subsidy is limited to the entire premium. The health plans include coverage for eligible spouses and dependents. After the member’s death, a beneficiary is eligible to continue health plan coverage. The subsidy benefit will be equal to \$15 per year of service times the survivor continuation percentage applicable for pension benefits. If a member is eligible for a disability retirement benefit, the member can receive a monthly health plan subsidy of \$187 per month or a subsidy of \$15 per month per year of service, whichever is greater. This subsidy is treated as a nontaxable amount to the disabled recipient.

Retirees who choose not to participate in the County-sponsored health insurance plan receive a monthly benefit of \$4 per year of service. This benefit, known as a Healthcare Reimbursement Arrangement, reimburses qualified health care expenses through a health savings account.

Employees Covered By Benefit Terms

At the OPEB liability measurement date of June 30, 2022, the following County employees were covered by the benefit terms:

Active employees	2,104
Inactive employees entitled to but not yet receiving benefit payments	814
Inactive employees or beneficiaries currently receiving benefit payments	4,262
	7,180

Contributions

On March 1, 2016, the County adopted a resolution approving an OPEB (401(h) Account) Funding Policy. This policy provides for funding the OPEB Plan at 4% of Covered Payroll for the 401(a) Pension Plan (see Note 20) (as opposed to the smaller covered payroll of the OPEB Plan). This funding policy went into effect on July 1, 2016. Employees are not required to contribute to the OPEB Plan.

Net OPEB Liability

At June 30, 2023, the County and its discretely presented component unit reported a net OPEB liability of \$83,377 and \$215, respectively. The net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021, updated to June 30, 2022.

Actuarial Assumptions

The total OPEB liability measured as of June 30, 2022 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increase rate	3% per year
Investment rate of return	7.00% per year
Healthcare cost trend rates	The Healthcare Cost Trend Rate is not applicable because the total cost of health benefits is not valued. Only the monthly benefit provided is valued using the assumption that no future increase will be granted to the amount.
Future retiree plan election	<u>Non-Medicare-Eligible Retirees:</u> 40% - monthly subsidy of \$15 per year of service; 60% - \$4 cash benefit option <u>Medicare-Eligible Retirees:</u> 55% - monthly subsidy of \$15 per year of service; 45% - \$4 cash benefit option
Mortality rates	<u>Healthy Lives:</u> Mortality rates for General active members are based on the sex distinct Public General 2010 Above-Median Income Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2019, without adjustment. Non-duty related mortality rates for Safety active member are based on the sex distinct Public Safety 2010 Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2019, without adjustment. Safety active members are also subject to the 2014 CalPERS Preretirements Industrial Mortality Table for duty-related deaths, with generational mortality improvements projected from 2009 using Projection Scale MP-2019, without adjustment. Mortality rates for healthy General annuitants are based on the sex distinct Public General 2010 Above-Median Income Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2019. Mortality rates for Safety annuitants are based upon the sex distinct Public Safety 2010 Retiree Mortality Table, with generational improvements projected from 2010 using Projection Scale MP-2019. <u>Disabled Lives:</u> Mortality rates for disabled retirees are based on 2014 CalPERS Industrial Disabled Annuitant Mortality, with no adjustment (Safety only), 2014 CalPERS Non-Industrial Disabled Annuitant Mortality, with no adjustment (General only), with Generational improvement using Projection Scale MP-2016 from a base year of 2009.

The actuarial assumptions used in the valuation as of June 30, 2021, updated to June 30, 2022, were based on 1) the demographic assumptions determined in the actuarial experience study of July 1, 2016 – June 30, 2019 for the Pension Plan, 2) implementation of the OPEB Funding Policy, and 3) current experience for OPEB Plan election by retirees.

As the benefit for the OPEB Plan is a fixed payment per year of service that is currently lower than the premiums paid for coverage, and is expected to remain so into the future, no age-related costs are required to be developed.

The OPEB assets are invested in the same commingled vehicles as the pension plan, but with a more simple asset allocation. It is expected that as the OPEB assets continue to grow, the asset allocation will shift to be more like that of the pension plan. Therefore, in the long run, we expect the OPEB Plan to realize the same long-term rate of return as the pension plan. The long-term expected rate of return, measured as of June 30, 2022, on pension plan investments (7.0 %) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	60%	3.30%
Fixed income	40%	0.00%
Total	100%	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will continue based upon the current OPEB (401(h) Account) Funding Policy. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position (i.e., fair value of OPEB Plan assets), and the net OPEB liability during the measurement period ending on June 30, 2022 for the County and its discretely presented component unit’s proportionate share.

	Increase (Decrease)			Proportionate Share	
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	County of Santa Barbara	First 5 Children and Families Commission
	(a)	(b)	(a) - (b)	Net OPEB Liability	Net OPEB Liability
Balances at 6/30/2021	\$ 126,792	\$ 42,098	\$ 84,694	\$ 84,449	\$ 245
Changes for the year:					
Service cost	1,380	-	1,380	1,376	4
Interest	8,630	-	8,630	8,608	22
Differences between expected and actual experience	(1,790)	-	(1,790)	(1,785)	(5)
Changes of assumptions	-	-	-	-	-
Contributions - employer	-	14,816	(14,816)	(14,778)	(38)
Net investment income (loss)	-	(5,055)	5,055	5,042	13
Benefit payments	(8,504)	(8,504)	-	-	-
Administrative expense	-	(439)	439	438	1
Allocation basis adjustment*	-	-	-	27	(27)
Net changes	(284)	818	(1,102)	(1,072)	(30)
Balances at 6/30/2022	\$ 126,508	\$ 42,916	\$ 83,592	\$ 83,377	\$ 215

*The percentage allocation basis for the County and First 5's proportionate share change year-over-year. This adjustment corrects for the change in allocation basis percentage from FY 21-22 to FY 22-23.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the County and its discretely presented component unit as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current discount rate:

Proportionate share - Net OPEB liability	1% Decrease		Discount Rate		1% Increase	
	6.0%		7.0%		8.0%	
County of Santa Barbara	\$ 97,002	\$ 83,377	\$ 83,377	\$ 71,867		
First 5 Children and Families Commission	\$ 250	\$ 215	\$ 215	\$ 185		

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB Plan’s fiduciary net position is available in the separately issued SBCERS financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the County and its discretely presented component unit recognized OPEB expense of \$3,567 and \$9, respectively. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or method. At June 30, 2023, the County and its discretely presented component unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Proportionate Share			
	County of Santa Barbara		First 5 Children and Families Commission	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,144	\$ -	\$ 6
Changes in assumptions	-	-	-	-
Net difference between projected and actual earnings on retirement plan investments	3,548	-	9	-
County and Commission contributions subsequent to the measurement date	15,102	-	39	-
	<u>\$ 18,650</u>	<u>\$ 2,144</u>	<u>\$ 48</u>	<u>\$ 6</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

The County and its discretely presented component unit reported \$15,141 as deferred outflows of resources related to OPEB contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the measurement year ended June 30, 2023.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Proportionate Share	
	County of Santa Barbara	First 5 Children and Families Commission
2024	\$ (964)	\$ (2)
2025	64	--
2026	664	2
2027	1,640	3
	<u>\$ 1,404</u>	<u>\$ 3</u>

20. DEFERRED COMPENSATION PLANS

Santa Barbara County Supplemental Retirement Plan

The Santa Barbara County Supplemental Retirement Plan is an employer discretionary, defined contribution plan established and governed under Internal Revenue Code Section 401(a). Employer-only annual contributions are calculated based upon a percentage of employee compensation under annual agreements with employee bargaining groups and unions.

This plan is administered through a third-party administrator, Empower Retirement, and is available to all employee groups. The County does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the County’s financial statements.

The County’s actual contributions for the current year and the two preceding years are as follows:

<u>Fiscal Year Ended</u>	<u>Contributions</u>
6/30/2021	\$ 253
6/30/2022	262
6/30/2023	281

County of Santa Barbara Employee Contribution Deferred Compensation Plan

The County offers to its employees an optional deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. This plan is available to substantially all employees and allows participants to defer a portion of their current income until future years, up to a maximum of \$22,500 (in whole dollars) during 2023 and \$20,500 during 2022 (calendar years) so as to shelter such funds and earnings from state and federal taxation until withdrawal. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

This plan is administered through a third-party administrator. The County does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the County’s financial statements.

County of Santa Barbara Social Security Compliance Deferred Compensation Plan

The Social Security Compliance Deferred Compensation Plan is a supplemental retirement program utilized by the County in lieu of payments to Social Security (FICA), governed under Internal Revenue Code Sections 3121 and 457. Enrollment in this plan is mandatory for contract, extra-help, seasonal and temporary employees. Employees enrolled in the regular SBCERS pension plans are not eligible for this plan. Based upon the employee’s gross compensation, the employee’s deferral, on a before-tax basis, equals 6.0% and the County’s contribution equals 1.5% for a combined total of 7.5%.

This plan is administered through a third-party administrator and is available to all employee groups. The County does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the County’s financial statements.

The County’s actual contributions for the current year and the two preceding years are as follows:

<u>Fiscal Year Ended</u>	<u>Contributions</u>
6/30/2021	\$ 191
6/30/2022	190
6/30/2023	176

21. PRIOR PERIOD ADJUSTMENTS

Change within the Financial Reporting Entity (Column A)

In FY 2022-23, there was reclassification of a fiduciary fund to a governmental fund. This reclassification had no impact on the fund balance of the general fund.

Correction of an Error in Previously Issued Financial Statements (Column B)

During FY 2022-23, the County determined that an extension period for a lease had previously not been included in the initial assessment. The lease asset was increased by \$2,603 and the corresponding lease liability was increased to \$2,523 for a net of \$80.

	<u>July 1, 2022 As Previously Reported</u>	<u>Change within the Financial Reporting Entity (A)</u>	<u>Error Correction (B)</u>	<u>July 1, 2022 As Restated</u>
Governmentwide				
Governmental Activities	\$ 811,273	\$ -	\$ 80	\$ 811,353
Total Governmentwide	<u>\$ 811,273</u>	<u>\$ -</u>	<u>\$ 80</u>	<u>\$ 811,353</u>
Fiduciary Funds				
Other Custodial Funds	\$ 29,798	\$ (328)	\$ -	\$ 29,470
Total Fiduciary Funds - Other Custodial Funds	<u>\$ 29,798</u>	<u>\$ (328)</u>	<u>\$ -</u>	<u>\$ 29,470</u>

22. SUBSEQUENT EVENTS

The County evaluated subsequent events from July 1, 2023 through January 30, 2024, the date the financial statements were available to be issued. The following subsequent event was noted:

Litigation Settlements

The litigation case involving criminal charges against the County’s Department of Public Works, Water Resources Division, stemming from the oil discharges that occurred in January 2021 to July 2021 and January 2023 from the Toro Canyon Oil Water Separator, has reached a settlement as of November 20, 2023. The County resolved any potential civil liability through the filing of a stipulated judgment. The settlement includes a payment of \$300,000 allocated for supplemental environmental projects, \$375,000 in civil penalties, and \$75,000 designated for a consultant that will advise on future statutory and regulatory compliance at the facility.

Required Supplementary Information



Santa Barbara County Employees' Retirement System - Schedule of the County's Proportionate Share of the Net Pension Liability

Schedule of the County's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years										
Measurement date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
For use in	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
County's proportion of the net pension liability	93.0133%	93.0976%	92.9214%	92.5287%	92.8477%	93.1085%	92.7824%	92.8017%	92.6470%	92.3325%
County's proportionate share of the net pension liability	\$ 692,352	\$ 439,563	\$ 981,008	\$ 789,465	\$ 802,341	\$ 875,937	\$ 780,034	\$ 675,252	\$ 565,460	\$ 721,772
County's covered payroll	\$ 367,195	\$ 360,865	\$ 346,073	\$ 328,862	\$ 319,452	\$ 316,948	\$ 304,480	\$ 295,365	\$ 283,430	\$ 277,298
County's proportionate share of the net pension liability as a percentage of its covered payroll	188.55%	121.81%	283.47%	240.06%	251.16%	276.40%	256.20%	228.60%	199.50%	260.30%
Plan fiduciary net position as a percentage of the total pension liability	84.00%	89.40%	75.20%	78.90%	77.60%	74.90%	75.20%	77.70%	80.46%	73.66%

Amounts presented above were determined as of 6/30.

Santa Barbara County Employees' Retirement System - Schedule of the County's Contributions

Schedule of the County's Contributions

Last 10 Fiscal Years										
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
For use in	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Actuarially determined contribution	\$ 145,895	\$ 149,818	\$ 139,647	\$ 131,337	\$ 124,021	\$ 122,369	\$ 113,544	\$ 113,889	\$ 114,714	\$ 110,461
Contributions in relation to the actuarially determined contribution	145,895	149,818	139,647	131,337	124,021	122,369	113,544	114,197	114,946	110,756
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (308)	\$ (232)	\$ (295)
County's covered payroll	\$ 382,509	\$ 367,195	\$ 360,865	\$ 346,073	\$ 328,862	\$ 319,452	\$ 316,948	\$ 304,480	\$ 295,365	\$ 283,430
Contributions as a percentage of covered payroll	38.14%	40.80%	38.70%	37.95%	37.71%	38.31%	35.82%	37.51%	38.92%	39.08%

Amounts presented above were determined as of 6/30.

The information presented above relates solely to the County and its discretely presented component unit and not Santa Barbara County Employees' Retirement System as a whole.

The Notes to Required Supplementary Information (RSI) are integral to the above schedules.

Other Postemployment Benefits (OPEB) Plan - Schedule of Changes in the County's Net OPEB Liability and Related Ratios

Schedule of Changes in the County's Net OPEB Liability and Related Ratios

Last 10 Fiscal Years*

Measurement date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
For use in	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Total OPEB liability						
Service cost	\$ 1,380	\$ 1,439	\$ 1,538	\$ 1,625	\$ 1,741	\$ 1,856
Interest	8,630	8,718	9,017	9,057	9,131	8,962
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(1,790)	(2,874)	(3,396)	(2,706)	(3,456)	-
Changes of assumptions	-	-	(2,890)	-	-	-
Benefit payments	(8,504)	(8,508)	(8,520)	(8,462)	(8,352)	(8,342)
Net change in total OPEB liability	(284)	(1,225)	(4,251)	(486)	(936)	2,476
Total OPEB liability - beginning	126,792	128,017	132,268	132,754	133,690	131,214
Total OPEB liability - ending (a)	\$ 126,508	\$ 126,792	\$ 128,017	\$ 132,268	\$ 132,754	\$ 133,690
Plan fiduciary net position						
Contributions - employer	\$ 14,816	\$ 14,331	\$ 13,913	\$ 13,584	\$ 12,763	\$ 12,642
Net investment income	(5,055)	7,128	1,788	1,666	863	589
Benefit payments	(8,504)	(8,508)	(8,520)	(8,462)	(8,352)	(8,342)
Administrative expense	(439)	(383)	(351)	(379)	(397)	(352)
Net change in plan fiduciary net position	818	12,568	6,830	6,409	4,877	4,537
Plan fiduciary net position - beginning	42,098	29,530	22,700	16,291	11,414	6,877
Plan fiduciary net position - ending (b)	\$ 42,916	\$ 42,098	\$ 29,530	\$ 22,700	\$ 16,291	\$ 11,414
County's net OPEB liability (a) - (b)	\$ 83,592	\$ 84,694	\$ 98,487	\$ 109,568	\$ 116,463	\$ 122,276
Plan fiduciary net position as a percentage of the total OPEB liability	33.92%	33.20%	23.07%	17.16%	12.27%	8.54%
Covered payroll	\$ 367,195	\$ 360,865	\$ 346,073	\$ 328,862	\$ 319,452	\$ 316,948
County's net OPEB liability as a percentage of covered payroll	22.77%	23.47%	28.46%	33.32%	36.46%	38.58%

*Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

The information presented above relates solely to the County and its discretely presented component unit and not Santa Barbara County Employees' Retirement System as a whole.

The Notes to RSI are integral to the above schedule.

Governmental Funds – General and Major Special Revenue



COUNTY OF SANTA BARBARA, CALIFORNIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 308,297	\$ 308,329	\$ 314,662	\$ 6,333
Licenses, permits, and franchises	5,629	5,629	6,017	388
Fines, forfeitures, and penalties	6,033	7,723	9,658	1,935
Use of money and property	2,377	629	5,580	4,951
Intergovernmental	149,831	183,887	148,983	(34,904)
Charges for services	75,123	79,983	77,051	(2,932)
Other	3,293	8,211	8,392	181
Total revenues	<u>550,583</u>	<u>594,391</u>	<u>570,343</u>	<u>(24,048)</u>
Expenditures				
Current:				
Policy & executive	27,891	32,026	26,682	5,344
Public safety	270,865	267,553	264,063	3,490
Health & human services	5,444	5,506	4,937	569
Community resources & public facilities	40,743	45,703	35,766	9,937
General government & support services	58,278	60,017	56,673	3,344
General county programs	65,109	78,570	68,628	9,942
Debt service:				
Principal	--	1,196	1,196	--
Interest	--	178	178	--
Total expenditures	<u>468,330</u>	<u>490,749</u>	<u>458,123</u>	<u>32,626</u>
Excess of revenues over expenditures	<u>82,253</u>	<u>103,642</u>	<u>112,220</u>	<u>8,578</u>
Other financing sources (uses)				
Transfers in	13,298	20,903	17,750	(3,153)
Transfers out	(107,748)	(136,601)	(83,475)	53,126
Sale of capital assets	--	--	102	102
Subscription assets financing source	--	2,072	2,072	--
Total other financing uses, net	<u>(94,450)</u>	<u>(113,626)</u>	<u>(63,551)</u>	<u>50,075</u>
Net change in fund balances	(12,197)	(9,984)	48,669	58,653
Fund balances - beginning	262,721	262,721	262,721	--
Fund balances - ending	<u>\$ 250,524</u>	<u>\$ 252,737</u>	<u>\$ 311,390</u>	<u>\$ 58,653</u>

Amounts reported in the GAAP Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds are different because:

Actual amounts (budgetary basis) Total other financing uses, net	\$ (63,551)
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(3,488)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	3,488
Total other financing uses, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ (63,551)</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
ROADS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 7,995	\$ 9,745	\$ 10,615	\$ 870
Licenses, permits, and franchises	342	342	676	334
Use of money and property	170	(32)	368	400
Intergovernmental	41,201	48,756	43,649	(5,107)
Charges for services	7,552	7,552	6,290	(1,262)
Other	164	6,376	6,408	32
Total revenues	<u>57,424</u>	<u>72,739</u>	<u>68,006</u>	<u>(4,733)</u>
Expenditures				
Current:				
Community resources & public facilities	84,297	101,134	74,960	26,174
Debt service:				
Principal	--	66	66	--
Interest	--	35	35	--
Total expenditures	<u>84,297</u>	<u>101,235</u>	<u>75,061</u>	<u>26,174</u>
Deficiency of revenues under expenditures	<u>(26,873)</u>	<u>(28,496)</u>	<u>(7,055)</u>	<u>21,441</u>
Other financing sources (uses)				
Transfers in	24,183	29,519	14,765	(14,754)
Transfers out	(2,443)	(7,725)	(4,848)	2,877
Sale of capital assets	5	5	24	19
Total other financing sources, net	<u>21,745</u>	<u>21,799</u>	<u>9,941</u>	<u>(11,858)</u>
Net change in fund balances	(5,128)	(6,697)	2,886	9,583
Fund balances - beginning	<u>40,315</u>	<u>40,315</u>	<u>40,315</u>	<u>--</u>
Fund balances - ending	<u>\$ 35,187</u>	<u>\$ 33,618</u>	<u>\$ 43,201</u>	<u>\$ 9,583</u>

Amounts reported in the GAAP Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds are different because:

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	\$ 68,006
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(5,373)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 62,633</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 75,061
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(5,373)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 69,688</u>
Actual amounts (budgetary basis) Total other financing sources, net	\$ 9,941
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(1,780)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	1,780
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 9,941</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
PUBLIC HEALTH SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits, and franchises	\$ 773	\$ 773	\$ 512	\$ (261)
Fines, forfeitures, and penalties	628	628	536	(92)
Use of money and property	96	17	246	229
Intergovernmental	33,636	36,661	30,151	(6,510)
Charges for services	51,230	51,901	48,700	(3,201)
Other	249	1,236	1,147	(89)
Total revenues	<u>86,612</u>	<u>91,216</u>	<u>81,292</u>	<u>(9,924)</u>
Expenditures				
Current:				
Health & human services	97,489	101,112	94,071	7,041
Debt service:			--	--
Principal	--	260	260	--
Interest	--	10	10	--
Total expenditures	<u>97,489</u>	<u>101,382</u>	<u>94,341</u>	<u>7,041</u>
Deficiency of revenues under expenditures	<u>(10,877)</u>	<u>(10,166)</u>	<u>(13,049)</u>	<u>(2,883)</u>
Other financing sources (uses)				
Transfers in	11,242	11,704	11,486	(218)
Transfers out	(3,488)	(4,945)	(1,892)	3,053
Proceeds from sale of capital assets	--	--	6	6
Subscription assets financing source	--	431	431	--
Total other financing sources, net	<u>7,754</u>	<u>7,190</u>	<u>10,031</u>	<u>2,841</u>
Net change in fund balances	(3,123)	(2,976)	(3,018)	(42)
Fund balances - beginning	29,841	29,841	29,841	--
Fund balances - ending	<u>\$ 26,718</u>	<u>\$ 26,865</u>	<u>\$ 26,823</u>	<u>\$ (42)</u>

Amounts reported in the GAAP Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds are different because:

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	\$ 81,292
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(115)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 81,177</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 94,341
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(115)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 94,226</u>
Actual amounts (budgetary basis) Total other financing sources, net	\$ 10,031
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(766)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	766
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 10,031</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 SOCIAL SERVICES SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits, and franchises	\$ 70	\$ 70	\$ 104	\$ 34
Fines, forfeitures, and penalties	25	25	12	(13)
Use of money and property	220	146	316	170
Intergovernmental	174,005	180,050	180,379	329
Charges for services	215	215	365	150
Other	379	379	901	522
Total revenues	<u>174,914</u>	<u>180,885</u>	<u>182,077</u>	<u>1,192</u>
Expenditures				
Current:				
Health & human services	189,939	194,480	186,494	7,986
Debt service:				
Principal	--	1,199	1,199	--
Interest	--	787	787	--
Total expenditures	<u>189,939</u>	<u>196,466</u>	<u>188,480</u>	<u>7,986</u>
Deficiency of revenues under expenditures	<u>(15,025)</u>	<u>(15,581)</u>	<u>(6,403)</u>	<u>9,178</u>
Other financing sources (uses)				
Transfers in	10,139	10,232	9,186	(1,046)
Transfers out	(227)	(352)	(345)	7
Subscription assets financing source	--	514	514	--
Total other financing sources, net	<u>9,912</u>	<u>10,394</u>	<u>9,355</u>	<u>(1,039)</u>
Net change in fund balances	(5,113)	(5,187)	2,952	8,139
Fund balances - beginning	9,199	9,199	9,199	--
Fund balances - ending	<u>\$ 4,086</u>	<u>\$ 4,012</u>	<u>\$ 12,151</u>	<u>\$ 8,139</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 BEHAVIORAL WELLNESS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Fines, forfeitures, and penalties	\$ 42	\$ 152	\$ 48	\$ (104)
Use of money and property	570	371	912	541
Intergovernmental	80,108	88,399	81,268	(7,131)
Charges for services	73,764	72,703	71,319	(1,384)
Other	51	71	182	111
Total revenues	<u>154,535</u>	<u>161,696</u>	<u>153,729</u>	<u>(7,967)</u>
Expenditures				
Current:				
Health & human services	164,859	168,820	159,816	9,004
Debt service:				
Principal	--	317	317	--
Interest	--	99	99	--
Total expenditures	<u>164,859</u>	<u>169,236</u>	<u>160,232</u>	<u>9,004</u>
Deficiency of revenues under expenditures	<u>(10,324)</u>	<u>(7,540)</u>	<u>(6,503)</u>	<u>1,037</u>
Other financing sources (uses)				
Transfers in	15,989	15,789	12,391	(3,398)
Transfers out	(5,435)	(5,711)	(5,258)	453
Sale of capital assets	--	--	4	4
Total other financing sources, net	<u>10,554</u>	<u>10,078</u>	<u>7,137</u>	<u>(2,941)</u>
Net change in fund balances	230	2,538	634	(1,904)
Fund balances - beginning	45,101	45,101	45,101	--
Fund balances - ending	<u>\$ 45,331</u>	<u>\$ 47,639</u>	<u>\$ 45,735</u>	<u>\$ (1,904)</u>

Amounts reported in the GAAP Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds are different because:

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	\$ 153,729
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(16,007)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 137,722</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 160,232
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(16,007)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 144,225</u>
Actual amounts (budgetary basis) Total other financing sources, net	\$ 7,137
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(3,925)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	3,925
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 7,137</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 FLOOD CONTROL DISTRICT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 13,645	\$ 13,645	\$ 15,260	\$ 1,615
Licenses, permits, and franchises	--	--	8	8
Fines, forfeitures, and penalties	--	--	1	1
Use of money and property	380	76	868	792
Intergovernmental	15,069	15,069	6,728	(8,341)
Charges for services	4,226	4,226	4,149	(77)
Other	--	--	12	12
Total revenues	<u>33,320</u>	<u>33,016</u>	<u>27,026</u>	<u>(5,990)</u>
Expenditures				
Current:				
Community resources & public facilities	54,296	54,296	36,646	17,650
Total expenditures	<u>54,296</u>	<u>54,296</u>	<u>36,646</u>	<u>17,650</u>
Deficiency of revenues under expenditures	<u>(20,976)</u>	<u>(21,280)</u>	<u>(9,620)</u>	<u>11,660</u>
Other financing sources				
Transfers in	46	46	41	(5)
Sale of capital assets	--	--	68	68
Total other financing sources, net	<u>46</u>	<u>46</u>	<u>109</u>	<u>63</u>
Net change in fund balances	(20,930)	(21,234)	(9,511)	11,723
Fund balances - beginning	70,207	70,207	70,207	--
Fund balances - ending	<u>\$ 49,277</u>	<u>\$ 48,973</u>	<u>\$ 60,696</u>	<u>\$ 11,723</u>

Amounts reported in the GAAP Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds are different because:

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	\$ 27,026
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(4,949)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 22,077</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 36,646
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(4,949)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 31,697</u>
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 109</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 AFFORDABLE HOUSING SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 20	\$ (69)	\$ 302	\$ 371
Intergovernmental	25,622	26,681	15,588	(11,093)
Charges for services	50	50	--	(50)
Other	782	782	568	(214)
Total revenues	<u>26,474</u>	<u>27,444</u>	<u>16,458</u>	<u>(10,986)</u>
Expenditures				
Current:				
Community resources & public facilities	48,710	49,185	27,684	21,501
Total expenditures	<u>48,710</u>	<u>49,185</u>	<u>27,684</u>	<u>21,501</u>
Deficiency of revenues under expenditures	<u>(22,236)</u>	<u>(21,741)</u>	<u>(11,226)</u>	<u>10,515</u>
Other financing sources (uses)				
Transfers in	23,800	23,800	13,230	(10,570)
Transfers out	(3,075)	(3,276)	(2,202)	1,074
Total other financing sources, net	<u>20,725</u>	<u>20,524</u>	<u>11,028</u>	<u>(9,496)</u>
Net change in fund balances	(1,511)	(1,217)	(198)	1,019
Fund balances - beginning	10,814	10,814	10,814	--
Fund balances - ending	<u>\$ 9,303</u>	<u>\$ 9,597</u>	<u>\$ 10,616</u>	<u>\$ 1,019</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 66,588	\$ 66,588	\$ 70,139	\$ 3,551
Licenses, permits, and franchises	24	24	55	31
Fines, forfeitures, and penalties	--	--	3	3
Use of money and property	--	69	102	33
Intergovernmental	2,750	3,114	3,900	786
Charges for services	33,988	33,988	34,112	124
Other	37	37	129	92
Total revenues	<u>103,387</u>	<u>103,820</u>	<u>108,440</u>	<u>4,620</u>
Expenditures				
Current:				
Public safety	102,552	104,621	96,646	7,975
Total expenditures	<u>102,552</u>	<u>104,621</u>	<u>96,646</u>	<u>7,975</u>
Excess (deficiency) of revenues over (under) expenditures	<u>835</u>	<u>(801)</u>	<u>11,794</u>	<u>12,595</u>
Other financing sources (uses)				
Transfers in	1,096	1,096	322	(774)
Transfers out	(7,788)	(11,201)	(8,875)	2,326
Sale of capital assets	20	20	85	65
Total other financing uses, net	<u>(6,672)</u>	<u>(10,085)</u>	<u>(8,468)</u>	<u>1,617</u>
Net change in fund balances	(5,837)	(10,886)	3,326	14,212
Fund balances - beginning	<u>23,919</u>	<u>23,919</u>	<u>23,919</u>	<u>--</u>
Fund balances - ending	<u>\$ 18,082</u>	<u>\$ 13,033</u>	<u>\$ 27,245</u>	<u>\$ 14,212</u>

Notes to Required Supplementary Information

Other Postemployment Benefits (OPEB) Plan

Beginning in FY 2014, the County adopted an OPEB funding rate based upon pensionable payroll. The funding rates were 3.5% for FY 2015 and 3.75% for FY 2016. Effective July 1, 2016, the County OPEB (401(h) Account) Funding Policy adopted an ongoing rate of 4% of covered payroll for the 401(a) Pension Plan.

Budgetary Compliance

The County is legally required to adopt an annual budget and adhere to the provisions of the California Government Code (Sections 29000 – 29144 and 30200), commonly known as the County Budget Act. Budgets are adopted for the general, special revenue, debt service and capital projects funds. Budgets are prepared on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The Board of Supervisors (Board) annually conducts a public hearing for the discussion of a recommended budget. At the conclusion of the hearings, statutorily no later than October 2, the Board adopts the final budget including revisions by resolution. However, it has been the County's practice to adopt the budget prior to the start of the fiscal year. The Board also adopts subsequent revisions that occur throughout the year. All annual appropriations lapse at fiscal year-end.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is maintained at the fund, department, and object level with more stringent control over capital assets, and fund balance accounts which are controlled at the line item level. Except for payroll, the County's financial system does not process payments and disbursements when over-expenditure of object levels would result. For capital asset and fund balance transactions, payments are not processed if over-expenditure at the line item would result. Presentation of the basic financial statements at the legal level is not feasible due to excessive length; therefore, the budget and actual statements have been aggregated by function. The County prepares a separate Budgetary Compliance document that demonstrates legal compliance with budgetary control. This document is made available to the public on the County's website <https://www.countyofsb.org/375/Publications>, or can be obtained from the Auditor-Controller's office.

For the year ended June 30, 2023, no instances existed in which expenditures exceeded appropriations.

The Board must approve amendments or transfers of appropriations between funds or departments, as well as items related to capital assets, and fund balance accounts. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must also be approved by the Board. Finally, the Chief Executive Officer (CEO) approves amendments or transfers of appropriations between object levels within the same department, unless related to capital assets or fund balance in which case Board approval is required. Any deficiency caused by expenditures and other financing uses being greater than revenues and other financing sources is financed by beginning available fund balances as provided for in the County Budget Act.



Other Supplementary Information



Other Major Governmental Fund



COUNTY OF SANTA BARBARA, CALIFORNIA
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 112	\$ 96	\$ 186	\$ 90
Intergovernmental	1,299	2,492	922	(1,570)
Charges for services	500	508	581	73
Other	261	2,117	842	(1,275)
Total revenues	<u>2,172</u>	<u>5,213</u>	<u>2,531</u>	<u>(2,682)</u>
Expenditures				
Current:				
Public safety	--	89	33	56
Capital outlay	19,487	60,052	20,401	39,651
Total expenditures	<u>19,487</u>	<u>60,141</u>	<u>20,434</u>	<u>39,707</u>
Deficiency of revenues under expenditures	<u>(17,315)</u>	<u>(54,928)</u>	<u>(17,903)</u>	<u>37,025</u>
Other financing sources (uses)				
Transfers in	18,152	45,479	17,084	(28,395)
Transfers out	(774)	(2,366)	(1,592)	774
Long-term debt issued	--	2,737	--	(2,737)
Total other financing sources, net	<u>17,378</u>	<u>45,850</u>	<u>15,492</u>	<u>(30,358)</u>
Net change in fund balances	63	(9,078)	(2,411)	6,667
Fund balances - beginning	23,284	23,284	23,284	--
Fund balances - ending	<u>\$ 23,347</u>	<u>\$ 14,206</u>	<u>\$ 20,873</u>	<u>\$ 6,667</u>

Amounts reported in the GAAP Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds are different because:

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	\$ 2,531
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	8
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 2,539</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	20,434
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	8
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>20,442</u>
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 15,492</u>



Nonmajor Governmental Funds



Nonmajor governmental funds are funds that do not meet the definition of a major fund, as described in the glossary. The following funds are presented as nonmajor funds in the ACFR:

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to finance particular governmental activities and are financed by specific taxes or other revenues. Such funds are authorized by statutory provisions to pay for certain activities of a continuing nature. Included in the Special Revenue classification are the following funds:

Fish and Game

The Fish and Game Fund is used to account for fines and forfeitures received under Section 13003 of the State of California Fish and Game Code and for other revenues and expenditures for the propagation and conservation of fish and game. The Board of Supervisors authorizes expenditures on advice of the Fish and Game Commission.

Petroleum

The Petroleum Fund, established pursuant to Chapter 25 of the County Code, is used to account for the revenues and expenditures associated with administering the Petroleum Ordinance. The Petroleum Ordinance regulates the issuing of oil well drilling permits. It also regulates drilling, operating and abandoning petroleum wells, pipelines, tanks and associated petroleum equipment for prevention of erosion, pollution and fire hazards and for safety controls.

Clerk-Recorder

The Clerk-Recorder Fund is used to account for activity related to the Clerk-Recorder division of the Clerk-Recorder-Assessor department.

Special Aviation

The Special Aviation Fund is used to account for activity related to the Santa Ynez Airport. It is funded primarily by state and federal grants for airport improvements.

In-Home Supportive Services (IHSS) Public Authority

The In-Home Supportive Services Public Authority Fund was established by the Board of Supervisors to act as the employer of record for IHSS individual providers. As an administrative unit, it carries out functions prescribed in Welfare & Institutions Code Section 12301.6. Those functions include a provider screening process, a registry that will match eligible providers and consumers, and collective bargaining with providers and their representatives. IHSS also offers access to training for providers and consumers while continuing to allow for consumer choice in the selection of providers.

Child Support Services

AB 196, AB 150, and SB 542 established the Child Support Services Fund during FY 00-01 to provide separate fund accountability as required. These legislative bills mandated that all Family Support Divisions located in the District Attorney's Offices become separate and independent departments. Child Support Services establishes paternity, obtains and enforces court orders for child support, collects and distributes payments, and provides community outreach about those services for the benefit of minor children.

Fishermen Assistance

This column combines the following individual County funds:

Fisheries Enhancement

The Fisheries Enhancement Fund (FEF) was established to mitigate impacts to the commercial fishing industry from offshore oil and gas development. Impact fees paid by offshore energy producers, pursuant to permit conditions, support the FEF. The Planning Commission approved a supplemental needs assessment that, pursuant to Board of Supervisors adopted FEF Guidelines, recommends projects to be pursued for FEF awards.

Local Fishermen's Contingency

The Local Fishermen's Contingency Fund is financed by County permit conditions placed upon energy projects to mitigate impacts to the commercial fishing industry. The intent of the fund is to provide an interest-free loan

program to fishermen awaiting payment of claims from the Federal Fishermen's Contingency Fund. The claims are for damage or loss resulting from outer continental shelf development or production, and to reimburse fishermen for damage or loss of gear, not covered under the federal fund, which occurs in state waters because of federal or state oil and gas development, or because of oil production activities such as transport.

Coastal Resources Enhancement

The Coastal Resources Enhancement Fund was established on May 10, 1988 to account for revenues received from offshore oil and gas projects pursuant to permit conditions, and expanded by the Board of Supervisors to projects that mitigate impacts to coastal recreation, aesthetics, tourism, and/or sensitive environmental resources.

Court Activities

AB 2544 in FY 94-95 established the Court Activities Fund to account for the state's portion of Trial Court Funding. AB 233, adopted in FY 97-98, transferred state funding out of the County entity. This fund represents the portion of Trial Court Operations under the County's control.

Criminal Justice Construction

The Criminal Justice Construction Fund was established to account for state authorized surcharges on criminal fines, which are statutorily designated for the establishment of adequate criminal justice facilities in the County.

Courthouse Construction

The Courthouse Construction Fund was established to account for state authorized surcharges on fines for non-parking and other criminal cases, which are statutorily designated for renovation and/or construction of courtroom facilities.

Inmate Welfare

The Inmate Welfare Fund was established pursuant to Penal Code Section 4025 to account for profits from the County jail store and any money attributable to the use of pay telephones. The funds are expended primarily for the benefit, education, and welfare of the inmates confined within the jail.

Planning & Development

The Planning & Development Fund is used to account for activity and operations related to the Planning & Development department.

Tobacco Settlement

The Tobacco Settlement Fund was established by the Board of Supervisors to account for funds received related to the 1998 settlement between several States and major tobacco companies. The funds are expended for various County health related programs.

Tidelands

The Tidelands Fund is used to account for monies received from oil companies which are to be used for operating costs of South County public beach parks.

Refugio Environmental

The Refugio Environmental Fund is used to account for activities related to the litigation of the Refugio oil spill.

SPECIAL DISTRICTS UNDER THE BOARD OF SUPERVISORS

Separate special districts have been established for the purpose of providing specific services to distinct geographical areas within the County. Those special districts that are under the jurisdiction of the Board of Supervisors are included within the Special Revenue Fund classification. These are financed principally from property taxes and benefit assessments, and are comprised of the following:

County Service Areas (CSAs)

This column combines the following individual County funds:

County Service Area #3

This service area serves part of the Goleta Valley, providing extended park and open space acquisition and maintenance, enhanced library services and street lighting. It provides 1,430 streetlights and maintains approximately 535 acres of open space and 148 acres of parks. This fund also made payments for the Goleta Valley Community Center and the Santa Barbara Shores property prior to the transfer of these assets to the City of Goleta.

County Service Area #4

This service area is located north of the City of Lompoc and serves the communities of Mission Hills and Vandenberg Village. It maintains approximately 52 acres of open space.

County Service Area #5

This service area serves the Orcutt area south of Santa Maria, providing extended park and open space activities. Extending from Waller Park, to just south of Rice Ranch Road, CSA #5 encompasses approximately 68 acres of parkland (Waller Park) and 11 acres of open space.

County Service Area #11

This service area embraces the unincorporated urbanized area of Carpinteria Valley and Summerland. The service area provides the community with parks and 77 streetlights.

County Service Area #12 – Mission Canyon Sewer Service Charge

This service area was established for the purpose of assessing property owners for the ongoing maintenance of the sewer system and septic tank inspection services for those properties in the prohibition area, but not on public sewers. A separate assessment is charged to properties remaining on septic systems in order to provide septic performance tracking.

County Service Area #31

This service area embraces the unincorporated community of Isla Vista, located west of the University of California at Santa Barbara, and provides 277 streetlights; installation, maintenance and repair of sidewalks, curbs and gutters and planting, along with maintenance and care of street trees.

County Service Area #41

This service area was established to assess property owners of the Rancho Santa Rita Subdivision, located outside the City of Lompoc, for road repairs, maintenance and improvements.

Community Facilities Districts (CFDs)

This column combines the following individual County funds:

Orcutt Community Facilities District

In October 2002, qualified landowners approved the formation of a CFD within the Orcutt Planning Area, located south of the City of Santa Maria. The CFD levied a special tax that may be used to finance infrastructure construction, fire and sheriff protection services, maintenance of parks, parkways and open space, and flood and storm protection services.

Providence Landing Community Facilities District

This Mello-Roos district encompasses the Providence Landing subdivision in South Vandenberg Village and provides funding for the maintenance of a public park.

Lighting Districts

This column combines the following individual County funds:

Mission Lighting District

This district provides 19 streetlights in the unincorporated area of Mission Canyon, located east of the City of Santa Barbara, and is financed by property taxes and benefit assessments.

North County Lighting District

Casmalia, Los Alamos, and Orcutt Lighting Districts and the lighting function of CSA #4 and CSA #5 were consolidated in FY 94-95 to form the North County Lighting District which provides 2,764 streetlights in the North County. This district is financed by property taxes and benefit assessments.

Sandyland Seawall Maintenance District

This district provides for the maintenance of a seawall constructed in the Sandyland Cove area, and is financed through benefit assessments levied against those properties adjacent to that beachfront area.

Water Agency

This agency prepares investigations and reports on the County's water requirements, project development, and efficient use of water. The agency provides technical assistance to other County departments, water districts, and the public concerning water availability and water well locations and design. The agency also administers the Cachuma Project and Twitchell Dam Project contracts with the U.S. Bureau of Reclamation. It is funded primarily by state grants and property tax revenue.

PERMANENT FUNDS

Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings (and not principal) may be used for the purposes of supporting the program.

Oak Restoration Fund

The Oak Restoration Fund is used to account for activities related to the restoration of oak trees in Santa Barbara County.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt.

Santa Barbara County Finance Corporation

The Santa Barbara County Finance Corporation Debt Service Fund accounts for the accumulation of resources for, and payment of, principal and interest incurred from the sale of Certificates of Participation and other municipal debt that is issued to finance various County capital projects.



COUNTY OF SANTA BARBARA, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2023 (in thousands)

	Special Revenue					
	Fish and Game	Petroleum	Clerk-Recorder	Special Aviation	IHSS Public Authority	Child Support Services
Assets						
Assets:						
Cash and investments	\$ 778	\$ 739	\$ 4,184	\$ 84	\$ 1,317	\$ 721
Accounts receivable, net:						
Licenses, permits, and franchises	--	--	--	--	--	--
Fines, forfeitures, and penalties	--	--	--	--	--	--
Use of money and property	4	5	23	1	(8)	5
Intergovernmental	--	--	--	180	1,077	371
Charges for services	--	111	--	--	--	95
Other	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--
Other receivables	--	--	31	--	--	--
Prepaid items	--	--	--	--	7	--
Restricted cash and investments	--	--	--	--	--	--
Total assets	<u>\$ 782</u>	<u>\$ 855</u>	<u>\$ 4,238</u>	<u>\$ 265</u>	<u>\$ 2,393</u>	<u>\$ 1,192</u>
Liabilities and fund balances						
Liabilities:						
Accounts payable	\$ 8	\$ --	\$ --	\$ 66	\$ --	\$ --
Salaries and benefits payable	--	25	120	--	--	491
Due to other funds	--	--	--	--	1,499	--
Customer deposits payable	--	--	--	--	--	--
Total liabilities	<u>8</u>	<u>25</u>	<u>120</u>	<u>66</u>	<u>1,499</u>	<u>491</u>
Fund balances:						
Nonspendable	--	--	--	--	7	--
Restricted	805	866	4,302	199	932	736
Committed	--	--	2	--	--	--
Unassigned	(31)	(36)	(186)	--	(45)	(35)
Total fund balances	<u>774</u>	<u>830</u>	<u>4,118</u>	<u>199</u>	<u>894</u>	<u>701</u>
Total liabilities and fund balances	<u>\$ 782</u>	<u>\$ 855</u>	<u>\$ 4,238</u>	<u>\$ 265</u>	<u>\$ 2,393</u>	<u>\$ 1,192</u>

Special Revenue						
Fishermen Assistance	Coastal Resources Enhancement	Court Activities	Criminal Justice Construction	Courthouse Construction	Inmate Welfare	
\$ 437	\$ 3,234	\$ 373	\$ 1,100	\$ 5,222	\$ 2,890	Assets
--	--	--	--	--	--	Assets:
2	18	105	49	49	24	Cash and investments
--	--	--	--	--	--	Accounts receivable, net:
--	--	161	--	--	416	Licenses, permits, and franchises
--	--	476	--	--	--	Fines, forfeitures, and penalties
--	--	--	--	--	--	Use of money and property
--	--	--	--	--	--	Intergovernmental
--	--	--	--	--	--	Charges for services
--	--	--	--	--	--	Other
--	--	--	--	--	--	Due from other funds
--	--	--	--	--	--	Other receivables
--	--	--	--	--	--	Prepaid items
--	--	--	--	--	--	Restricted cash and investments
<u>\$ 439</u>	<u>\$ 3,252</u>	<u>\$ 1,139</u>	<u>\$ 1,155</u>	<u>\$ 5,299</u>	<u>\$ 3,330</u>	Total assets
						Liabilities and fund balances
\$ --	\$ --	\$ 5	\$ --	\$ 4,331	\$ 360	Liabilities:
--	--	--	--	--	42	Accounts payable
--	--	--	--	--	--	Salaries and benefits payable
--	--	--	--	--	--	Due to other funds
--	--	--	--	--	--	Customer deposits payable
--	--	5	--	4,331	402	Total liabilities
--	--	--	--	--	--	Fund balances:
456	3,369	346	1,179	1,152	3,039	Nonspendable
--	--	792	--	--	--	Restricted
(17)	(117)	(4)	(24)	(184)	(111)	Committed
439	3,252	1,134	1,155	968	2,928	Unassigned
<u>\$ 439</u>	<u>\$ 3,252</u>	<u>\$ 1,139</u>	<u>\$ 1,155</u>	<u>\$ 5,299</u>	<u>\$ 3,330</u>	Total fund balances
						Total liabilities and fund balances

COUNTY OF SANTA BARBARA, CALIFORNIA
 COMBINING BALANCE SHEET (Continued)
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2023 (in thousands)

	Special Revenue					
	Planning & Development	Tobacco Settlement	Tidelands	Refugio Environmental	County Service Areas	Community Facilities Districts
Assets						
Assets:						
Cash and investments	\$ 3,284	\$ 8,892	\$ 276	\$ 11	\$ 5,833	\$ 968
Accounts receivable, net:						
Licenses, permits, and franchises	400	--	--	--	--	--
Fines, forfeitures, and penalties	--	--	--	--	--	--
Use of money and property	27	63	--	--	32	6
Intergovernmental	--	--	--	--	--	--
Charges for services	97	--	--	--	--	--
Other	--	--	--	--	--	--
Due from other funds	505	--	--	--	--	--
Other receivables	--	--	--	--	--	--
Prepaid items	--	--	--	--	--	--
Restricted cash and investments	16,454	--	--	--	--	--
Total assets	<u>\$ 20,767</u>	<u>\$ 8,955</u>	<u>\$ 276</u>	<u>\$ 11</u>	<u>\$ 5,865</u>	<u>\$ 974</u>
Liabilities and fund balances						
Liabilities:						
Accounts payable	\$ 159	\$ 25	\$ --	\$ --	\$ 578	\$ 1
Salaries and benefits payable	793	--	--	--	--	--
Due to other funds	315	--	--	--	--	--
Customer deposits payable	15,912	--	--	--	--	--
Total liabilities	<u>17,179</u>	<u>25</u>	<u>--</u>	<u>--</u>	<u>578</u>	<u>1</u>
Fund balances:						
Nonspendable	--	--	--	--	--	--
Restricted	2,060	--	276	11	5,486	1,005
Committed	1,609	9,280	--	--	--	--
Unassigned	(81)	(350)	--	--	(199)	(32)
Total fund balances	<u>3,588</u>	<u>8,930</u>	<u>276</u>	<u>11</u>	<u>5,287</u>	<u>973</u>
Total liabilities and fund balances	<u>\$ 20,767</u>	<u>\$ 8,955</u>	<u>\$ 276</u>	<u>\$ 11</u>	<u>\$ 5,865</u>	<u>\$ 974</u>

Lighting Districts	Special Revenue			Special Revenue Total	Permanent Oak Restoration	Debt Service Santa Barbara County Finance Corporation	Total Nonmajor Governmental Funds	
	Sandyland Seawall Maintenance District	Water Agency						
\$ 736	\$ 758	\$ 16,226	\$ 58,063	\$ 746	\$ 92	\$ 58,901	Assets	
--	--	--	400	--	--	400	Assets:	
--	--	--	203	--	--	203	Cash and investments	
4	3	92	359	4	1	364	Accounts receivable, net:	
--	--	23	1,651	--	--	1,651	Licenses, permits, and franchises	
--	--	--	464	--	--	464	Fines, forfeitures, and penalties	
--	--	--	416	--	--	416	Use of money and property	
--	--	37	1,018	--	--	1,018	Intergovernmental	
--	--	--	31	--	--	31	Charges for services	
--	--	--	7	--	--	7	Other	
--	--	110	16,564	--	1,277	17,841	Due from other funds	
\$ 740	\$ 761	\$ 16,488	\$ 79,176	\$ 750	\$ 1,370	\$ 81,296	Other receivables	
							Prepaid items	
							Restricted cash and investments	
							Total assets	
							Liabilities and fund balances	
\$ 83	\$ --	\$ 367	\$ 5,983	\$ --	\$ 7	\$ 5,990	Liabilities:	
--	--	39	1,510	--	--	1,510	Accounts payable	
--	--	17	1,831	--	--	1,831	Salaries and benefits payable	
--	--	110	16,022	--	--	16,022	Due to other funds	
83	--	533	25,346	--	7	25,353	Customer deposits payable	
							Total liabilities	
--	--	--	7	700	--	707	Fund balances:	
681	791	16,537	44,228	79	1,367	45,674	Nonspendable	
--	--	--	11,683	--	--	11,683	Restricted	
(24)	(30)	(582)	(2,088)	(29)	(4)	(2,121)	Committed	
657	761	15,955	53,830	750	1,363	55,943	Unassigned	
\$ 740	\$ 761	\$ 16,488	\$ 79,176	\$ 750	\$ 1,370	\$ 81,296	Total fund balances	
							Total liabilities and fund balances	

COUNTY OF SANTA BARBARA, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Special Revenue					
	Fish and Game	Petroleum	Clerk-Recorder	Special Aviation	IHSS Public Authority	Child Support Services
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses, permits, and franchises	--	2	366	--	--	--
Fines, forfeitures, and penalties	5	--	5	--	--	--
Use of money and property	9	10	49	1	3	13
Intergovernmental	--	--	--	1,886	12,723	9,744
Charges for services	--	566	2,230	--	--	9
Other	--	--	5	1	--	--
Total revenues	<u>14</u>	<u>578</u>	<u>2,655</u>	<u>1,888</u>	<u>12,726</u>	<u>9,766</u>
Expenditures						
Current:						
Public safety	--	--	--	--	--	--
Health & human services	--	--	--	--	12,581	10,197
Community resources & public facilities	18	678	--	--	--	--
General government & support services	--	--	3,247	1,506	--	--
General county programs	--	--	--	--	--	--
Debt service:						
Principal	--	--	--	--	--	114
Interest	--	--	--	--	--	9
Total expenditures	<u>18</u>	<u>678</u>	<u>3,247</u>	<u>1,506</u>	<u>12,581</u>	<u>10,320</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4)</u>	<u>(100)</u>	<u>(592)</u>	<u>382</u>	<u>145</u>	<u>(554)</u>
Other financing sources (uses)						
Transfers in	--	--	--	--	728	--
Transfers out	--	--	--	--	--	--
Leases issued	--	--	--	--	--	548
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>728</u>	<u>548</u>
Net change in fund balances	<u>(4)</u>	<u>(100)</u>	<u>(592)</u>	<u>382</u>	<u>873</u>	<u>(6)</u>
Fund balances - beginning	778	930	4,710	(183)	21	707
Fund balances - ending	<u>\$ 774</u>	<u>\$ 830</u>	<u>\$ 4,118</u>	<u>\$ 199</u>	<u>\$ 894</u>	<u>\$ 701</u>

Special Revenue						
Fishermen Assistance	Coastal Resources Enhancement	Court Activities	Criminal Justice Construction	Courthouse Construction	Inmate Welfare	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	Revenues
--	--	--	--	--	--	Taxes
--	--	--	--	--	--	Licenses, permits, and franchises
5	33	1,222	562	562	119	Fines, forfeitures, and penalties
--	--	40	9	55	--	Use of money and property
--	--	--	--	--	--	Intergovernmental
--	--	1,859	--	--	--	Charges for services
25	320	1,234	--	1	1,493	Other
<u>30</u>	<u>353</u>	<u>4,355</u>	<u>571</u>	<u>618</u>	<u>1,612</u>	Total revenues
						Expenditures
						Current:
--	--	12,645	--	--	1,849	Public safety
--	--	--	--	--	--	Health & human services
15	73	--	--	--	--	Community resources & public facilities
--	--	--	--	--	--	General government & support services
--	--	--	1	4,331	--	General county programs
						Debt service:
--	--	--	--	--	--	Principal
--	--	--	--	--	--	Interest
<u>15</u>	<u>73</u>	<u>12,645</u>	<u>1</u>	<u>4,331</u>	<u>1,849</u>	Total expenditures
						Excess (deficiency) of revenues over (under) expenditures
15	280	(8,290)	570	(3,713)	(237)	
						Other financing sources (uses)
--	--	8,787	--	--	--	Transfers in
--	--	--	--	--	--	Transfers out
--	--	--	--	--	--	Leases issued
<u>--</u>	<u>--</u>	<u>8,787</u>	<u>--</u>	<u>--</u>	<u>--</u>	Total other financing sources (uses)
15	280	497	570	(3,713)	(237)	Net change in fund balances
424	2,972	637	585	4,681	3,165	Fund balances - beginning
<u>\$ 439</u>	<u>\$ 3,252</u>	<u>\$ 1,134</u>	<u>\$ 1,155</u>	<u>\$ 968</u>	<u>\$ 2,928</u>	Fund balances - ending

COUNTY OF SANTA BARBARA, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Special Revenue					
	Planning & Development	Tobacco Settlement	Tidelands	Refugio Environmental	County Service Areas	Community Facilities Districts
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 1,896	\$ 1,033
Licenses, permits, and franchises	14,085	--	--	--	--	--
Fines, forfeitures, and penalties	76	--	--	--	--	--
Use of money and property	50	103	--	--	58	9
Intergovernmental	--	--	--	--	6	--
Charges for services	961	--	--	--	564	--
Other	343	4,373	--	--	1	--
Total revenues	<u>15,515</u>	<u>4,476</u>	<u>--</u>	<u>--</u>	<u>2,525</u>	<u>1,042</u>
Expenditures						
Current:						
Public safety	--	--	--	--	--	--
Health & human services	--	--	--	--	--	--
Community resources & public facilities	17,882	--	--	--	1,238	214
General government & support services	--	--	--	--	--	--
General county programs	--	98	--	--	--	--
Debt service:						
Principal	--	--	--	--	--	--
Interest	--	--	--	--	--	--
Total expenditures	<u>17,882</u>	<u>98</u>	<u>--</u>	<u>--</u>	<u>1,238</u>	<u>214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,367)</u>	<u>4,378</u>	<u>--</u>	<u>--</u>	<u>1,287</u>	<u>828</u>
Other financing sources (uses)						
Transfers in	2,153	--	--	--	--	--
Transfers out	(93)	(4,167)	--	--	(711)	(646)
Leases issued	--	--	--	--	--	--
Total other financing sources (uses)	<u>2,060</u>	<u>(4,167)</u>	<u>--</u>	<u>--</u>	<u>(711)</u>	<u>(646)</u>
Net change in fund balances	(307)	211	--	--	576	182
Fund balances - beginning	3,895	8,719	276	11	4,711	791
Fund balances - ending	<u>\$ 3,588</u>	<u>\$ 8,930</u>	<u>\$ 276</u>	<u>\$ 11</u>	<u>\$ 5,287</u>	<u>\$ 973</u>

Lighting Districts	Sandyland Seawall Maintenance District	Special Revenue		Special Revenue Total	Permanent Oak Restoration	Debt Service Santa Barbara County Finance Corporation		Total Nonmajor Governmental Funds	
		Water Agency							
\$ 682	\$ --	\$ 3,950	\$ 7,561	\$ --	\$ --	\$ --	\$ 7,561		Revenues
--	--	--	14,453	--	--	--	14,453		Taxes
--	--	--	2,432	--	--	--	2,432		Licenses, permits, and franchises
6	8	168	748	8	(14)		742		Fines, forfeitures, and penalties
2	--	839	25,200	--	1,375		26,575		Use of money and property
--	--	1	6,190	--	--		6,190		Intergovernmental
1	5	2	7,804	--	1		7,805		Charges for services
691	13	4,960	64,388	8	1,362		65,758		Other
									Total revenues
									Expenditures
--	--	--	14,494	--	--		14,494		Current:
--	--	--	22,778	--	--		22,778		Public safety
582	--	2,841	23,541	--	--		23,541		Health & human services
--	--	--	4,753	--	--		4,753		Community resources & public facilities
--	--	--	4,430	--	25		4,455		General government & support services
									General county programs
--	--	--	114	--	2,743		2,857		Debt service:
--	--	--	9	--	1,299		1,308		Principal
582	--	2,841	70,119	--	4,067		74,186		Interest
									Total expenditures
109	13	2,119	(5,731)	8	(2,705)		(8,428)		Excess (deficiency) of revenues over (under) expenditures
									Other financing sources (uses)
--	--	--	11,668	--	2,629		14,297		Transfers in
--	--	(24)	(5,641)	--	--		(5,641)		Transfers out
--	--	--	548	--	--		548		Leases issued
--	--	(24)	6,575	--	2,629		9,204		Total other financing sources (uses)
109	13	2,095	844	8	(76)		776		Net change in fund balances
548	748	13,860	52,986	742	1,439		55,167		Fund balances - beginning
\$ 657	\$ 761	\$ 15,955	\$ 53,830	\$ 750	\$ 1,363		\$ 55,943		Fund balances - ending

COUNTY OF SANTA BARBARA, CALIFORNIA
 FISH AND GAME SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Fines, forfeitures, and penalties	\$ 8	\$ 8	\$ 5	\$ (3)
Use of money and property	2	(2)	9	11
Total revenues	<u>10</u>	<u>6</u>	<u>14</u>	<u>8</u>
Expenditures				
Current:				
Community resources & public facilities	27	42	18	24
Total expenditures	<u>27</u>	<u>42</u>	<u>18</u>	<u>24</u>
Deficiency of revenues under expenditures	<u>(17)</u>	<u>(36)</u>	<u>(4)</u>	<u>32</u>
Net change in fund balances	(17)	(36)	(4)	32
Fund balances - beginning	778	778	778	--
Fund balances - ending	<u>\$ 761</u>	<u>\$ 742</u>	<u>\$ 774</u>	<u>\$ 32</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 PETROLEUM SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits, and franchises	\$ 11	\$ 11	\$ 2	\$ (9)
Fines, forfeitures, and penalties	15	15	--	(15)
Use of money and property	4	--	10	10
Charges for services	609	609	566	(43)
Total revenues	<u>639</u>	<u>635</u>	<u>578</u>	<u>(57)</u>
Expenditures				
Current:				
Community resources & public facilities	871	872	678	194
Total expenditures	<u>871</u>	<u>872</u>	<u>678</u>	<u>194</u>
Deficiency of revenues under expenditures	<u>(232)</u>	<u>(237)</u>	<u>(100)</u>	<u>137</u>
Net change in fund balances	(232)	(237)	(100)	137
Fund balances - beginning	930	930	930	--
Fund balances - ending	<u>\$ 698</u>	<u>\$ 693</u>	<u>\$ 830</u>	<u>\$ 137</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 CLERK-RECORDER SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits, and franchises	\$ 335	\$ 335	\$ 366	\$ 31
Fines, forfeitures, and penalties	7	7	5	(2)
Use of money and property	--	(19)	49	68
Charges for services	3,158	2,970	2,230	(740)
Other	5	5	5	--
Total revenues	<u>3,505</u>	<u>3,298</u>	<u>2,655</u>	<u>(643)</u>
Expenditures				
Current:				
General government & support services	<u>4,142</u>	<u>4,132</u>	<u>3,247</u>	<u>885</u>
Total expenditures	<u>4,142</u>	<u>4,132</u>	<u>3,247</u>	<u>885</u>
Deficiency of revenues under expenditures	<u>(637)</u>	<u>(834)</u>	<u>(592)</u>	<u>242</u>
Other financing sources (uses)				
Transfers in	91	91	--	(91)
Transfers out	--	(19)	--	19
Total other financing sources	<u>91</u>	<u>72</u>	<u>--</u>	<u>(72)</u>
Net change in fund balances	(546)	(762)	(592)	170
Fund balances - beginning	<u>4,710</u>	<u>4,710</u>	<u>4,710</u>	<u>--</u>
Fund balances - ending	<u>\$ 4,164</u>	<u>\$ 3,948</u>	<u>\$ 4,118</u>	<u>\$ 170</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
SPECIAL AVIATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ --	\$ --	\$ 1	\$ 1
Intergovernmental	140	2,051	1,886	(165)
Other	--	--	1	1
Total revenues	<u>140</u>	<u>2,051</u>	<u>1,888</u>	<u>(163)</u>
Expenditures				
Current:				
General government & support services	141	1,670	1,506	164
Total expenditures	<u>141</u>	<u>1,670</u>	<u>1,506</u>	<u>164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1)</u>	<u>381</u>	<u>382</u>	<u>1</u>
Net change in fund balances	(1)	381	382	1
Fund balances - beginning	(183)	(183)	(183)	--
Fund balances - ending	<u>\$ (184)</u>	<u>\$ 198</u>	<u>\$ 199</u>	<u>\$ 1</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 IN-HOME SUPPORTIVE SERVICES (IHSS) PUBLIC AUTHORITY SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ --	\$ 2	\$ 3	\$ 1
Intergovernmental	11,439	11,439	12,723	1,284
Total revenues	<u>11,439</u>	<u>11,441</u>	<u>12,726</u>	<u>1,285</u>
Expenditures				
Current:				
Health & human services	13,003	13,003	12,581	422
Total expenditures	<u>13,003</u>	<u>13,003</u>	<u>12,581</u>	<u>422</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,564)</u>	<u>(1,562)</u>	<u>145</u>	<u>1,707</u>
Other financing sources				
Transfers in	1,563	1,563	728	(835)
Total other financing sources	<u>1,563</u>	<u>1,563</u>	<u>728</u>	<u>(835)</u>
Net change in fund balances	(1)	1	873	872
Fund balances - beginning	21	21	21	--
Fund balances - ending	<u>\$ 20</u>	<u>\$ 22</u>	<u>\$ 894</u>	<u>\$ 872</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
CHILD SUPPORT SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 3	\$ --	\$ 13	\$ 13
Intergovernmental	10,008	10,008	9,744	(264)
Charges for services	--	--	9	9
Total revenues	<u>10,011</u>	<u>10,008</u>	<u>9,766</u>	<u>(242)</u>
Expenditures				
Current:				
Health & human services	10,011	10,436	10,197	239
Debt service:				
Principal	--	114	114	--
Interest	--	9	9	--
Total expenditures	<u>10,011</u>	<u>10,559</u>	<u>10,320</u>	<u>239</u>
Deficiency of revenues under expenditures	--	(551)	(554)	(3)
Other financing sources				
Leases issued	--	548	548	--
Total other financing sources	<u>--</u>	<u>548</u>	<u>548</u>	<u>--</u>
Net change in fund balances	--	(3)	(6)	(3)
Fund balances - beginning	707	707	707	--
Fund balances - ending	<u>\$ 707</u>	<u>\$ 704</u>	<u>\$ 701</u>	<u>\$ (3)</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 FISHERMEN ASSISTANCE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 3	\$ 1	\$ 5	\$ 4
Other	12	12	25	13
Total revenues	<u>15</u>	<u>13</u>	<u>30</u>	<u>17</u>
Expenditures				
Current:				
Community resources & public facilities	32	32	15	17
Total expenditures	<u>32</u>	<u>32</u>	<u>15</u>	<u>17</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17)</u>	<u>(19)</u>	<u>15</u>	<u>34</u>
Net change in fund balances	(17)	(19)	15	34
Fund balances - beginning	424	424	424	--
Fund balances - ending	<u>\$ 407</u>	<u>\$ 405</u>	<u>\$ 439</u>	<u>\$ 34</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 COASTAL RESOURCES ENHANCEMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 10	\$ (5)	\$ 33	\$ 38
Other	485	485	320	(165)
Total revenues	<u>495</u>	<u>480</u>	<u>353</u>	<u>(127)</u>
Expenditures				
Current:				
Community resources & public facilities	980	980	73	907
Total expenditures	<u>980</u>	<u>980</u>	<u>73</u>	<u>907</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(485)</u>	<u>(500)</u>	<u>280</u>	<u>780</u>
Net change in fund balances	(485)	(500)	280	780
Fund balances - beginning	2,972	2,972	2,972	--
Fund balances - ending	<u>\$ 2,487</u>	<u>\$ 2,472</u>	<u>\$ 3,252</u>	<u>\$ 780</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 COURT ACTIVITIES SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Fines, forfeitures, and penalties	\$ 1,333	\$ 1,333	\$ 1,222	\$ (111)
Use of money and property	28	28	40	12
Charges for services	2,501	2,501	1,859	(642)
Other	1,578	1,578	1,234	(344)
Total revenues	<u>5,440</u>	<u>5,440</u>	<u>4,355</u>	<u>(1,085)</u>
Expenditures				
Current:				
Public safety	15,456	14,226	12,645	1,581
Total expenditures	<u>15,456</u>	<u>14,226</u>	<u>12,645</u>	<u>1,581</u>
Deficiency of revenues under expenditures	<u>(10,016)</u>	<u>(8,786)</u>	<u>(8,290)</u>	<u>496</u>
Other financing sources				
Transfers in	10,017	8,787	8,787	--
Total other financing sources	<u>10,017</u>	<u>8,787</u>	<u>8,787</u>	<u>--</u>
Net change in fund balances	1	1	497	496
Fund balances - beginning	637	637	637	--
Fund balances - ending	<u>\$ 638</u>	<u>\$ 638</u>	<u>\$ 1,134</u>	<u>\$ 496</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 CRIMINAL JUSTICE CONSTRUCTION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Fines, forfeitures, and penalties	\$ 500	\$ 570	\$ 562	\$ (8)
Use of money and property	--	25	9	(16)
Total revenues	<u>500</u>	<u>595</u>	<u>571</u>	<u>(24)</u>
Expenditures				
Current:				
General county programs	--	1	1	--
Total expenditures	<u>--</u>	<u>1</u>	<u>1</u>	<u>--</u>
Excess of revenues over expenditures	<u>500</u>	<u>594</u>	<u>570</u>	<u>(24)</u>
Net change in fund balances	500	594	570	(24)
Fund balances - beginning	585	585	585	--
Fund balances - ending	<u>\$ 1,085</u>	<u>\$ 1,179</u>	<u>\$ 1,155</u>	<u>\$ (24)</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 COURTHOUSE CONSTRUCTION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Fines, forfeitures, and penalties	\$ 500	\$ 570	\$ 562	\$ (8)
Use of money and property	40	66	55	(11)
Other	--	--	1	1
Total revenues	<u>540</u>	<u>636</u>	<u>618</u>	<u>(18)</u>
Expenditures				
Current:				
General county programs	--	4,331	4,331	--
Total expenditures	<u>--</u>	<u>4,331</u>	<u>4,331</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>540</u>	<u>(3,695)</u>	<u>(3,713)</u>	<u>(18)</u>
Net change in fund balances	540	(3,695)	(3,713)	(18)
Fund balances - beginning	4,681	4,681	4,681	--
Fund balances - ending	<u>\$ 5,221</u>	<u>\$ 986</u>	<u>\$ 968</u>	<u>\$ (18)</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 INMATE WELFARE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 600	\$ 587	\$ 119	\$ (468)
Other	1,456	1,407	1,493	86
Total revenues	<u>2,056</u>	<u>1,994</u>	<u>1,612</u>	<u>(382)</u>
Expenditures				
Current:				
Public safety	2,248	2,293	1,849	444
Total expenditures	<u>2,248</u>	<u>2,293</u>	<u>1,849</u>	<u>444</u>
Deficiency of revenues under expenditures	<u>(192)</u>	<u>(299)</u>	<u>(237)</u>	<u>62</u>
Net change in fund balances	(192)	(299)	(237)	62
Fund balances - beginning	3,165	3,165	3,165	--
Fund balances - ending	<u>\$ 2,973</u>	<u>\$ 2,866</u>	<u>\$ 2,928</u>	<u>\$ 62</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 PLANNING & DEVELOPMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits, and franchises	\$ 15,443	\$ 15,443	\$ 14,085	\$ (1,358)
Fines, forfeitures, and penalties	28	28	76	48
Use of money and property	--	11	50	39
Charges for services	3,740	3,740	961	(2,779)
Other	423	423	343	(80)
Total revenues	<u>19,634</u>	<u>19,645</u>	<u>15,515</u>	<u>(4,130)</u>
Expenditures				
Current:				
Community resources & public facilities	<u>23,076</u>	<u>23,077</u>	<u>17,882</u>	<u>5,195</u>
Total expenditures	<u>23,076</u>	<u>23,077</u>	<u>17,882</u>	<u>5,195</u>
Deficiency of revenues under expenditures	<u>(3,442)</u>	<u>(3,432)</u>	<u>(2,367)</u>	<u>1,065</u>
Other financing sources (uses)				
Transfers in	2,743	2,743	2,153	(590)
Transfers out	(30)	(728)	(93)	635
Total other financing sources (uses)	<u>2,713</u>	<u>2,015</u>	<u>2,060</u>	<u>45</u>
Net change in fund balances	(729)	(1,417)	(307)	1,110
Fund balances - beginning	3,895	3,895	3,895	--
Fund balances - ending	<u>\$ 3,166</u>	<u>\$ 2,478</u>	<u>\$ 3,588</u>	<u>\$ 1,110</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 TOBACCO SETTLEMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 32	\$ 3	\$ 103	\$ 100
Other	4,350	4,350	4,373	23
Total revenues	<u>4,382</u>	<u>4,353</u>	<u>4,476</u>	<u>123</u>
Expenditures				
Current:				
General county programs	78	98	98	--
Total expenditures	<u>78</u>	<u>98</u>	<u>98</u>	<u>--</u>
Excess of revenues over expenditures	<u>4,304</u>	<u>4,255</u>	<u>4,378</u>	<u>123</u>
Other financing uses				
Transfers out	(4,241)	(4,241)	(4,167)	74
Total other financing uses	<u>(4,241)</u>	<u>(4,241)</u>	<u>(4,167)</u>	<u>74</u>
Net change in fund balances	63	14	211	197
Fund balances - beginning	<u>8,719</u>	<u>8,719</u>	<u>8,719</u>	<u>--</u>
Fund balances - ending	<u>\$ 8,782</u>	<u>\$ 8,733</u>	<u>\$ 8,930</u>	<u>\$ 197</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
TIDELANDS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Total revenues	\$ --	\$ --	\$ --	\$ --
Expenditures				
Total expenditures	--	--	--	--
Excess of revenues over expenditures	--	--	--	--
Net change in fund balances	--	--	--	--
Fund balances - beginning	276	276	276	--
Fund balances - ending	\$ 276	\$ 276	\$ 276	\$ --

COUNTY OF SANTA BARBARA, CALIFORNIA
 REFUGIO ENVIRONMENTAL SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Total revenues	\$ --	\$ --	\$ --	\$ --
Expenditures				
Total expenditures	--	--	--	--
Excess of revenues over expenditures	--	--	--	--
Net change in fund balances	--	--	--	--
Fund balances - beginning	11	11	11	--
Fund balances - ending	\$ 11	\$ 11	\$ 11	\$ --

COUNTY OF SANTA BARBARA, CALIFORNIA
COUNTY SERVICE AREAS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,658	\$ 1,658	\$ 1,896	\$ 238
Use of money and property	34	7	58	51
Intergovernmental	2	2	6	4
Charges for services	560	560	564	4
Other	--	--	1	1
Total revenues	<u>2,254</u>	<u>2,227</u>	<u>2,525</u>	<u>298</u>
Expenditures				
Current:				
Community resources & public facilities	1,006	1,661	1,238	423
Total expenditures	<u>1,006</u>	<u>1,661</u>	<u>1,238</u>	<u>423</u>
Excess of revenues over expenditures	<u>1,248</u>	<u>566</u>	<u>1,287</u>	<u>721</u>
Other financing sources (uses)				
Transfers in	--	500	--	(500)
Transfers out	(1,003)	(996)	(711)	285
Total other financing uses	<u>(1,003)</u>	<u>(496)</u>	<u>(711)</u>	<u>(215)</u>
Net change in fund balances	245	70	576	506
Fund balances - beginning	4,711	4,711	4,711	--
Fund balances - ending	<u>\$ 4,956</u>	<u>\$ 4,781</u>	<u>\$ 5,287</u>	<u>\$ 506</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
COMMUNITY FACILITIES DISTRICTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 840	\$ 840	\$ 1,033	\$ 193
Use of money and property	11	6	9	3
Total revenues	<u>851</u>	<u>846</u>	<u>1,042</u>	<u>196</u>
Expenditures				
Current:				
Community resources & public facilities	214	229	214	15
Total expenditures	<u>214</u>	<u>229</u>	<u>214</u>	<u>15</u>
Excess of revenues over expenditures	<u>637</u>	<u>617</u>	<u>828</u>	<u>211</u>
Other financing uses				
Transfers out	(651)	(651)	(646)	5
Total other financing uses	<u>(651)</u>	<u>(651)</u>	<u>(646)</u>	<u>5</u>
Net change in fund balances	(14)	(34)	182	216
Fund balances - beginning	791	791	791	--
Fund balances - ending	<u>\$ 777</u>	<u>\$ 757</u>	<u>\$ 973</u>	<u>\$ 216</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 LIGHTING DISTRICTS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 623	\$ 623	\$ 682	\$ 59
Use of money and property	3	(1)	6	7
Intergovernmental	2	2	2	--
Other	--	--	1	1
Total revenues	<u>628</u>	<u>624</u>	<u>691</u>	<u>67</u>
Expenditures				
Current:				
Community resources & public facilities	606	606	582	24
Total expenditures	<u>606</u>	<u>606</u>	<u>582</u>	<u>24</u>
Excess of revenues over expenditures	<u>22</u>	<u>18</u>	<u>109</u>	<u>91</u>
Net change in fund balances	22	18	109	91
Fund balances - beginning	548	548	548	--
Fund balances - ending	<u>\$ 570</u>	<u>\$ 566</u>	<u>\$ 657</u>	<u>\$ 91</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 SANDYLAND SEAWALL MAINTENANCE DISTRICT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 4	\$ --	\$ 8	\$ 8
Other	--	--	5	5
Total revenues	<u>4</u>	<u>\$ --</u>	<u>13</u>	<u>13</u>
Expenditures				
Current:				
Community resources & public facilities	357	362	--	362
Total expenditures	<u>357</u>	<u>362</u>	<u>--</u>	<u>362</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(353)</u>	<u>(362)</u>	<u>13</u>	<u>375</u>
Net change in fund balances	(353)	(362)	13	375
Fund balances - beginning	748	748	748	--
Fund balances - ending	<u>\$ 395</u>	<u>\$ 386</u>	<u>\$ 761</u>	<u>\$ 375</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
WATER AGENCY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 3,323	\$ 3,323	\$ 3,950	\$ 627
Use of money and property	150	74	168	94
Intergovernmental	838	838	839	1
Charges for services	10	10	1	(9)
Other	--	--	2	2
Total revenues	<u>4,321</u>	<u>4,245</u>	<u>4,960</u>	<u>715</u>
Expenditures				
Current:				
Community resources & public facilities	<u>4,905</u>	<u>4,905</u>	<u>2,841</u>	<u>2,064</u>
Total expenditures	<u>4,905</u>	<u>4,905</u>	<u>2,841</u>	<u>2,064</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(584)</u>	<u>(660)</u>	<u>2,119</u>	<u>2,779</u>
Other financing uses				
Transfers out	<u>(71)</u>	<u>(71)</u>	<u>(24)</u>	<u>47</u>
Total other financing uses	<u>(71)</u>	<u>(71)</u>	<u>(24)</u>	<u>47</u>
Net change in fund balances	(655)	(731)	2,095	2,826
Fund balances - beginning	<u>13,860</u>	<u>13,860</u>	<u>13,860</u>	<u>--</u>
Fund balances - ending	<u>\$ 13,205</u>	<u>\$ 13,129</u>	<u>\$ 15,955</u>	<u>\$ 2,826</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 OAK RESTORATION PERMANENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ --	\$ 8	\$ 8	\$ --
Total revenues	<u>--</u>	<u>8</u>	<u>8</u>	<u>--</u>
Expenditures				
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over expenditures	<u>--</u>	<u>8</u>	<u>8</u>	<u>--</u>
Net change in fund balances	--	8	8	--
Fund balances - beginning	742	742	742	--
Fund balances - ending	<u>\$ 742</u>	<u>\$ 750</u>	<u>\$ 750</u>	<u>\$ --</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
SANTA BARBARA COUNTY FINANCE CORPORATION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 2	\$ 2	\$ (14)	\$ (16)
Intergovernmental	1,375	1,375	1,375	--
Other	--	--	1	1
Total revenues	<u>1,377</u>	<u>1,377</u>	<u>1,362</u>	<u>(15)</u>
Expenditures				
Current:				
General county programs	60	60	25	35
Debt service:				
Principal	2,743	2,743	2,743	--
Interest	<u>1,300</u>	<u>1,300</u>	<u>1,299</u>	<u>1</u>
Total expenditures	<u>4,103</u>	<u>4,103</u>	<u>4,067</u>	<u>36</u>
Deficiency of revenues under expenditures	<u>(2,726)</u>	<u>(2,726)</u>	<u>(2,705)</u>	<u>21</u>
Other financing sources				
Transfers in	<u>2,678</u>	<u>2,678</u>	<u>2,629</u>	<u>(49)</u>
Total other financing sources	<u>2,678</u>	<u>2,678</u>	<u>2,629</u>	<u>(49)</u>
Net change in fund balances	(48)	(48)	(76)	(28)
Fund balances - beginning	1,439	1,439	1,439	--
Fund balances - ending	<u>\$ 1,391</u>	<u>\$ 1,391</u>	<u>\$ 1,363</u>	<u>\$ (28)</u>

Internal Service Funds



INTERNAL SERVICE FUNDS

Internal Service Funds are established to account for services furnished to the County and various other governmental agencies. They are exempt from legal compliance for budgetary control and follow commercial accounting principles for a determination of operating, rather than budgetary, results. Their major source of revenue consists of charges to user departments for services rendered. These charges are based upon standard rates calculated on an estimated cost recovery basis. A more detailed description of the funds established and used by the County follows:

Information Technology Services

This fund provides enterprise information technology services to County departments and various other governmental agencies. Four lines of service are supported: Network and Security, Infrastructure, Desktop Support, and Enterprise Applications. Costs are allocated to all users based upon utilization factors for each service and are designed to recover costs of each system. Profits or losses are carried forward and used to adjust allocations in subsequent years. Costs of operating the fund include personnel, supplies, utilities, maintenance, and depreciation of equipment.

Vehicle Operations and Maintenance

This fund provides for the maintenance, servicing and repair of County vehicles. Rental rates, which include the cost of gas, oil, maintenance, replacement of equipment and personnel costs, are charged to the user department to support the vehicle program. Vehicles are replaced based on mileage and age criteria which varies per class of vehicle; new additions to the vehicle fleet are provided through the Garage Equipment and Motor Pool budgets of the General Fund and through contributions from other funds.

Risk Management and Insurance

This column combines the County's three self-insurance funds - Dental, General Liability, and Unemployment – and the County's Workers' Compensation fund.

Dental Self-Insurance

This fund provides for the payment of dental expenses incurred by County employees, eligible dependents and retirees who are part of the self-funded plan. This fund does not account for employees or retirees on the Dental Net, Prudential or Firefighter health plans. Professional administrators process all claims and make payments to claimants based on a payment schedule of medical and dental benefits. The fund reimburses the claims administrator for the payment of claims plus a fee for administration and participation in a prescription drug program. Additionally, the County contracts with a preferred provider organization for reduced fees from member dental service providers, physicians, and other specialists. The County contributes towards the cost of employee coverage through departmental budgets; the employee pays any remaining employee or dependent coverage.

General Liability Self-Insurance

This fund provides for payment of self-insured general liability and automobile liability claims, excess insurance, claims adjusting services, litigation costs, and administrative services. The County is self-insured to \$500 per occurrence for losses occurring prior to July 1, 2021 and is self-insured to \$750 for losses beginning on July 1, 2021 going forward. The County purchases additional excess liability coverage above the County's self-insured retention through a PRISM program.

In addition, the fund provides for payment of various property insurance. Building and contents insurance is allocated to the departments based upon their relative occupancy of a given building. Nearly all structures have been appraised for insurance purposes by an outside appraiser. The County's vehicle and equipment insurance is purchased by the fund and allocated to the Vehicle Operations Fund which then further allocates it to the departments based upon their vehicle usage. Other insurance, such as aviation, pollution, cyber and crime bond is also purchased by the fund and allocated to the user departments.

Beginning in fiscal year 2018-19, the Medical Malpractice Plan was brought into the County General Liability fund. This plan purchases primary insurance coverage for medical malpractice and general liability losses which arise from the

operations of Public Health Departments, for claim investigation services, legal fees and payment of claims, subject to a \$10 deductible.

Contributions are made by participating County departments and funds based on past claims experience and appropriate risk factors

Unemployment Self-Insurance

State law requires the County to maintain unemployment insurance. The County has elected to be self-insured and has established this fund for the payment of unemployment insurance claims by County employees, which have been processed and approved by the State Employment Development Department. Each department has been charged a percentage of its gross payroll for the establishment of a general reserve for this program and to provide for claim payments.

Workers' Compensation Fund

This fund allocates the premiums and Workers' Compensation Program management expenses to all departments. The County purchases workers' compensation primary insurance through PRISM (formerly CSAC – Excess Insurance Authority). The County departmental rates are approved by the Risk Management Evaluation Team (RMET) consisting of representatives from the Risk Management Division, County Executive Office, Auditor-Controller, and County Counsel.

Communications Services

This fund provides communication services to County departments and various other governmental agencies. Telephone, radio and audio-visual systems are maintained. Costs are billed from a standard price schedule which is periodically adjusted to reflect cost changes and are designed to recover costs of each system. Profits or losses are carried forward and used to adjust allocations in subsequent years. Costs of operating the fund include personnel, supplies, utilities, maintenance, and depreciation of equipment.

Utilities

This fund provides for payment of Countywide utility costs. Utility costs are allocated to various County departments based on their energy consumption. Charging County departments for their energy usage fosters awareness and accountability related to energy costs and savings.

COUNTY OF SANTA BARBARA, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2023 (in thousands)

	Information Technology Services	Vehicle Operations and Maintenance	Risk Management and Insurance	Communi- cations Services	Utilities	Total
Assets						
Current assets:						
Cash and investments (Note 3)	\$ 10,875	\$ 27,354	\$ 17,189	\$ 12,140	\$ 1,208	\$ 68,766
Accounts receivable, net:						
Use of money and property	57	148	98	69	6	378
Charges for services	--	8	78	22	14	122
Other	--	--	45	--	--	45
Inventories	--	195	--	110	--	305
Total current assets	<u>10,932</u>	<u>27,705</u>	<u>17,410</u>	<u>12,341</u>	<u>1,228</u>	<u>69,616</u>
Noncurrent assets:						
Other receivables	--	--	273	--	70	343
Restricted cash and investments (Note 4)	--	10	--	--	--	10
Capital assets, not being depreciated/amortized	--	3,622	--	2,156	--	5,778
Capital assets, net of accumulated depreciation/amortization (Note 6)	3,609	21,414	3	3,381	1,854	30,261
Total noncurrent assets	<u>3,609</u>	<u>25,046</u>	<u>276</u>	<u>5,537</u>	<u>1,924</u>	<u>36,392</u>
Total assets	<u>14,541</u>	<u>52,751</u>	<u>17,686</u>	<u>17,878</u>	<u>3,152</u>	<u>106,008</u>
Deferred outflows of resources						
Deferred pensions (Note 18)	1,819	737	300	392	45	3,293
Deferred OPEB (Note 19)	214	72	23	53	--	362
Total deferred outflows of resources	<u>2,033</u>	<u>809</u>	<u>323</u>	<u>445</u>	<u>45</u>	<u>3,655</u>
Liabilities						
Current liabilities:						
Accounts payable	294	685	1,626	38	41	2,684
Salaries and benefits payable	440	150	60	80	20	750
Compensated absences (Note 10)	377	175	83	85	17	737
Other short - term liabilities	--	--	283	--	--	283
Bonds and notes payable (Note 10)	--	--	--	--	437	437
Subscription liability - short-term	712	--	--	--	--	712
Liability for self-insurance claims (Note 11)	--	--	5,168	--	--	5,168
Total current liabilities	<u>1,823</u>	<u>1,010</u>	<u>7,220</u>	<u>203</u>	<u>515</u>	<u>10,771</u>
Noncurrent liabilities:						
Compensated absences (Note 10)	126	23	46	16	23	234
Subscription liability - long-term	245	--	--	--	--	245
Bonds and notes payable (Note 10)	--	--	--	--	1,501	1,501
Liability for self-insurance claims (Note 11)	--	--	7,943	--	--	7,943
Net pension liability (Note 18)	6,455	2,615	1,064	1,391	159	11,684
Net OPEB liability (Note 19)	956	320	101	236	--	1,613
Total noncurrent liabilities	<u>7,782</u>	<u>2,958</u>	<u>9,154</u>	<u>1,643</u>	<u>1,683</u>	<u>23,220</u>
Total liabilities	<u>9,605</u>	<u>3,968</u>	<u>16,374</u>	<u>1,846</u>	<u>2,198</u>	<u>33,991</u>
Deferred inflows of resources						
Deferred pensions (Note 18)	95	38	16	20	2	171
Deferred OPEB (Note 19)	25	8	3	6	--	42
Total deferred inflows of resources	<u>120</u>	<u>46</u>	<u>19</u>	<u>26</u>	<u>2</u>	<u>213</u>
Net position						
Net investment in capital assets	2,651	25,038	3	5,536	(84)	33,144
Unrestricted	4,198	24,508	1,613	10,915	1,081	42,315
Total net position	<u>\$ 6,849</u>	<u>\$ 49,546</u>	<u>\$ 1,616</u>	<u>\$ 16,451</u>	<u>\$ 997</u>	<u>\$ 75,459</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Information Technology Services	Vehicle Operations and Maintenance	Risk Management and Insurance	Communi- cations Services	Utilities	Total
Operating revenues						
Charges for services	\$ 17,647	\$ 13,598	\$ 43,664	\$ 6,514	\$ 8,190	\$ 89,613
Self-insurance recovery	--	--	1,223	--	--	1,223
Other operating revenues	158	126	--	--	--	284
Total operating revenues	<u>17,805</u>	<u>13,724</u>	<u>44,887</u>	<u>6,514</u>	<u>8,190</u>	<u>91,120</u>
Operating expenses						
Salaries and benefits	6,905	2,511	901	1,266	104	11,687
Services and supplies	8,173	7,083	34,523	3,001	8,149	60,929
Self-insurance claims	--	--	5,527	--	--	5,527
Contractual services	205	15	2,307	207	27	2,761
Depreciation and amortization	1,970	3,083	--	747	376	6,176
County overhead allocation	172	159	2,574	61	2	2,968
Total operating expenses	<u>17,425</u>	<u>12,851</u>	<u>45,832</u>	<u>5,282</u>	<u>8,658</u>	<u>90,048</u>
Operating income (loss)	<u>380</u>	<u>873</u>	<u>(945)</u>	<u>1,232</u>	<u>(468)</u>	<u>1,072</u>
Non-operating revenues (expenses)						
Use of money and property	109	308	191	306	10	924
Interest expense	(13)	--	--	--	(67)	(80)
Gain on sale of capital assets	--	467	--	--	--	467
Other non-operating revenues (expenses)	--	1	33	--	412	446
Total non-operating revenues (expenses)	<u>96</u>	<u>776</u>	<u>224</u>	<u>306</u>	<u>355</u>	<u>1,757</u>
Income (loss) before transfers	<u>476</u>	<u>1,649</u>	<u>(721)</u>	<u>1,538</u>	<u>(113)</u>	<u>2,829</u>
Transfers in	280	4,260	--	--	--	4,540
Transfers out	--	(964)	--	--	--	(964)
Total transfers in, net	<u>280</u>	<u>3,296</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,576</u>
Change in net position	<u>756</u>	<u>4,945</u>	<u>(721)</u>	<u>1,538</u>	<u>(113)</u>	<u>6,405</u>
Total net position - beginning	<u>6,093</u>	<u>44,601</u>	<u>2,337</u>	<u>14,913</u>	<u>1,110</u>	<u>69,054</u>
Total net position - ending	<u>\$ 6,849</u>	<u>\$ 49,546</u>	<u>\$ 1,616</u>	<u>\$ 16,451</u>	<u>\$ 997</u>	<u>\$ 75,459</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Information Technology Services	Vehicle Operations and Maintenance	Risk Management and Insurance	Communi- cations Services	Utilities	Total
Cash flows from operating activities						
Receipts from interfund services provided	\$ 17,813	\$ 13,716	\$ 43,616	\$ 6,492	\$ 8,190	\$ 89,827
Receipts from self-insurance recovery	--	--	1,223	--	--	1,223
Payments to employees	(6,577)	(2,659)	(1,639)	(1,493)	(170)	(12,538)
Payments to suppliers	(8,376)	(6,495)	(36,318)	(3,198)	(8,081)	(62,468)
Payments for self-insurance claims	--	--	(5,375)	--	--	(5,375)
County overhead allocation payments (to) from the General Fund	(172)	(159)	(2,574)	(61)	(2)	(2,968)
Other receipts	--	1	33	--	412	446
Net cash provided (used) by operating activities	<u>2,688</u>	<u>4,404</u>	<u>(1,034)</u>	<u>1,740</u>	<u>349</u>	<u>8,147</u>
Cash flows from noncapital financing activities						
Transfers from other funds	280	4,260	--	--	--	4,540
Transfers to other funds	--	(964)	--	--	--	(964)
Net cash provided by noncapital financing activities	<u>280</u>	<u>3,296</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,576</u>
Cash flows from capital and related financing activities						
Purchase of capital assets	(248)	(6,482)	--	(1,682)	--	(8,412)
Proceeds from sale of capital assets	--	701	--	--	--	701
Principal paid on bonds and notes payable	--	--	--	--	(432)	(432)
Principal paid on SBITAs	(680)	--	--	--	--	(680)
Interest paid on bonds and notes payable	(13)	--	--	--	(67)	(80)
Net cash used by capital and related financing activities	<u>(941)</u>	<u>(5,781)</u>	<u>--</u>	<u>(1,682)</u>	<u>(499)</u>	<u>(8,903)</u>
Cash flows from investing activities						
Use of money and property received	118	313	205	314	12	962
Changes in fair value of investments	(51)	(114)	(82)	(57)	(6)	(310)
Net cash provided by investing activities	<u>67</u>	<u>199</u>	<u>123</u>	<u>257</u>	<u>6</u>	<u>652</u>
Net change in cash and cash equivalents	2,094	2,118	(911)	315	(144)	3,472
Cash and cash equivalents - beginning	8,781	25,246	18,100	11,825	1,352	65,304
Cash and cash equivalents - ending	<u>\$ 10,875</u>	<u>\$ 27,364</u>	<u>\$ 17,189</u>	<u>\$ 12,140</u>	<u>\$ 1,208</u>	<u>\$ 68,776</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position						
Cash and investments per Statement of Net Position	\$ 10,875	\$ 27,354	\$ 17,189	\$ 12,140	\$ 1,208	\$ 68,766
Restricted cash and investments per Statement of Net Position	--	10	--	--	--	10
Total cash and cash equivalents per Statement of Net Position	<u>\$ 10,875</u>	<u>\$ 27,364</u>	<u>\$ 17,189</u>	<u>\$ 12,140</u>	<u>\$ 1,208</u>	<u>\$ 68,776</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 380	\$ 873	\$ (945)	\$ 1,232	\$ (468)	\$ 1,072
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	1,970	3,083	--	747	376	6,176
Other non-operating revenue	--	1	33	--	412	446
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:						
Accounts and other receivables	8	(9)	(48)	(22)	--	(71)
Inventories	--	51	--	--	--	51
Prepaid items	--	--	92	--	--	92
Accounts payable	2	553	420	10	95	1,080
Salaries and benefits payable	328	(148)	(738)	(227)	(66)	(851)
Liability for self-insurance claims	--	--	152	--	--	152
Net cash provided (used) by operating activities	<u>\$ 2,688</u>	<u>\$ 4,404</u>	<u>\$ (1,034)</u>	<u>\$ 1,740</u>	<u>\$ 349</u>	<u>\$ 8,147</u>
Noncash investing, capital, and financing activities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --



Fiduciary Funds



Fiduciary funds are custodial in nature and account for assets held on behalf of others.

PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS

Account for the activities of the County's portion of the SBCERS pension plans and Other Postemployment Benefits Trust Funds, which accumulate resources for pension and other postemployment benefit payments to qualified beneficiaries.

SBCERS Pension Trust Fund

Accounts for the resources accumulated for the County's portion of the SBCERS pension plans.

Other Postemployment Benefits Trust Fund

Accounts for the resources accumulated for the County's postemployment healthcare for qualified beneficiaries.

CUSTODIAL FUNDS

Account for assets which are held for other governmental agencies or individuals by the County in a custodial capacity.

Unapportioned Collections

Accounts for property taxes held pending authority for apportionment

State and City Revenue Funds

Temporarily holds various fees, fines, and penalties collected by the County departments for the State of California or various cities in Santa Barbara County, which are passed through to these entities.

Public Administrator/Public Guardian Funds

Accounts for assets held by the County for dependents who have no known relatives who are willing to administer their estate or for County residents who have lost the ability to care for themselves and have no one else available to care for them.

Other Custodial Funds

Accounts for other assets held in a custodial capacity.



COUNTY OF SANTA BARBARA, CALIFORNIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS
June 30, 2023 (in thousands)

	SBCERS Pension Trust Fund	Other Postemployment Benefits Trust Fund	Total Pension and Other Postemployment Benefits Trust Funds
Assets			
Other cash and cash equivalents (Note 3)	\$ 41,122	\$ 1,056	\$ 42,178
Collateral held for securities lent	33,912	--	33,912
Short-term investments	33,588	--	33,588
Total other cash and cash equivalents	<u>108,622</u>	<u>1,056</u>	<u>109,678</u>
Investments:			
Private equity	575,753	--	575,753
Domestic equity	742,605	33,753	776,358
Core fixed income	602,490	21,980	624,470
Developed markets non-US equity	399,593	--	399,593
Emerging market equity	259,484	--	259,484
Non-core fixed income	282,549	--	282,549
Private credit	140,561	--	140,561
Real assets/real return	588,155	--	588,155
Real estate	456,311	--	456,311
Total Investments	<u>4,047,501</u>	<u>55,733</u>	<u>4,103,234</u>
Prepays and receivables			
Prepaid assets	9,584	--	9,584
Contributions	11,259	803	12,062
Accrued interest	2,777	56	2,833
Dividends	4,959	--	4,959
Security sales	4,084	--	4,084
Total prepaids and receivables	<u>32,663</u>	<u>859</u>	<u>33,522</u>
Total assets	<u>4,188,786</u>	<u>57,648</u>	<u>4,246,434</u>
Liabilities			
Accounts payable	1,031	8	1,039
Collateral held for securities lent	33,912	--	33,912
Benefits payable	16,482	--	16,482
Security purchases	5,271	--	5,271
Total liabilities	<u>56,696</u>	<u>8</u>	<u>56,704</u>
Net position			
Restricted for:			
Pensions	4,132,090	--	4,132,090
Postemployment benefits other than pensions	--	57,640	57,640
Total net position	<u>\$ 4,132,090</u>	<u>\$ 57,640</u>	<u>\$ 4,189,730</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	SBCERS Pension Trust Fund	Other Postemployment Benefits Trust Fund	Total Pension and Other Postemployment Benefits Trust Funds
Additions			
Contributions			
Employers	\$ 157,307	\$ 15,345	\$ 172,652
Plan members	38,522	--	38,522
Total contributions	<u>195,829</u>	<u>15,345</u>	<u>211,174</u>
Investment earnings			
Net increase in the fair value of investments	252,629	4,648	257,277
Interest	13,789	314	14,103
Dividends	30,783	--	30,783
Total investment earnings	<u>297,201</u>	<u>4,962</u>	<u>302,163</u>
Less investment expense	<u>(19,956)</u>	<u>--</u>	<u>(19,956)</u>
Net investment earnings	<u>277,245</u>	<u>4,962</u>	<u>282,207</u>
Securities lent income	816	--	816
Securities lent expense			
Borrower rebates	(341)	--	(341)
Management fees	(119)	--	(119)
Net securities income	<u>356</u>	<u>--</u>	<u>356</u>
Miscellaneous income	183	496	679
Total miscellaneous income	<u>183</u>	<u>496</u>	<u>679</u>
Total additions	<u>473,613</u>	<u>20,803</u>	<u>494,416</u>
Deductions			
Beneficiary payments	229,393	9,279	238,672
Member withdrawals	2,563	--	2,563
Administrative expenses	6,410	502	6,912
Total deductions	<u>238,366</u>	<u>9,781</u>	<u>248,147</u>
Net increase in fiduciary net position	235,247	11,022	246,269
Net position - beginning	3,896,843	46,618	3,943,461
Net position - ending	<u>\$ 4,132,090</u>	<u>\$ 57,640</u>	<u>\$ 4,189,730</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - CUSTODIAL FUNDS
 June 30, 2023 (in thousands)

	Unapportioned Collections	State and City Revenue Funds	Public Administrator/ Public Guardian Funds	Other Custodial Funds	Total Custodial Funds
Assets					
Cash and investments (Note 3)	\$ 30,983	\$ 3,237	\$ 938	\$ 344	\$ 35,502
Other receivables	526	6	4	1	537
Total assets	<u>31,509</u>	<u>3,243</u>	<u>942</u>	<u>345</u>	<u>36,039</u>
Liabilities					
Accounts payable	191	--	--	--	191
Total liabilities	<u>191</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>191</u>
Net position					
Restricted for:					
Individuals, organizations, and other governments	31,318	3,243	942	345	35,848
Total net position	<u>\$ 31,318</u>	<u>\$ 3,243</u>	<u>\$ 942</u>	<u>\$ 345</u>	<u>\$ 35,848</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - CUSTODIAL FUNDS
 FOR THE FISCAL YEAR ENDED June 30, 2023 (in thousands)

	Unapportioned Collections	State and City Revenue Funds	Public Administrator/ Public Guardian Funds	Other Custodial Funds	Total Custodial Funds
Additions					
Contributions to pooled investments	\$ --	\$ --	\$ 193	\$ 2,423	\$ 2,616
Property tax collections	3,941,702	--	--	--	3,941,702
Other taxes and fees collected for other governments	--	37,977	--	--	37,977
Net investment gains	1,700	26	11	2	1,739
Total additions	<u>3,943,402</u>	<u>38,003</u>	<u>204</u>	<u>2,425</u>	<u>3,984,034</u>
Deductions					
Beneficiary payments	--	--	161	2,401	2,562
Property tax distributions	3,937,676	--	--	--	3,937,676
Payments to other governments	--	37,418	--	--	37,418
Total deductions	<u>3,937,676</u>	<u>37,418</u>	<u>161</u>	<u>2,401</u>	<u>3,977,656</u>
Net increase (decrease) in fiduciary net position	5,726	585	43	24	6,378
Net position - beginning, as previously reported on 6/30/22	25,592	2,658	899	649	29,798
Change due to reclassification of a fund to a Governmental Fund	--	--	--	(328)	(328)
Net position - beginning, as restated on 6/30/22	<u>25,592</u>	<u>2,658</u>	<u>899</u>	<u>321</u>	<u>29,470</u>
Net position - ending	<u>\$ 31,318</u>	<u>\$ 3,243</u>	<u>\$ 942</u>	<u>\$ 345</u>	<u>\$ 35,848</u>

STATISTICAL SECTION



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The information in this section is not covered by the Independent Auditor’s Report, but is presented as supplemental data for the benefit of the readers of the Annual Comprehensive Financial Report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the County’s economic condition.

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Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.



COUNTY OF SANTA BARBARA, CALIFORNIA
NET POSITION BY CATEGORY (UNAUDITED)
LAST TEN FISCAL YEARS (in thousands)
(accrual basis of accounting)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Governmental activities										
Net investment in capital assets	\$ 578,314	\$ 588,989	\$ 612,548	\$ 648,420	\$ 692,549	\$ 736,255	\$ 755,491	\$ 782,419	\$ 819,198	\$ 876,913
Restricted for:										
Policy & executive	--	--	--	436	716	972	1,164	1,392	1,641	1,641
Public safety	24,107	28,640	38,927	49,093	54,810	62,243	66,293	77,606	77,573	95,203
Health & human services	31,005	37,477	35,910	36,411	36,848	48,951	37,386	61,204	88,134	89,888
Community resources & public facilities	103,497	152,739	149,668	154,523	154,848	163,959	187,676	191,632	208,806	211,822
General government & support services	4,951	4,960	5,242	5,804	5,447	6,164	4,833	8,304	7,723	8,835
General county programs	15,596	12,736	16,232	18,352	18,373	20,052	19,405	24,649	10,978	37,688
Unrestricted	62,497	(551,588)	(529,641)	(532,968)	(562,947)	(534,700)	(537,682)	(504,884)	(402,780)	(323,650)
Total governmental activities net position	\$ 819,967	\$ 273,953	\$ 328,886	\$ 380,071	\$ 400,644	\$ 503,896	\$ 534,566	\$ 642,322	\$ 811,273	\$ 998,340
Business-Type activities										
Net investment in capital assets	\$ 70,562	\$ 73,988	\$ 78,188	\$ 80,852	\$ 83,764	\$ 82,723	\$ 88,655	\$ 98,539	\$ 111,953	\$ 125,396
Unrestricted	25,191	14,062	19,888	21,326	34,638	45,582	57,723	61,334	60,403	57,141
Total business-type activities net position	\$ 95,753	\$ 88,050	\$ 98,076	\$ 102,178	\$ 118,402	\$ 128,305	\$ 146,378	\$ 159,873	\$ 172,356	\$ 182,537
Primary government										
Net investment in capital assets	\$ 648,876	\$ 662,977	\$ 690,736	\$ 729,272	\$ 776,313	\$ 818,978	\$ 844,146	\$ 880,958	\$ 931,151	\$ 1,002,309
Restricted for:										
Policy & executive	--	--	--	436	716	972	1,164	1,392	1,641	1,641
Public safety	24,107	28,640	38,927	49,093	54,810	62,243	66,293	77,606	77,573	95,203
Health & human services	31,005	37,477	35,910	36,411	36,848	48,951	37,386	61,204	88,134	89,888
Community resources & public facilities	103,497	152,739	149,668	154,523	154,848	163,959	187,676	191,632	208,806	211,822
General government & support services	4,951	4,960	5,242	5,804	5,447	6,164	4,833	8,304	7,723	8,835
General county programs	15,596	12,736	16,232	18,352	18,373	20,052	19,405	24,649	10,978	37,688
Unrestricted	87,688	(537,526)	(509,753)	(511,642)	(528,309)	(489,118)	(479,959)	(443,550)	(342,377)	(266,509)
Total primary government net position	\$ 915,720	\$ 362,003	\$ 426,962	\$ 482,249	\$ 519,046	\$ 632,201	\$ 680,944	\$ 802,195	\$ 983,629	\$ 1,180,877

COUNTY OF SANTA BARBARA, CALIFORNIA
 CHANGES IN NET POSITION (UNAUDITED)
 LAST TEN FISCAL YEARS (in thousands)
 (accrual basis of accounting)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Expenses										
Governmental activities:										
Policy & executive	\$ 14,057	\$ 10,721	\$ 13,056	\$ 14,315	\$ 18,938	\$ 17,878	\$ 19,074	\$ 19,661	\$ 13,207	\$ 17,900
Public safety	282,251	276,688	275,809	314,026	361,703	341,931	376,065	389,249	328,392	340,978
Health & human services	319,565	335,132	363,789	364,675	360,185	361,494	397,009	412,050	375,447	428,532
Community resources & public facilities	92,377	88,788	94,254	94,387	110,529	119,654	122,448	147,650	133,562	153,218
General government & support services	33,931	37,766	37,131	37,716	39,023	37,982	46,294	48,950	38,517	40,009
General county programs	3,980	2,462	2,807	2,206	2,514	963	1,819	9,583	46,135	65,655
Interest on long-term debt	3,505	2,651	2,275	2,152	2,024	1,895	1,772	1,619	2,173	2,490
Subtotal governmental activities expenses	749,666	754,208	789,121	829,477	894,916	881,797	964,481	1,028,762	937,433	1,048,782
Business-type activities:										
Resource Recovery	20,300	26,250	23,017	29,196	24,507	32,819	34,258	34,030	40,528	49,522
Laguna Sanitation	6,176	6,270	5,631	6,822	6,564	7,204	7,356	8,736	8,806	9,372
Subtotal business-type activities expenses	26,476	32,520	28,648	36,018	31,071	40,023	41,614	42,766	49,334	58,894
Total expenses	\$ 776,142	\$ 786,728	\$ 817,769	\$ 865,495	\$ 925,987	\$ 921,820	\$ 1,006,095	\$ 1,071,528	\$ 986,767	\$ 1,107,676
Program revenues										
Governmental activities:										
Charges for services										
Health & human services	\$ 75,536	\$ 86,215	\$ 93,580	\$ 97,021	\$ 94,589	\$ 108,234	\$ 104,073	\$ 113,940	\$ 109,439	\$ 108,586
Public safety	73,635	44,118	51,704	55,405	59,746	57,201	55,358	61,308	63,061	65,149
Other	54,704	54,258	54,348	57,559	61,750	66,119	94,762	67,919	71,895	85,616
Operating grants & contributions	332,533	346,620	349,865	364,316	386,829	416,369	380,748	490,869	498,469	547,079
Capital grants & contributions	52,352	44	85	3,201	200	58	81	523	144	297
Subtotal governmental activities	588,760	531,255	549,582	578,402	603,114	647,981	635,022	734,559	743,008	806,727
Business-type activities:										
Charges for services										
Resource Recovery	23,439	23,184	24,617	26,053	30,721	31,060	38,096	37,263	43,516	48,936
Laguna Sanitation	9,907	11,069	12,377	12,644	13,183	14,091	15,228	14,917	15,396	15,729
Operating grants & contributions	1,038	987	1,150	1,155	1,049	2,437	4,253	3,488	7,406	3,167
Subtotal business-type activities	34,384	35,240	38,144	39,852	44,953	47,588	57,577	55,668	66,318	67,832
Total program revenues	\$ 623,144	\$ 566,495	\$ 587,726	\$ 618,254	\$ 648,067	\$ 695,569	\$ 692,599	\$ 790,227	\$ 809,326	\$ 874,559
Net (expense) / revenue										
Governmental activities	\$ (160,906)	\$ (222,953)	\$ (239,539)	\$ (251,075)	\$ (291,802)	\$ (233,816)	\$ (329,459)	\$ (294,203)	\$ (194,425)	\$ (242,055)
Business-type activities	7,908	2,720	9,496	3,834	13,882	7,565	15,963	12,902	16,984	8,938
Total net expense	\$ (152,998)	\$ (220,233)	\$ (230,043)	\$ (247,241)	\$ (277,920)	\$ (226,251)	\$ (313,496)	\$ (281,301)	\$ (177,441)	\$ (233,117)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 231,247	\$ 244,139	\$ 254,166	\$ 267,613	\$ 284,284	\$ 290,046	\$ 309,150	\$ 323,795	\$ 343,092	\$ 369,807
Motor vehicle in-lieu tax	155	150	147	167	198	182	--	--	--	--
Sales taxes	14,039	15,306	16,332	18,172	18,118	18,995	19,068	21,104	25,664	25,803
Transient occupancy tax	7,539	8,550	9,072	10,068	8,364	10,320	10,182	12,535	16,984	17,202
Cannabis tax	--	--	--	--	--	6,761	12,182	15,747	8,719	6,117
Unrestricted investment gain (loss)	1,407	1,661	854	335	753	4,356	3,484	(783)	(9,735)	3,177
Transfers	(34)	--	(15)	--	36	80	21	(77)	--	--
Other	8,100	8,474	9,494	5,905	5,778	5,834	6,042	7,645	6,652	6,936
Subtotal governmental activities	262,453	278,280	290,050	302,260	317,531	336,574	360,129	379,966	391,376	429,042
Business-type activities:										
Unrestricted investment gain (loss)	344	254	416	265	405	2,370	2,109	(185)	(3,933)	1,217
Transfers	13	--	15	--	(36)	(80)	(21)	77	--	--
Other	34	(38)	99	3	--	48	22	701	(568)	26
Subtotal business-type activities	391	216	530	268	369	2,338	2,110	593	(4,501)	1,243
Total primary government	\$ 262,844	\$ 278,496	\$ 290,580	\$ 302,528	\$ 317,900	\$ 338,912	\$ 362,239	\$ 380,559	\$ 386,875	\$ 430,285
Special Item										
Litigation settlement	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ (28,000)	\$ --
Changes in net position										
Governmental activities	\$ 71,547	\$ 55,327	\$ 50,511	\$ 51,185	\$ 25,729	\$ 102,758	\$ 30,670	\$ 85,763	\$ 168,951	\$ 186,987
Business-Type activities	8,299	2,936	10,026	4,102	14,251	9,903	18,073	13,495	12,483	10,181
Total primary government	\$ 79,846	\$ 58,263	\$ 60,537	\$ 55,287	\$ 39,980	\$ 112,661	\$ 48,743	\$ 99,258	\$ 181,434	\$ 197,168

COUNTY OF SANTA BARBARA, CALIFORNIA
FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)
LAST TEN FISCAL YEARS (in thousands)
(modified accrual basis of accounting)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
General Fund										
Nondisposable	\$ 10,138	\$ 11,042	\$ 12,130	\$ 13,619	\$ 11,977	\$ 11,407	\$ 2,318	\$ 56	\$ 56	\$ 55
Restricted	21,245	22,946	27,527	31,529	38,002	44,054	55,068	62,161	79,433	105,197
Committed	58,018	61,887	67,703	60,161	69,305	102,087	131,484	181,517	169,714	168,567
Unassigned	3,405	3,242	7,684	7,761	10,591	18,654	13,029	19,839	13,518	37,571
Subtotal General Fund	<u>92,806</u>	<u>99,117</u>	<u>115,044</u>	<u>113,070</u>	<u>129,875</u>	<u>176,202</u>	<u>201,899</u>	<u>263,573</u>	<u>262,721</u>	<u>311,390</u>
All Other Governmental Funds (1)										
Nondisposable	791	1,129	1,496	1,942	1,714	--	--	955	704	1,020
Restricted	151,021	162,156	163,656	175,173	175,660	193,207	206,072	248,532	287,268	286,557
Committed	18,630	18,642	19,236	30,864	29,378	20,960	27,212	28,585	30,046	28,564
Unassigned	--	--	--	--	--	--	--	--	(10,171)	(12,858)
Subtotal all other governmental funds	<u>170,442</u>	<u>181,927</u>	<u>184,388</u>	<u>207,979</u>	<u>206,752</u>	<u>214,167</u>	<u>233,284</u>	<u>278,072</u>	<u>307,847</u>	<u>303,283</u>
Total governmental fund balance	<u>\$ 263,248</u>	<u>\$ 281,044</u>	<u>\$ 299,432</u>	<u>\$ 321,049</u>	<u>\$ 336,627</u>	<u>\$ 390,369</u>	<u>\$ 435,183</u>	<u>\$ 541,645</u>	<u>\$ 570,568</u>	<u>\$ 614,673</u>

Notes:

(1) Substantial increases or decreases in fund balance components are explained in the Management's Discussion and Analysis (MD&A).

COUNTY OF SANTA BARBARA, CALIFORNIA
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)
 LAST TEN FISCAL YEARS (in thousands)
 (modified accrual basis of accounting)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Revenues (by source)										
Taxes	\$ 254,177	\$ 269,412	\$ 281,279	\$ 295,066	\$ 309,983	\$ 325,337	\$ 349,820	\$ 372,365	\$ 393,784	\$ 418,252
Licenses, permits, and franchises	14,030	13,660	14,282	14,221	16,758	17,281	17,296	19,764	21,010	21,825
Fines, forfeitures, and penalties	10,883	9,581	9,160	9,141	11,281	8,883	12,965	9,468	12,667	12,690
Use of money and property	4,995	4,902	4,809	3,332	4,324	12,047	10,233	1,643	(18,129)	9,622
Intergovernmental	380,785	340,807	345,428	361,392	382,633	402,412	369,325	486,640	511,015	533,194
Charges for services	141,839	161,637	181,022	189,834	189,613	201,067	200,162	217,264	220,903	227,247
Other	20,804	19,033	16,149	16,177	16,255	20,252	48,174	22,775	15,919	26,394
Total revenues	827,513	819,032	852,129	889,163	930,847	987,279	1,007,975	1,129,919	1,157,169	1,249,224
Expenditures (by function)										
Policy & executive	15,408	15,563	16,484	16,585	21,242	21,707	21,046	23,531	22,040	26,682
Public safety	270,605	281,211	288,174	303,151	329,172	330,711	348,327	363,881	371,971	375,236
Health & human services	317,322	343,584	351,911	361,796	353,241	361,345	386,431	402,524	421,227	451,974
Community resources & public facilities	145,572	93,443	106,380	99,463	108,561	122,690	121,468	159,335	167,909	188,275
General government & support services	44,194	47,357	50,104	52,597	53,563	53,640	57,334	61,781	64,324	61,426
General county programs	8,199	3,190	2,679	2,167	1,590	334	2,942	9,378	46,357	73,083
Debt service										
Principal	4,502	15,318	3,764	3,874	3,951	4,026	4,034	4,417	5,134	5,895
Interest	3,308	2,516	2,111	2,002	1,889	1,775	1,666	1,530	2,098	2,417
Capital outlay	7,079	8,353	6,229	24,983	39,756	35,416	16,110	15,309	14,716	20,409
Total expenditures	816,189	810,535	827,836	866,618	912,965	931,644	959,358	1,041,686	1,115,776	1,205,397
Excess (deficiency) of revenues over (under) expenditures	11,324	8,497	24,293	22,545	17,882	55,635	48,617	88,233	41,393	43,827
Other financing sources (uses)										
Transfers in	49,715	60,305	54,535	68,603	57,082	52,729	96,412	103,100	96,553	100,593
Transfers out	(49,965)	(61,278)	(55,935)	(69,673)	(59,669)	(55,282)	(100,328)	(108,609)	(97,904)	(104,169)
Proceeds from sale of capital assets	73	347	205	142	283	166	113	1,745	121	289
Long-term debt issued	--	9,925	10	--	--	--	--	--	--	--
Leases issued	--	--	--	--	--	--	--	--	16,760	548
Subscription issued	--	--	--	--	--	--	--	--	--	3,017
Total other financing sources (uses)	(177)	9,299	(1,185)	(928)	(2,304)	(2,387)	(3,803)	(3,764)	15,530	278
Special Item										
Litigation settlement	--	--	--	--	--	--	--	--	(28,000)	--
Net change in fund balance	\$ 11,147	\$ 17,796	\$ 23,108	\$ 21,617	\$ 15,578	\$ 53,248	\$ 44,814	\$ 84,469	\$ 28,923	\$ 44,105
Debt service as a percentage of noncapital expenditures (1):	1.06%	2.27%	0.74%	0.71%	0.68%	0.65%	0.62%	0.60%	0.65%	0.74%
Expenditures (2)										
General government	\$ 65,289	\$ 64,462	\$ 68,216	\$ 74,054	\$ 74,874	\$ 82,831	\$ 87,194	\$ 117,315	\$ 126,221	\$ 134,654
Public protection	316,926	328,238	336,140	353,536	386,355	382,468	403,545	418,481	446,630	481,438
Public ways and facilities	28,226	25,750	30,620	23,720	29,672	37,417	36,655	44,182	42,647	46,284
Health and sanitation	157,460	171,631	173,590	180,615	180,185	186,688	205,917	216,911	217,605	237,199
Public assistance	148,702	159,753	165,569	166,155	158,593	161,040	167,035	173,713	178,965	199,174
Education	3,128	3,132	3,568	3,800	4,097	3,866	4,106	4,494	4,690	4,669
Recreational and cultural services	11,422	12,811	14,237	14,022	16,306	14,776	15,603	16,042	16,912	18,534
Debt service	7,809	17,834	5,875	5,876	5,840	5,801	5,700	5,947	7,230	8,312
Capital outlay	77,227	26,924	30,021	44,840	57,043	56,757	33,603	44,601	74,876	75,133
Total expenditures	\$ 816,189	\$ 810,535	\$ 827,836	\$ 866,618	\$ 912,965	\$ 931,644	\$ 959,358	\$ 1,041,686	\$ 1,115,776	\$ 1,205,397

Notes:
 (1) In FY 16-17 the calculation for debt service as a percentage of noncapital expenditures was revised to include the appropriate amounts. This change impacted all years reported.
 (2) By State Controller function.

COUNTY OF SANTA BARBARA, CALIFORNIA

ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF PROPERTY (UNAUDITED)

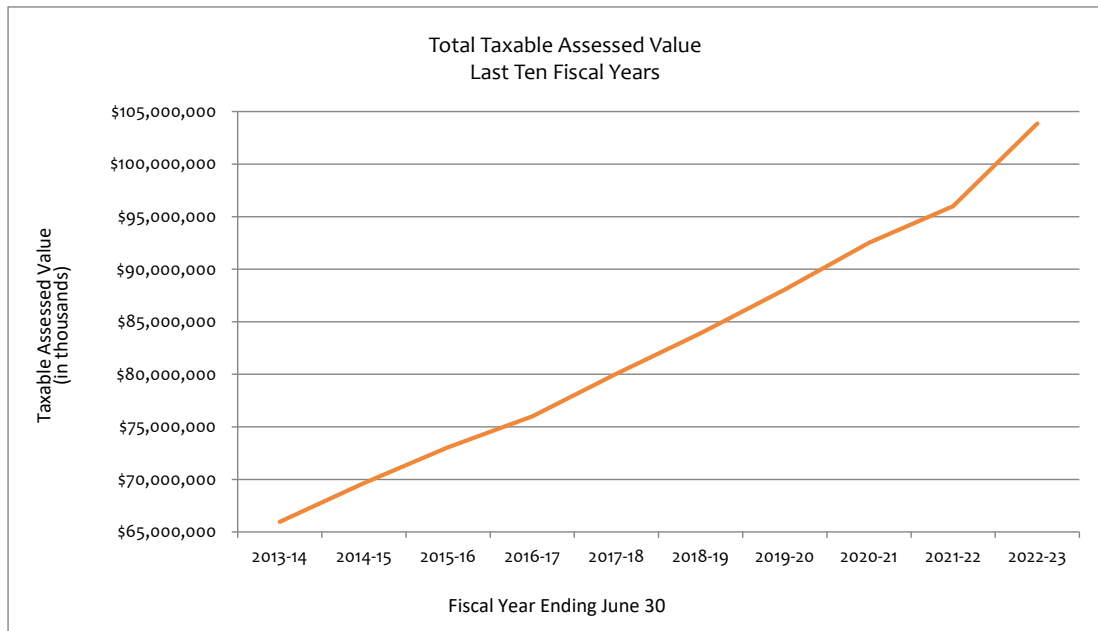
LAST TEN FISCAL YEARS (in thousands)

Due to the 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the consumer price index (CPI) on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

Fiscal Year	(1) Secured	(2) Unsecured	(3) Unitary	(4) Exempt	Total Taxable Assessed Value	Total Direct Tax Rate (%)
2013 - 2014	\$ 65,478,241	\$ 2,897,316	\$ 897,504	\$ (3,308,629)	\$ 65,964,432	100.00%
2014 - 2015	68,635,212	3,441,634	925,196	(3,353,701)	69,648,341	100.00%
2015 - 2016	71,941,255	3,619,135	1,004,561	(3,505,586)	73,059,365	100.00%
2016 - 2017	75,131,736	3,603,348	1,064,198	(3,807,072)	75,992,210	100.00%
2017 - 2018	79,372,934	3,798,374	1,001,291	(4,123,907)	80,048,692	100.00%
2018 - 2019	83,555,061	3,870,105	1,053,450	(4,560,120)	83,918,496	100.00%
2019 - 2020	87,781,519	3,739,695	1,094,610	(4,549,691)	88,066,133	100.00%
2020 - 2021	92,073,180	3,833,714	1,194,253	(4,577,525)	92,523,622	100.00%
2021 - 2022	95,948,582	3,856,295	1,180,717	(4,997,281)	95,988,313	100.00%
2022 - 2023	103,282,227	3,973,106	1,360,133	(4,752,419)	103,863,047	100.00%

Notes:

- (1) Local assessed secured property is generally real property, defined as land, mines, minerals, timber, and improvements such as buildings, structures, crops, trees, and vines.
- (2) Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.
- (3) Unitary properties are railroads and utilities crossing the County and are assessed by the State Board of Equalization. Most of the amount reported is unitary but includes a small amount of other state-assessed property.
- (4) Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.



Source:

Auditor-Controller, County of Santa Barbara

COUNTY OF SANTA BARBARA, CALIFORNIA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (UNAUDITED)
(\$1 PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Fiscal Year	County Direct Rates	Overlapping Rates		
	Santa Barbara County General	Cities (1)	Schools (2)	Total
2013 - 2014	1.00000%	0.00013%	0.01462%	1.01475%
2014 - 2015	1.00000%	0.00012%	0.01473%	1.01485%
2015 - 2016	1.00000%	0.00011%	0.01979%	1.01990%
2016 - 2017	1.00000%	0.00010%	0.01875%	1.01885%
2017 - 2018	1.00000%	0.00010%	0.01816%	1.01826%
2018 - 2019	1.00000%	0.00014%	0.02339%	1.02353%
2019 - 2020	1.00000%	0.00000%	0.02208%	1.02208%
2020 - 2021	1.00000%	0.00000%	0.02139%	1.02139%
2021 - 2022	1.00000%	0.00000%	0.02201%	1.02201%
2022 - 2023	1.00000%	0.00000%	0.02214%	1.02214%

Notes:

- (1) Rates shown represent a weighted average of the eight incorporated cities within the County.
- (2) Rates shown represent a weighted average of the various school district tax rate areas within the County.

Source:

Auditor-Controller, County of Santa Barbara

COUNTY OF SANTA BARBARA, CALIFORNIA
PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)
June 30, 2023 AND June 30, 2014 (in thousands)

In accordance with GASB Statement No. 44, the following tables present information for the County's principal property taxpayers as of June 30, 2023 and June 30, 2014

June 30, 2023:

Taxpayers	Type of Business	(1) Net Assessed Secured Property Value	Percentage of Total Net Assessed Value	(2) Total Secured Tax Levy Fiscal Year 2022-23	Percentage of Total Secured Tax Levy Fiscal Year 2022-23
CWI Santa Barbara Hotel LP (Bacara)	Hotels	\$ 477,216	0.46%	\$ 6,439	0.65%
Southern California Gas Company	Utilities	394,841	0.38%	4,291	0.43%
Miramar Acquisition Company LLC	Real Estate Holdings	391,504	0.38%	5,287	0.53%
1260 Bb Property LLC (Biltmore)	Hotels	296,407	0.29%	3,361	0.34%
Windset Farms California Inc	Agriculture	238,865	0.23%	2,983	0.30%
Pacific Gas & Electric Co	Utilities	226,078	0.22%	2,488	0.25%
Islay Investments	Real Estate Holdings	224,092	0.22%	3,025	0.31%
Regency Tropicana LLC	Residential Rentals	205,043	0.20%	2,381	0.24%
Celite Corporation	Mining	170,607	0.16%	1,919	0.19%
Fairway Bb Property LLC	Residential Estates	165,303	0.16%	1,918	0.19%
Ten largest taxpayers		2,789,956	2.69%	34,092	3.43%
All other taxpayers		101,073,091	97.31%	957,629	96.57%
Total		\$ 103,863,047	100.00%	\$ 991,721	100.00%

June 30, 2014:

Taxpayers	Type of Business	(1) Net Assessed Secured Property Value	Percentage of Total Net Assessed Value	(2) Total Secured Tax Levy Fiscal Year 2013-14	Percentage of Total Secured Tax Levy Fiscal Year 2013-14
Venoco Inc	Petroleum & Gas	\$ 428,595	0.65%	\$ 4,538	0.72%
Southern California Edison Co	Utilities	292,984	0.44%	3,455	0.55%
Breitbart Energy Companies	Petroleum & Gas	278,024	0.42%	3,156	0.50%
Exxon Corporation	Petroleum & Gas	278,592	0.42%	2,861	0.46%
Southern California Gas Company	Utilities	180,086	0.27%	2,126	0.34%
1260 Bb Property LLC (Biltmore)	Hotels	175,000	0.27%	2,113	0.34%
ERG Resources	Petroleum & Gas	162,437	0.25%	1,744	0.28%
Fairway BB Property, LLC	Residential Rentals	156,591	0.24%	1,615	0.26%
Pacific Gas & Electric Co	Utilities	132,162	0.20%	1,559	0.25%
Celite Corporation	Mining	116,020	0.18%	1,420	0.23%
Ten largest taxpayers		2,200,491	3.34%	24,587	3.93%
All other taxpayers		63,763,941	96.66%	601,671	96.07%
Total		\$ 65,964,432	100.00%	\$ 626,258	100.00%

Notes:

- (1) Net Assessed Secured amounts include Secured & Unitary less exemptions.
See "Assessed Value of Taxable Property and Actual Value of Property" schedule for total assessed value.
- (2) Includes 1%, bonds, fixed charges, late penalties and costs (Only Secured & Unitary Tax Levy amounts).

Source:

County of Santa Barbara Treasurer / Tax Collector

COUNTY OF SANTA BARBARA, CALIFORNIA
PROPERTY TAX LEVIES and COLLECTIONS (UNAUDITED)
LAST TEN FISCAL YEARS (in thousands)

Fiscal Year	(1) Taxes Levied	(2) Collections Within the Fiscal Year of the		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2013 - 2014	\$ 626,258	\$ 621,794	99.29%	\$ 4,453	\$ 626,247	100.00%
2014 - 2015	658,542	653,778	99.28%	4,742	658,520	100.00%
2015 - 2016	690,326	684,131	99.10%	6,083	690,214	99.98%
2016 - 2017	720,855	714,505	99.12%	6,147	720,652	99.97%
2017 - 2018	759,352	751,947	99.02%	7,017	758,964	99.95%
2018 - 2019	796,449	788,819	99.04%	7,044	795,863	99.93%
2019 - 2020	837,914	827,552	98.76%	9,287	836,839	99.87%
2020 - 2021	880,847	870,620	98.84%	8,917	879,537	99.85%
2021 - 2022	918,049	909,652	99.09%	6,177	915,829	99.76%
2022 - 2023	991,721	981,309	98.95%	--	981,309	98.95%

Notes:

- (1) Secured and Unitary tax levy for the County itself, school districts, cities, and special districts under the supervision of their own governing boards.
- (2) Included are amounts collected by the County on behalf of itself, school districts, cities, and special districts under the supervision of their own governing boards.

Source:

Auditor-Controller, County of Santa Barbara

COUNTY OF SANTA BARBARA, CALIFORNIA
RATIOS OF OUTSTANDING DEBT BY TYPE (UNAUDITED)
LAST TEN FISCAL YEARS (in thousands, except per capita)

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income (2)	Per Capita (3)
	Certificates of Participation (1)	Leases (5)	Long-Term Loans	Other Long-Term Obligations (4)	Bonds and Notes Payable	Certificates of Participation (1)	Leases (5)	Long-Term Settlement	Bonds and Notes Payable				
2013 - 2014	\$ 41,414	\$ 3,013	\$ --	\$ 2,434	\$ 17,070	\$ 6,781	\$ --	\$ --	\$ 8,203	\$ 78,915	0.37%	177	
2014 - 2015	29,550	2,686	--	2,740	23,580	6,061	--	--	7,462	72,079	0.32%	159	
2015 - 2016	28,693	2,351	--	2,266	20,690	5,323	--	--	6,704	66,027	0.29%	143	
2016 - 2017	27,798	1,983	--	1,069	17,745	4,554	--	--	5,930	59,079	0.24%	129	
2017 - 2018	26,872	1,636	--	1,238	14,730	3,766	--	--	5,139	53,381	0.21%	118	
2018 - 2019	25,908	1,315	--	598	11,655	167,038	--	--	4,335	210,849	0.79%	463	
2019 - 2020	24,910	1,075	--	598	8,515	165,037	--	--	3,513	203,648	0.73%	451	
2020 - 2021	23,490	932	--	8,724	5,928	191,451	--	--	2,674	233,199	0.79%	529	
2021 - 2022	22,014	14,281	--	7,805	4,481	186,164	--	--	1,811	236,556	0.75%	536	
2022 - 2023	20,478	22,256	--	7,771	3,633	180,401	--	--	930	235,469	0.75%	534	

Notes:

- (1) See the "Assessed Value of Taxable Property and Actual Value of Property" schedule for total taxable assessed value. Assessed value does not include tax exempt property.
- (1) Beginning in fiscal year 2013-14, the Certificates of Participation totals in this schedule were updated to include unamortized premiums and discounts.
- See the "Demographics and Economic Statistics" schedule for personal income and population data. Note that this ratio is calculated using population for the latest calendar year for each corresponding fiscal year.
- (2) See the "Demographics and Economics Statistics" schedule for population figures. Note that this ratio is calculated using population for the latest calendar year for each corresponding fiscal year.
- (3) Beginning in fiscal year 2018-19, this schedule was updated to include Long-Term Settlements. Prior year balances have been updated to reflect this change.
- (4) GASB Statement No. 87 was implemented for leases in FY 2021-22. Prior years recognize capital leases pre-GASB Statement No. 87.
- (5)

Source:

Auditor-Controller, County of Santa Barbara

COUNTY OF SANTA BARBARA, CALIFORNIA
COMPUTATION OF LEGAL DEBT MARGIN (UNAUDITED)
LAST TEN FISCAL YEARS (in thousands)

Fiscal Year	(1) Assessed Value	(2) Legal Debt Limit	Total Net Applicable Debt	(3) Legal Debt Margin	Legal Debt Margin / Debt Limit
2013 - 2014	\$ 65,964,432	\$ 824,555	\$ --	\$ 824,555	1
2014 - 2015	69,453,967	868,175	--	868,175	1
2015 - 2016	73,059,365	913,242	--	913,242	1
2016 - 2017	75,992,210	949,903	--	949,903	1
2017 - 2018	80,048,692	1,000,609	--	1,000,609	1
2018 - 2019	83,918,496	1,048,981	--	1,048,981	1
2019 - 2020	88,066,133	1,100,827	--	1,100,827	1
2020 - 2021	92,523,622	1,156,545	--	1,156,545	1
2021 - 2022	95,988,313	1,199,854	--	1,199,854	1
2022 - 2023	103,863,047	1,298,288	--	1,298,288	1

Notes:

- (1) Assessed Value does not include tax exempt property. Property value data can be found in the "Assessed Value of Taxable Property and Actual Value of Property" schedule.
- (2) California Government Code Section 29909 read in conjunction with Revenue and Taxation Code Section 135 imposes a legal debt limitation for General Obligation Bond indebtedness to 1.25% of the total full cash valuation.
- (3) The legal debt margin is the County's available borrowing authority under state finance statutes and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

Source:

Auditor-Controller, County of Santa Barbara

COUNTY OF SANTA BARBARA, CALIFORNIA
DIRECT AND OVERLAPPING BONDED DEBT (UNAUDITED)
AS OF June 30, 2023

2022-23 Assessed Valuation: \$ 103,863,047

	Percent	
	Applicable (1)	Debt
Overlapping Tax and Assessment Debt:		
Allan Hancock Joint Community College District	99.673%	\$ 127,188
Santa Barbara Community College District	100%	51,355
Santa Maria Joint Union High School District	99.998%	169,750
Santa Ynez Valley Union High School District	100%	10,630
Carpenteria Unified School District	100%	89,095
Cuyama Joint Unified School District	69.746%	2,703
Lompoc Unified School District	100%	6,915
Santa Barbara Unified and High School District	100%	217,929
Santa Barbara Unified School District & Elementary School District	100%	94,949
Buellton Union School District	100%	11,365
Cold Spring School District	100%	3,001
College School District	100%	4,636
Goleta Union School District	100%	41,445
Guadalupe Union School District	100%	10,773
Hope Elementary School District	100%	43,907
Los Olivos School District	100%	3,434
Montecito Union School District	100%	1,295
Orcutt Union School District	100%	46,015
Santa Maria-Bonita Joint School District	100%	45,509
Solvang School District	100%	8,394
Lompoc Healthcare District	100%	61,725
City and Special District 1915 Act Bonds	62.175% – 100%	3,536
Total Overlapping Tax and Assessment Debt		<u>1,055,549</u>
Direct and Overlapping General Fund Debt		
Santa Maria-Bonita School District Certificates of Participation	99.997%	20,619
Cuyama Joint Unified School District General Fund Obligations	69.746%	622
Santa Ynez Valley Union High School District General Fund Obligations	100%	1,058
Santa Maria Joint Union High School District General Fund Obligations	99.998%	456
College School District General Fund Obligations	100%	1,423
Guadalupe Union School District Certificates of Participation	100%	3,175
City of Goleta General Fund Obligations	100%	9,549
City of Lompoc General Fund Obligations	100%	3,325
City of Santa Barbara General Fund Obligations	100%	25,610
Goleta West Sanitary District General Fund Obligations	100%	13,702
Total Gross Overlapping General Fund Obligation Debt		<u>79,539</u>
Less: Santa Barbara County utility supported obligations		(1,470)
Less: City of Santa Barbara revenue bonds supported by airport revenues		<u>(25,610)</u>
Total Net Overlapping General Fund Obligation Debt		<u>52,459</u>
Total Net Overlapping Tax and Assessment and General Fund Obligation Debt		<u>1,108,008</u>
Overlapping Tax Increment Debt:		<u>24,945</u>
Direct General Fund Obligation Debt:		
Governmental Activities Certificates of Participation and Bonds and Notes Payable		24,170
Business-type Activities Certificates of Participation (3)		<u>165,481</u>
Total Direct General Fund Obligation Debt		<u>189,651</u>
Total Net Combined Overlapping and Direct Debt		<u>\$ 1,322,604</u>
Total Gross Combined Overlapping and Direct Debt		<u>\$ 1,349,684 (2)</u>

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.02%

Ratios to Adjusted Assessed Valuation:

Total Gross Direct Debt 0.02%

Total Net Direct Debt 0.02%

Gross Combined Total Debt 1.14%

Net Combined Total Debt 1.11%

Notes:

- (1) Percentage of overlapping agency's assessed valuation located within the boundaries of the County.
- (2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds, non-bonded capital lease obligations and state contractual obligations within the Department of Water Resources.
- (3) 2008, 2018, and 2020 COPs for Business-type activities are legal obligations of the General Fund. Detailed information can be found at Note-10 Long-term Liabilities.

Source:

California Municipal Statistics, Incorporated

COUNTY OF SANTA BARBARA, CALIFORNIA
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS* (in thousands)

Resource Recovery and Waste Management Fund (Resource Recovery) Revenue Bond (1)							
Fiscal Year	Operating Revenue (3)	Less: Operating Expenses	Net Operating Revenue	Debt Service		Total Debt Service	Coverage Ratio
				Principal	Interest		
2018 - 2019	\$ 31,060	\$ 29,319	\$ 1,741	\$ 1,650	\$ 3,720	\$ 5,370	0.3
2019 - 2020	38,096	27,346	10,750	--	7,253	7,253	1.5
2020 - 2021	37,263	27,767	9,496	--	7,253	7,253	1.3
2021 - 2022	43,516	34,437	9,079	2,455	7,212	9,667	0.9
2022 - 2023	48,936	43,515	5,421	2,885	7,122	10,007	0.5

Laguna County Sanitation District (Laguna Sanitation) Revenue Bond (2)							
Fiscal Year	Operating Revenue (3)	Less: Operating Expenses	Net Operating Revenue	Debt Service		Total Debt Service	Coverage Ratio
				Principal	Interest		
2020 - 2021	\$ 14,917	\$ 8,244	\$ 6,673	\$ --	\$ 614	\$ 614	11
2021 - 2022	15,396	8,232	7,164	780	847	1,627	4
2022 - 2023	15,729	8,840	6,889	820	807	1,627	4

Notes:

- * Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.
- (1) New in 2018-2019.
- (2) New in 2020-2021.
- (3) Operating Revenue includes Charges for services, Sale of scrap and recyclables, and Other operating revenues.

Source:

Auditor-Controller, County of Santa Barbara

COUNTY OF SANTA BARBARA, CALIFORNIA
DEMOGRAPHICS AND ECONOMIC STATISTICS (UNAUDITED)
LAST FISCAL TEN YEARS

(1) Year	(2) Population	(3),(4) Personal Income	Per Capita Personal Income	(5) School Enrollment	(6) Unemployment Rate
2014	433,398	\$ 20,640,576,000	\$ 47,625	67,686	5.4%
2015	437,643	21,700,000,000	49,584	68,581	4.7%
2016	446,717	22,300,000,000	49,920	69,069	4.9%
2017	450,663	24,200,000,000	53,699	69,062	4.3%
2018	453,457	25,000,000,000	55,132	69,752	3.9%
2019	454,593	26,646,853,000	58,617	69,379	3.5%
2020	451,840	27,992,849,000	61,953	69,006	11.6%
2021	441,172	29,502,767,000	66,874	67,470	5.9%
2022	445,164	30,190,183,000	67,818	67,137	2.8%
2023	440,557	33,037,087,000	74,989	66,758	3.8%

Detail of estimated population, as of January 1, 2023:

(2) Incorporated Cities	
Buellton	4,944
Carpinteria	12,711
Goleta	32,442
Guadalupe	8,515
Lompoc	43,493
Santa Barbara	85,418
Santa Maria	109,477
Solvang	5,669
Total of Incorporated Cities	302,669
Total of Unincorporated Areas	137,888
Total Population	440,557

Notes:

- (1) Calendar year
- (2) Population as of January 1
- (3) Estimated amounts

Sources:

- (2) California Department of Finance
- (4) Bureau of Economic Analysis
- (5) California Department of Education
- (6) Employment Development Department Research Center

COUNTY OF SANTA BARBARA, CALIFORNIA
PRINCIPAL EMPLOYERS (UNAUDITED)
June 30, 2023 AND June 30, 2014

Company or Organization	Type of Business	June 30, 2023			June 30, 2014		
		Jobs (1, 2)	Rank	Percent of Total County Employment	Jobs (1, 2)	Rank	Percent of Total County Employment
Vandenberg Space Force Base	Defense	16,000	1	6.71%	6,889	2	3.25%
UC Santa Barbara	Higher Education	10,973	2	4.60%	10,403	1	4.90%
County of Santa Barbara	Government	6,308	3	2.65%	4,652	3	2.19%
Cottage Health	Health	3,611	4	1.51%	2,605	4	1.23%
Santa Maria-Bonita School District	Education	2,554	5	1.07%	1,402	10	0.66%
Santa Barbara Unified School District	Education	2,500	6	1.05%	1,988	6	0.94%
Marian Regional Medical Center	Health Care	2,177	7	0.91%	1,500	9	0.71%
Chumash Casino Resort	Recreation/Hospitality	2,000	8	0.84%	1,650	8	0.78%
Santa Barbara City College	Education	1,909	9	0.80%	2,066	5	0.97%
Lompoc Valley Medical Center	Health Care	1,644	10	0.69%			
City of Santa Barbara	Government				1,716	7	0.81%
Total ten largest		49,676		20.84%	34,871		16.43%
Total all other		188,724		79.16%	177,329		83.57%
Total companies or organizations		238,400		100.00%	212,200		100.00%

Sources:

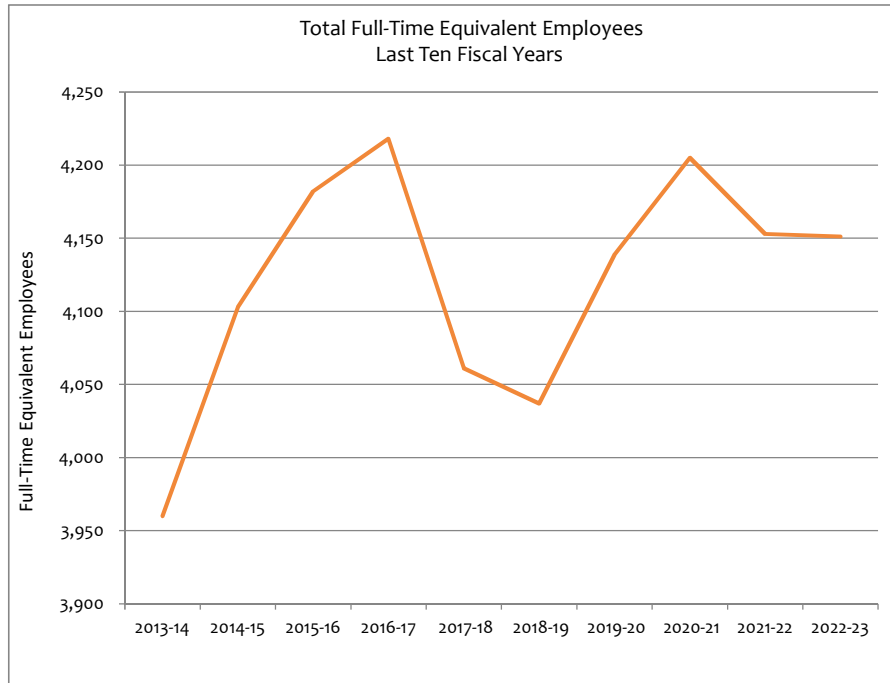
- (1) Pacific Coast Business Times "Book of Lists" - individual company data
- (2) University of California, Santa Barbara "Economic Summit" - total employment data
- (3) County of Santa Barbara ACFR for fiscal year presented

COUNTY OF SANTA BARBARA, CALIFORNIA
COUNTY EMPLOYEES BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Paid employees (1)										
Policy & executive	96	99	105	103	106	109	109	118	111	111
Public safety	1,478	1,498	1,521	1,540	1,540	1,550	1,594	1,606	1,619	1,634
Health & public assistance	1,799	1,926	1,973	1,961	1,806	1,751	1,780	1,806	1,740	1,731
Community resources & public facilities	424	419	424	443	442	453	464	469	459	468
General government & support services	334	350	359	361	348	341	351	359	363	362
General county programs	5	3	6	6	5	5	7	7	9	6
Resource Recovery	83	81	77	80	77	78	82	81	80	77
Laguna Sanitation	16	16	15	16	17	18	18	18	19	18
Total County employees	4,235	4,392	4,480	4,510	4,341	4,305	4,405	4,464	4,400	4,407
Actual full-time equivalent employees (2)										
Policy & executive	88	91	94	93	93	97	97	105	101	104
Public safety	1,394	1,415	1,433	1,448	1,452	1,463	1,509	1,533	1,538	1,532
Health & public assistance	1,679	1,796	1,841	1,842	1,697	1,652	1,681	1,707	1,654	1,652
Community resources & public facilities	392	382	389	402	402	413	426	432	427	428
General government & support services	313	326	335	339	325	320	330	333	338	343
General county programs	--	1	1	1	1	--	--	--	--	--
Resource Recovery	78	77	74	77	74	75	78	77	77	75
Laguna Sanitation	16	15	15	16	17	17	18	18	18	17
Total County employees	3,960	4,103	4,182	4,218	4,061	4,037	4,139	4,205	4,153	4,151

Notes:

- (1) Paid employees: Count of employees paid, including terminated employees. Employees with more than one job will be counted once for each job for which the employee was paid.
- (2) Actual full-time equivalent employees: Count of number of full-time equivalents paid. For full-time and part-time, the full-time equivalent (FTE) used is from the employee's assigned work schedule. For extra help and contractors, the FTE is calculated as the number of hours worked this pay period divided by 80.



Source:

Santa Barbara County payroll records as of June 30.

COUNTY OF SANTA BARBARA, CALIFORNIA
OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

Function/Program	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Public safety										
Other:										
Filed felonies-District Attorney	3,176	2,499	2,898	2,835	2,659	2,801	2,582	2,181	2,407	2,463
Filed misdemeanors-District Attorney	9,838	11,347	12,355	12,404	11,124	10,065	8,935	6,534	6,886	5,678
Public Defender's total new caseload (1)	20,973	23,391	24,024	23,414	24,014	12,316	12,247	7,872	16,167	12,439
Fire emergency responses	13,842	13,927	14,307	15,123	15,763	15,634	14,723	14,618	16,239	17,330
Sheriff:										
Total miles patrolled	1,477,038	1,413,902	1,439,005	1,413,060	1,454,032	1,441,414	1,406,295	1,362,890	1,276,095	1,241,442
Processed and booked adult offenders	16,780	17,117	17,744	15,623	14,130	13,710	11,108	8,326	10,001	10,317
Probation:										
Juvenile referrals processed	3,070	3,313	3,371	3,150	2,964	2,656	1,987	722	985	980
Adult and Juvenile cases supervised	8,331	8,196	8,114	8,112	7,358	6,088	7,318	4,801	4,247	3,943
Institutional care for minors	38,763	34,894	37,372	34,214	26,695	22,147	16,344	6,920	7,397	8,669
Submit written reports to courts on Adults	6,628	6,838	6,856	7,337	6,763	5,238	3,911	2,538	6,234	8,932
Health & public assistance										
Behavioral Wellness clients served	12,647	13,936	14,653	15,344	13,004	14,711	14,052	10,652	11,774	11,804
Established orders for child support	11,922	11,544	11,452	11,317	11,270	11,227	10,964	10,458	10,159	9,852
Assistance claims paid to eligible recipients	70,924	99,513	99,597	97,127	91,623	88,672	85,710	79,809	80,211	86,181
Patient encounters at Public Health clinics	114,000	111,000	107,000	115,000	111,000	118,500	113,500	121,000	112,500	101,459
Community resources & public facilities										
Building inspections	23,752	22,431	22,583	21,804	24,230	26,930	24,952	24,943	24,877	23,649
Enhanced or maintained road lanes (miles)	82	73	24	23	21	44	64	46	53	56
General government & support services										
Clerk-Recorder-Assessor										
Recorded documents & vital copies issued	103,060	102,694	110,846	110,089	95,912	90,740	104,052	140,571	120,479	78,426
Resource Recovery										
Waste recycled (tons per month)	7,244	6,792	5,084	5,241	5,825	7,645	7,882	8,253	7,598	6,117
Landfill waste disposal (tons per month)	14,894	15,163	16,690	17,172	19,050	19,215	17,744	16,245	15,946	16,024

Notes:

(1) Beginning in FY 18-19 Public Defender does not include cases previously appointed that were reappointed during the fiscal year. The Public Defender's caseload amount for FY 21-22 was adjusted due to a departmental system error.

Sources:

Various Department Personnel, County of Santa Barbara

COUNTY OF SANTA BARBARA, CALIFORNIA
CAPITAL ASSETS AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

Function/Program	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Policy & executive										
Buildings	Occupied with general government and support services									
Public safety										
Court buildings	7	7	7	7	7	7	7	7	7	7
Other buildings	5	5	5	5	5	5	5	5	5	5
Fire stations	16	16	16	16	16	16	16	16	16	16
Fire trucks	42	42	41	41	43	43	45	45	45	45
Ambulances	6	6	6	6	6	6	6	6	6	6
Sheriff sub stations	4	4	4	4	4	4	4	4	4	9
Patrol units	49	52	52	60	60	59	63	61	67	69
Aircrafts	6	6	6	6	6	7	6	7	7	7
Jail and detention facilities	6	6	6	6	6	6	6	6	7	7
Administration buildings	9	9	9	9	9	10	10	10	10	10
Health & public assistance										
Clinics	7	7	9	9	9	11	12	12	12	12
Administration buildings	5	5	5	5	5	3	3	3	3	3
Community resources & public facilities										
Public parks & open space acreage	2,122	2,122	2,122	2,122	2,122	2,122	2,122	2,160	2,160	2,160
Day use & camping parks	26	26	26	26	26	26	26	26	26	26
Open space areas (County developed)	45	45	45	45	45	45	45	45	45	45
Outdoor events center	1	1	1	1	1	1	1	1	1	1
Veterans buildings	3	3	3	3	3	3	3	3	3	3
Seawalls	2	2	2	2	2	2	2	2	2	2
Road lane miles	1,671	1,671	1,671	1,651	1,650	1,650	1,650	1,650	1,657	1,658
Bridges	115	115	115	115	118	120	120	120	122	123
Traffic signals	44	44	44	44	43	43	43	43	43	43
Roads heavy equipment	43	43	43	43	48	48	49	49	48	49
Sanitary sewers (miles of collection)	129	129	129	129	129	129	129	129	129	129
Treatment capacity (million gallons per day)	4	4	4	4	4	4	4	4	4	4
Resource Recovery heavy equipment	69	57	58	59	71	72	77	84	90	98
General government & support services										
Buildings	7	7	7	7	7	7	7	7	7	7

Notes:
Buildings include those that are capitalized but exclude real property that is leased.

Sources:
Various Department Personnel, County of Santa Barbara



GLOSSARY



ACCOUNTS PAYABLE - A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNTS RECEIVABLE - An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

ACCRUAL BASIS OF ACCOUNTING - The recording of the financial effects of a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

ACCUMULATED DEPRECIATION - A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

ACTIVE EMPLOYEES - Individuals employed at the end of the reporting or measurement period, as applicable.

ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT PAYMENTS - Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.

ACTUARIAL VALUATION - The determination, as of a point in time (the actuarial valuation date), of the service cost, total pension liability or total OPEB liability, and related actuarial present value of projected benefit payments for pensions or OPEB performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.

ACTUARIAL VALUATION DATE - The date as of which an actuarial valuation is performed.

ACTUARIALLY DETERMINED CONTRIBUTION - A target or recommended contribution to either a defined benefit pension plan or a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

ADDITIONS - Term used to describe increases in the net position of fiduciary funds.

AGENT MULTIPLE-EMPLOYER PLAN - A multiple-employer defined benefit OPEB plan that is administered through a trust that meets the criteria of GASB Statement No. 75 and in which OPEB plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.

AMORTIZATION - The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) - An ACFR is a financial report that encompasses all funds and component units of the government. It contains (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. It is the governmental unit's official annual report and it also contains introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

APPROPRIATION - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

ASSESSED VALUATION - A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSIGNED FUND BALANCE - Amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds.

AUDITOR'S REPORT - In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with GAAP or some other comprehensive basis of accounting.

BALANCE SHEET - The financial statement disclosing the assets, liabilities, and equity of an entity at a specified date in conformity with GAAP.

BASIC FINANCIAL STATEMENTS (BFS) - The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: governmentwide financial statements, fund financial statements, and notes to the financial statements.

BASIS OF ACCOUNTING - A term used to refer to when revenues, expenditures, expenses, and transfers, and the related assets and liabilities, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

BENEFICIAL INTEREST - The right to a portion of the benefits from donated resources pursuant to a split-interest agreement in which the donor enters into a trust or other legally enforceable agreement with characteristics that are equivalent to a split-interest agreement and transfers the resources to an intermediary.

BUDGET - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body for adoption, and sometimes, the plan finally approved by that body.

BUDGETARY CONTROL - The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

BUSINESS-TYPE ACTIVITIES - One of two classes of activities reported in the governmentwide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. These activities are usually reported in enterprise funds.

CAPITAL AND RELATED FINANCING ACTIVITIES - Term used in connection with cash flows reporting. Capital and related financing activities include (1) acquiring and disposing of capital assets used in providing services or producing goods, (2) borrowing money for acquiring, constructing, or improving capital assets and repaying the amounts borrowed, including interest, and (3) paying for capital assets obtained from vendors on credit.

CAPITAL ASSETS - Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

CAPITAL OUTLAY - Expenditures resulting in the acquisition of or addition to the government's general capital assets.

CAPITAL PROJECTS FUND - A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

CAPITALIZATION POLICY - The criteria used by a government to determine which outlays should be reported as capital assets.

CASH BASIS OF ACCOUNTING - A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CASH EQUIVALENT – Short-term, highly liquid investments that are both (1) readily convertible to known amounts of cash and (2) so near their maturity that they present insignificant risk of changes in value due to changes in interest rates.

CEDED PREMIUMS/CLAIMS COSTS - Premiums paid to a public-entity risk pool and claims costs that are transferred to another enterprise in connection with a reinsurance arrangement.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM - A voluntary program administered by the GFOA to encourage governments to publish efficiently organized and easily readable ACFRs/Component Unit Financial Reports (CUFRs) and to provide technical assistance and peer recognition to the finance officers preparing them.

CHANGE IN THE FAIR VALUE OF INVESTMENTS - The difference between the fair value of investments at the beginning of the year and at the end of the year, taking into consideration investment purchases, sales, and redemptions.

CLOSED AMORTIZATION PERIOD - Term used in connection with the unfunded actuarial accrued liability associated with defined benefit pension and other postemployment benefit plans. A specific number of years that is counted from one date and, therefore, declines to zero with the passage of time. For example, if the amortization period is initially 30 years on a closed basis, 29 years remain after the first year, 28 years after the second year, and so forth.

COLLECTIVE DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS AND OPEB - Deferred outflows of resources and deferred inflows of resources related to pensions or OPEB arising from certain changes in the collective net pension liability or the collective net OPEB liability.

COLLECTIVE NET PENSION OR OPEB LIABILITY - The net pension or OPEB liability for benefits provided through (1) a cost-sharing pension or OPEB plan or (2) a single-employer or agent pension or OPEB plan in circumstances in which there is a special funding situation.

COLLECTIVE PENSION OR OPEB EXPENSE – Pension or OPEB expense arising from certain changes in the collective net pension or OPEB liability.

COLLECTIVE TOTAL PENSION LIABILITY - The total pension liability for benefits provided through (a) a pension or plan that is used to provide pensions to the employees of a primary government and its component units or (b) a pension plan in circumstances in which there is a special funding situation.

COMMITTED FUND BALANCE - Amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

COMPENSATED ABSENCES - Absences, such as vacation, illness, and holidays, for which it is expected employees will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation, or other long-term fringe benefits, such as group insurance and long-term disability pay.

COMPONENT UNIT – Legally separate organization for which the elected officials of the primary government are financially accountable.

CONDUIT DEBT OBLIGATION - A debt instrument issued in the name of a state or local government (the issuer) that is for the benefit of a third party that is primarily liable for the repayment of the debt instrument (the third-party obligor). A conduit debt obligation has all of the following characteristics: (a) There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee. There may be more than one third-party obligor, debt holder, or debt trustee; (b) the issuer and the third-party obligor are not within the same financial reporting entity; (c) the debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer; (d) the third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance; and (e) the third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

CONTINGENT LIABILITY - Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts. Contingent liabilities should be disclosed within the financial statements (including the notes) when there is a reasonable possibility a loss may have been incurred. Guarantees, however, should be disclosed even though the possibility of loss may be remote.

CONTRIBUTIONS - Additions to a pension or OPEB plan's fiduciary net position for amounts from employers, nonemployer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension or OPEB plan or from recognition by the pension or OPEB plan of a receivable from one of these sources.

COST-OF-LIVING ADJUSTMENTS - Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.

COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN (COST-SHARING PENSION PLAN) - A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

COVERED PAYROLL - Term used in connection with defined benefit pension and other postemployment benefit plans to describe all elements of annual compensation paid to active employees on which contributions to a plan are based.

COUNTYWIDE – Encompasses, applies to or affects the entire county (including incorporated cities) either in policy, service or an event.

CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS - Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

CUSTODIAL CREDIT RISK - Risk that a government will not be able (1) to recover deposits if the depository financial institution fails or (2) to recover the value of investments or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails.

CUSTODIAL FUND - A fund established to account for all fiduciary activities that are not governed by a trust agreement or equivalent agreement.

DEBT - An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

DEBT SERVICE FUND - A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEDUCTIONS - Term used to describe decreases in the net position of fiduciary funds.

DEFERRED INFLOWS OF RESOURCES – An acquisition of net position that is applicable to a future reporting period.

DEFERRED OUTFLOWS OF RESOURCES – A consumption of net position that is applicable to a future reporting period.

DEFICIT - (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

DEFINED BENEFIT OPEB - OPEB for which the benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The OPEB may be stated as (a) a specified dollar amount; (b) an amount that is calculated based on one or more factors such as age, years of service, and compensation; or (c) a type or level of coverage such as prescription drug coverage or a percentage of health insurance premiums.

DEFINED BENEFIT OPEB PLAN – OPEB plans that are used to provide defined benefit OPEB.

DEFINED BENEFIT PENSION PLAN - Pension plans that are used to provide defined benefit pensions.

DEFINED BENEFIT PENSIONS - Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation.

DEPRECIATION - (1) Expiration in the service life of capital assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. (2) The portion of the cost of a capital asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

DISCOUNT RATE - A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

DUE FROM OTHER FUNDS - An asset account reflecting amounts owed to a particular fund by another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

DUE TO OTHER FUNDS - A liability account reflecting amounts owed by a particular fund to another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

ECONOMIC RESOURCES MEASUREMENT FOCUS - Measurement focus under which the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net position. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for governmentwide financial reporting. It is also used by business enterprises in the private sector.

EMPLOYER'S CONTRIBUTIONS - Contributions made in relation to the annual required contributions of the employer (ARC). An employer has made a contribution in relation to the ARC if the employer has (a) made payments of benefits directly to or on behalf of a retiree or beneficiary, (b) made premium payments to an insurer, or (c) irrevocably transferred assets to a trust, or equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator.

ENABLING LEGISLATION - Legislation that authorizes a government to levy, charge, or otherwise mandate payments of resources from outside parties, subject to a legally enforceable requirement that the resources thus obtained be used only for the specific purposes stipulated in the legislation.

ENCUMBRANCES - Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

ENTERPRISE FUND - Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

ENTRY AGE ACTUARIAL COST METHOD - A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the *normal cost*. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the *actuarial accrued liability*.

EXCHANGE-LIKE TRANSACTION - Transaction in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange.

EXPENDITURES - Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service, and capital outlays, and intergovernmental grants, entitlement, and shared revenues.

EXPENDITURE-DRIVEN GRANTS - Government-mandated or voluntary non-exchange transactions in which expenditure is the prime factor for determining eligibility. Also referred to as reimbursement grants.

EXPENSES - Outflows or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services, or carrying out other activities that constitute the entity's ongoing major or central operations.

EXTERNAL AUDITORS - Independent auditors typically engaged to conduct an audit of a government's financial statements.

EXTERNAL INVESTMENT POOL - An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants is not part of the sponsor's reporting entity. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the primary government and its component units, it is an internal investment pool and not an external investment pool.

FAIR VALUE - The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FIDUCIARY FUNDS - A category of funds used to report assets held in a trust agreement or equivalent arrangement that has certain characteristics or in a custodial capacity for the benefit of others and which therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds.

FINANCIAL RESOURCES - Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables or investments). Financial resources may also include inventories and prepaids (because they obviate the need to expend current available resources).

FISCAL AGENT - A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

FUND - A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE - The difference between fund assets and fund liabilities of governmental and similar trust funds.

FUND FINANCIAL STATEMENTS - Basic financial statements presented on the basis of funds. Term used in contrast with *governmentwide financial statements*.

FUND TYPE - One of eleven groupings, subordinate to the three fund categories, into which all individual funds can be further categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds.

FUNDING POLICY - The program for the amounts and timing of contributions to be made by plan members, employer(s), and other contributing entities (for example, state government contributions to a local government plan) to provide the benefits specified by an OPEB plan.

GENERAL FUND - The general fund is one of five governmental fund types and typically serves as the chief operating fund of the government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

GENERAL REVENUES - All revenues that are not required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported by type of tax (e.g., property tax, sales tax, and transient occupancy tax). All other nontax revenues (including interest, grants, and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) - The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The various sources of GAAP for state and local governments are set forth by Statement of Accounting Standards (SAS) No. 69, *The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles" in the Independent Auditor's Report*.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) - An association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. The GFOA has played a major role in the development and promotion of GAAP for state and local governments since its inception and has sponsored the Certificate of Achievement for Excellence in Financial Reporting Program since 1946.

GOVERNMENTAL ACCOUNTING - The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governments.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) - The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the National Council on Governmental Accounting (NCGA).

GOVERNMENTAL ACTIVITIES - Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

GOVERNMENTAL FUNDS - Funds generally used to account for tax-supported activities. The five different types of governmental funds are as follows: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

GOVERNMENTWIDE - Affecting or involving all areas and departments of the County of Santa Barbara government.

GOVERNMENTWIDE FINANCIAL STATEMENTS - Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic governmentwide financial statements: the statement of net position and the statement of activities. Both basic governmental financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

HEALTHCARE COST TREND RATES - The rates of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

IMPAIRMENT - Significant, unexpected decline in the service utility of a capital asset that will remain in use.

IMPROVEMENT - An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

INACTIVE EMPLOYEES - Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.

INDIRECT EXPENSES - Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category.

INFRASTRUCTURE - Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

INTANGIBLE ASSETS - Assets with an initial useful life that extends beyond a single reporting period that lack physical substance and that are neither financial in nature (neither a monetary asset nor a claim to a monetary asset) nor primarily held for the purpose of directly obtaining income or profit.

INTERFUND RECEIVABLE/PAYABLE - Short-term loans made by one fund to another, or the current portion of an advance to or from another fund.

INTERFUND TRANSFERS - Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

INTERMEDIARY - The trustee, fiscal agent, government, or any other legal or natural person that is holding and administering donated resources pursuant to a split-interest agreement. An intermediary is not required to be a third party.

INTERNAL SERVICE FUND - A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

INVESTMENTS WITH FISCAL AGENT - An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

IRREVOCABLE SPLIT-INTEREST AGREEMENT - A split-interest agreement in which the donor has not reserved, or conferred to another person, the right to terminate the agreement at will and have the assets returned to the donor or a third party.

JOINT VENTURE - A legal entity or other contractual arrangement in which a government participates as a separate and specific activity for the benefit of the public or service recipients and in which the government retains an ongoing financial interest.

LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS - Costs incurred to provide for the protection of the environment that occur near or after the date that a municipal solid-waste landfill stops accepting solid waste and throughout the postclosure period. Closure and postclosure care costs include the cost of equipment and facilities (leachate collection systems and final cover) as well as the cost of services (postclosure maintenance and monitoring costs)

LAPSE - As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time. At the end of this period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

LEAD INTEREST - A type of beneficial interest that confers the right to receive all or a portion of the benefits of resources during the term of a split-interest agreement.

LEASE - A contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction.

LEGAL LEVEL OF BUDGETARY CONTROL - The level at which spending in excess of budgeted amounts would be a violation of law.

LESSEE - The party to a lease contract who acquires the right to use another entity's nonfinancial asset(s) (i.e., tenant).

LESSOR - The party to a lease contract who conveys the right to use its nonfinancial asset(s) to another entity (i.e., landlord).

LEVEL PERCENTAGE OF PROJECTED PAYROLL AMORTIZATION METHOD - Amortization payments are calculated so that they are a constant percentage of the projected payroll of active plan members over a given number of years. The dollar amount of the payments generally will increase over time as payroll increases due to inflation; in dollars adjusted for inflation, the payments can be expected to remain level.

LIABILITIES - Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

LIFE-CONTINGENT TERM - A term specifying that the termination of a split-interest agreement is contingent upon the occurrence of a specified event, commonly the death of either the donor or other lead interest beneficiary.

LOANS RECEIVABLE - An asset account reflecting amounts loaned to individuals or organizations external to a government, including notes taken as security for such loans. Loans to other funds and governments should be recorded and reported separately.

MAJOR FUND - A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are funds whose revenues/expenditures, assets, or liabilities are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other governmental or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - A component of required supplementary information used to introduce the basic financial statements and to provide an analytical overview of the government's financial activities.

MEASUREMENT FOCUS - A way of presenting an entity's financial performance and position by considering which resources are measured (financial or economic) and when the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of governmentwide financial statements, proprietary fund financial statements, and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

MEASUREMENT PERIOD - The period between the prior and the current measurement dates.

MODIFIED ACCRUAL BASIS OF ACCOUNTING - The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recognized when the fund liability is incurred. All governmental funds, expendable trust funds, and custodial funds are accounted for using the modified accrual basis of accounting.

MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN - A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.

NET INVESTMENT IN CAPITAL ASSETS - One of three components of net position that must be reported in both governmentwide and proprietary fund financial statements. Related debt, for this purpose, includes the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets of the government.

NET OPEB LIABILITY - The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria of GASB Statement No. 75.

NET PENSION LIABILITY - The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan.

NET POSITION - The residual of all other elements presented in a statement of financial position.

NONCAPITAL FINANCING ACTIVITIES - Term used in connection with cash flows reporting. Noncapital financing activities include (1) borrowing money for purposes other than to acquire, construct, or improve capital assets, and (2) repaying the amounts borrowed, including interest. This category includes proceeds from all borrowings not clearly attributable to the acquisition, construction, or improvement of capital assets, regardless of the form of the borrowing. Also included are certain other interfund and intergovernmental receipts and payments.

NONOPERATING REVENUES AND EXPENSES - In the context of the proprietary fund operating statement, revenues and expenses not qualifying as operating items (e.g., taxes, grants that are not equivalent to contracts for services, and most interest revenue and expense).

NONSPENDABLE FUND BALANCE - Amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

OPERATING ACTIVITIES - Term used in connection with cash flows reporting. Operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as capital and related financing, noncapital financing, or investing activities.

OPERATING REVENUES AND EXPENSES - Cost of goods sold and services provided to customers and the revenue thus generated.

OPERATING TRANSFERS - All interfund transfers other than residual equity transfers (e.g., legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended).

OTHER FINANCING SOURCES - An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP.

OTHER FINANCING USES - A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of other financing uses category is limited to items so classified by GAAP.

OTHER POSTEMPLOYMENT BENEFITS (OPEB) - Benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as postemployment healthcare benefits paid in the period after employment (if any), regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits or termination payments for sick leave.

OPEB PLANS - Arrangements through which OPEB is determined, assets dedicated for OPEB (if any) are accumulated and managed, and benefits are paid as they come due.

OVERLAPPING DEBT - The proportionate share that property within a government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessment receivable in each jurisdiction, which will be used wholly or in part to pay off the debt, to total assessments receivable, which will be used wholly or in part for this purpose.

PASS-THROUGH GRANTS - Grants and other financial assistance received by a governmental entity to transfer to, or spend on behalf of, a secondary recipient.

PAYMENT IN LIEU OF TAXES (PILOT) - Payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives that normally are financed through property taxes.

PAYROLL GROWTH RATE - An actuarial assumption with respect to future increases in total covered payroll attributable to inflation; used in applying the level percentage of projected payroll amortization method.

PENSION BENEFITS - Retirement income and all other benefits, including disability benefits, death benefits, life insurance, and other ancillary benefits, except healthcare benefits, that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or after retirement. Postemployment healthcare benefits are considered other postemployment benefits, whether they are provided through a defined benefit pension plan or another type of plan.

PENSION PLANS - Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed, and benefits are paid as they come due.

PENSIONS - Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.

PERIOD-CERTAIN TERM - A term specifying that the termination of a split-interest agreement occurs after a specified period. (For example, a number of years.)

PERMANENT FUNDS - Governmental fund type used to report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry).

PLAN MEMBERS - Individuals that are covered under the terms of a pension or OPEB plan. Plan members generally include (a) employees in active service (active plan members) and (b) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).

POLLUTION REMEDIATION OBLIGATION - An obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities.

POSTEMPLOYMENT - The period after employment.

POSTEMPLOYMENT BENEFIT CHANGES - Adjustments to the pension or OPEB of an inactive employee.

POSTEMPLOYMENT HEALTHCARE BENEFITS - Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.

POST-IMPLEMENTATION/OPERATION STAGE - In the context of internally generated computer software, the stage of development that includes application training and software maintenance.

PRELIMINARY PROJECT STAGE - In the context of internally generated computer software, the stage of development that includes the conceptual formulation and evaluation of alternatives, the determination of the existence of needed technology, and the final selection of alternatives for the development of the software.

PREPAIDS (OR PREPAID ITEMS) - Costs of services to be received in future periods that have been paid in advance (insurance), resulting in an asset.

PROGRAM - Group activities, operations, or organizational units directed to attaining specific purposes or objectives.

PROJECTED BENEFIT PAYMENTS - All benefits estimated to be payable through the pension or OPEB plan to current active and inactive employees as a result of their past service and their expected future service.

PROGRAM REVENUES - Term used in connection with the governmentwide statement of activities. Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues.

PROJECTED BENEFIT PAYMENTS - All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.

PROPRIETARY FUNDS - Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS (P3) - An arrangement in which a government, known as the transferor, contracts with another party, known as an operator, to provide public services by conveying to the operator control of the right to operate or use a nonfinancial asset, such as infrastructure or another capital asset (the underlying PPP asset). To be a PPP, the contract must be for a defined period of time and be entered into in an exchange or exchange-like transaction. The transferor in a PPP is always a government, and the operator may be either another government or a private party.

REAL RATE OF RETURN - The rate of return on an investment after adjustment to eliminate inflation.

REALIZED GAINS AND LOSSES. - Difference between the carrying value of an asset and its price at the time of sale if the asset had been reported at other than fair value.

REBATEABLE ARBITRAGE - A term used in connection with the reinvestment of the proceeds of tax-exempt debt. A requirement to remit to the federal government interest revenue in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in a taxable money market instrument with a materially higher yield.

REFUNDING - Issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose (a current refunding), or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at some later date (an advance refunding).

REINSURANCE - Transaction in which an assuming enterprise (reinsurer), in return for consideration (premium), assumes all or part of a risk undertaken originally by another insurer (ceding enterprise). However, the legal rights of the insured are not affected by the reinsurance transaction, and the ceding enterprise issuing the original insurance contract remains liable to the insured for payment of policy benefits.

REMAINDER INTEREST - A type of beneficial interest that confers the right to receive all or a portion of the resources remaining at the end of a split-interest agreement's term.

REPORTING ENTITY - The oversight unit and all of its component units, if any, that are combined in the ACFR/BFS.

REQUIRED SUPPLEMENTARY INFORMATION - Consists of statements, schedules, statistical data, or other information that according to the GASB is necessary to supplement, although not required to be a part of, the basic financial statements.

RESTRICTED ASSETS - Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

RESTRICTED FUND BALANCE - Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

RESTRICTED NET POSITION - A component of net position calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

REVENUE BONDS - Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

REVENUES - (1) Increases in the net current assets of a governmental fund type from other than expenditure refunds and residual equity transfers. Also, general long-term debt proceeds and operating transfers in are classified as "other financing sources", rather than as revenues. (2) Increases in the net total assets of a proprietary fund type from other than expense refunds, capital contributions, and residual equity transfers. Also, operating transfers in are classified separately from revenues.

RISK MANAGEMENT - All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

SELF-INSURANCE - A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

SERVICE CONCESSION ARRANGEMENT - An arrangement whereby a government transfers the operation of one of its capital assets to a third-party operator in exchange for significant consideration, with the operator then being compensated from the fees and charges it collects in connection with the operation of that asset, and with the transferor retaining control over the service and a significant residual interest in the capital asset.

SERVICE COSTS - The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.

SERVICE LIFE - The average remaining years of service of all members of the retirement plan (both current employees and retirees).

SINGLE AUDIT - An audit performed in accordance with *Title 2 U.S. Code of Federal Regulations*. The Single Audit allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal agencies.

SPECIAL DISTRICT - An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, cemetery districts, transit authorities, port authorities, and electric power authorities.

SPECIAL REVENUE FUND - A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

SPLIT-INTEREST AGREEMENT - An agreement in which the donor enters into a trust or other legally enforceable agreement (with characteristics that are equivalent to a split-interest agreement) under which the donor transfers resources to an intermediary to administer for the benefit of at least two beneficiaries, one of which could be a government.

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) - An arrangement in which a government contracts with another party, known as a SBITA vendor, to convey to the government the right to use the SBITA vendor's IT software, either alone or in combination with tangible capital assets (the underlying IT assets). To be a SBITA, the contract must be for a defined period of time and be entered into in an exchange or exchange-like transaction.

SUBSTANTIVE PLAN - Terms of an OPEB plan as understood by the employer(s) and plan members.

TAX ABATEMENT - A reduction of or exemption from taxes granted to encourage certain activities.

TAX AND REVENUE ANTICIPATION NOTES (TRAN) - Notes issued in anticipation of the collection of taxes and revenues, usually retireable only from tax collections, and frequently only from the proceeds of the tax and revenue levy whose collection they anticipate.

TERMINATION BENEFITS - Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.

TOTAL PENSION LIABILITY - The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service.

TRUST FUNDS - Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

UNASSIGNED FUND BALANCE – The residual classification for the County’s General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

UNAVAILABLE REVENUE - Resource inflows that do not qualify for recognition as revenue in a governmental fund because they are not yet considered to be available.

UNCONDITIONAL BENEFIT - A right belonging to the government that cannot be taken away without the government’s consent, such as an unconditional beneficial interest.

UNEARNED REVENUES - Resource inflows that do not yet meet the criteria for revenue recognition. In governmental funds, earned amounts also are reported as unearned revenue until they are available to liquidate liabilities of the current period.


UNMODIFIED OPINION - An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

UNREALIZED GAINS AND LOSSES - Difference between the carrying value of an asset and its fair value prior to sale.

UNRESTRICTED NET POSITION - That portion of net position that is neither restricted nor invested in capital assets (net of related debt).

VARIANCE POWER - The unilateral power to redirect the benefit of the transferred resources to another beneficiary, overriding the donor’s instructions. This transfer would occur without the approval of the donor, specified beneficiaries, or any other interested party.

WEIGHTED AVERAGE MATURITY - In the context of interest-rate risk disclosure for investments, measurement of investment time horizons—the time when investments become due and payable—in years or months, weighted to reflect the dollar size of individual investments within an investment type.



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