

# **Attachment A**

**Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022**

**Please see the attached printed publication.**

# Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

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 the traditions and festivals of our County that celebrate the historic, the unique, the wonder, and the abundance of our community.



Photo By Mike Eliason

COUNTY OF SANTA BARBARA  
STATE OF CALIFORNIA

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2022



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

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# 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

December 2, 2022

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, 2022, 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, 2022. 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 445,164 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.



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Policy & Executive



**Das Williams**  
First District  
Supervisor

**Gregg Hart**  
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

- Joyce E. Dudley**  
District Attorney\*
- William F. Brown**  
Sheriff-Coroner\*
- Darrel E. Parker**  
Court Special Services
- Mark A. Hartwig**  
Fire
- Tanja Heitman**  
Probation
- Tracy M. Macuga**  
Public Defender

\*Elected Official

Health & Human Services

- Toni Navarro LMFT**  
Behavioral Wellness
- Joni Maiden, MPA**  
Child Support Services
- Daniel Nielson, MPA**  
Public Health Services (Interim)
- Daniel Nielson, MPA**  
Social Services

Community Resources & Public Facilities

- Cathleen Fisher**  
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\*
- Janette Pell**  
General Services
- Maria Elena De Guevara**  
Human Resources

## Component Units

The County, with an average of 4,153 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) 2021-22, with the COVID-19 pandemic waning, 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 increased significantly along with a strong rebound in tourism related taxes.

**“The median sale price for a house ... on the South Coast increased from \$1.53 million in March 2021 to \$2.18 million in March 2022.”**

Santa Barbara Independent March 20, 2022

### Employment

- The County’s average unemployment rate during FY 2021-22 decreased from 7.3% to 4% with a relative steady decline from peak unemployment rate at the beginning of FY 2020-21.
- The June 2022 County unemployment rate of 2.8% was below the State unemployment rate of 4% and below the national unemployment rate of 3.8%.
- As of June 2022, Leisure and Hospitality employment increased by 11.7% from last year to 28,100 jobs.

### Income

- The County’s average annual wages increased to \$62,020 in the 2021 calendar year from \$59,500 in 2020.

### Retail Sales

- Countywide estimated retail sales increased 18% to \$9.94 billion during FY 2021-22.
- California retail sales had increased by 22.06% between January 1 and December 30, 2021.

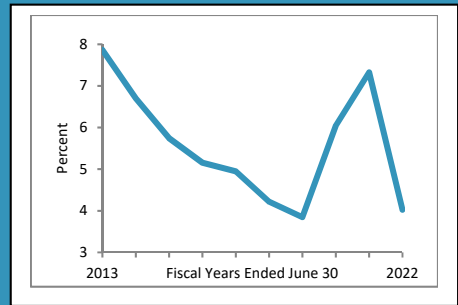
### Real Estate

- According to the Zillow Home Value Index for Santa Barbara County, the median home value increased 25.2% to \$879,426.
- The real estate market continued its upward trend, with significant growth in price increases.

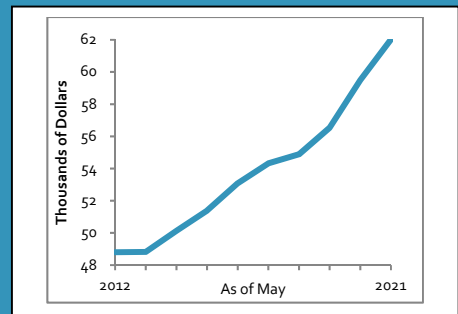
### Tourism

- Countywide estimated room sales increased by 53.9% to \$696.4 million.
- Countywide estimated Transient Occupancy Tax (TOT) revenue increased by 54.3% to \$82.3 million.
- Southern Santa Barbara County hotel room rates increased by 32.6% while available hotel rooms decreased by 1.3% from the previous fiscal year with a hotel occupancy rate of 72.9%.

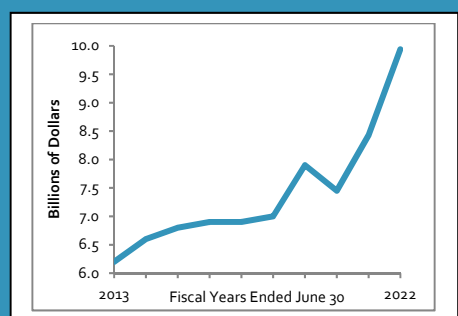
### Avg. Unemployment Rate



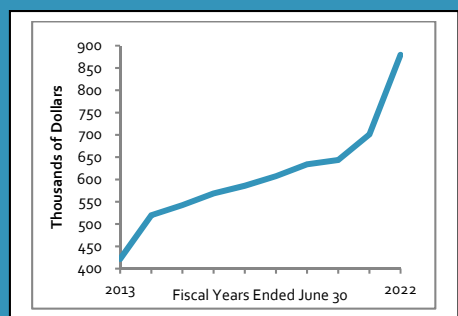
### Average Salary



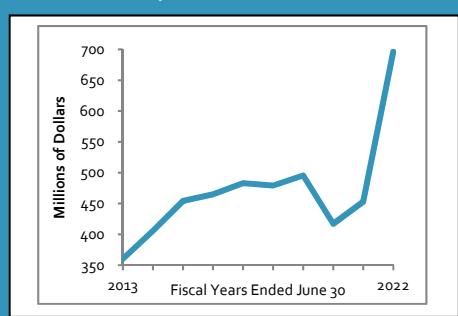
### Retail Sales



### Median Home Value



### Hotel / Motel Room Sales



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

## ECONOMIC INDICATORS

The ongoing global pandemic and its disparate health and economic impacts on Californians, saw state revenues grow at historic rates, with an estimated state surplus (the difference between projected revenues and spending under current law and policy) of \$31 billion in FY 2021-22. Revenue growth was due in large part to a significant increase of several measures of economic activity including double digit growth in retail sales, the rebound in stock market investments, and historically high earnings by several major firms, resulting in much higher tax revenues in FY 2021-22 as compared to budget act estimates.

Several COVID-19 related Federal legislations continue to impact the State Budget. The American Rescue Plan Act (ARPA) Fiscal Relief Funds provided about \$27 billion to California's state government and also included a temporary enhanced federal match rate for Home & Community-Based Services (HCBS) which reduced the state's share of base program costs for these services by \$3 billion. The federal government required states to "reinvest" these freed-up state funds on expanded, enhanced, or strengthened HCBS services, thus \$1 billion in net California General Fund savings between FY 2020-21 and FY 2021-22 was associated with the enhanced Medicaid HCBS match. The Enhanced Federal Match for Medicaid provided a temporary 6.2 percentage point increase in the federal government's share of cost for state Medicaid programs until the end of the national public health emergency declaration.

The State realizes that the pace of growth seen recently could slow in the coming months, though periods of strong economic and revenue growth have historically been followed by continued growth. Much of the revenue gains are in the form of more stable revenue streams including sales tax and income tax withholding.

Higher inflation affects the State in many ways. For revenues, increases in collections due in part to higher wages occur. Higher inflation also upsets stability in the financial markets and the economy as a whole, which then may lead to a decrease in revenues. Increased inflation increases the costs of delivering services, and as interest rates rise, the costs of federal government loans and bond debt service will also increase.

The State's unemployment rate has fallen steadily over the course of the ongoing recovery, with the July 2022 rate of 3.9% actually .2% lower than before the pandemic in February 2020. California has enjoyed steady and rapid job growth over the course of its ongoing recovery with over 97% of the pandemic-related job losses regained. California's job gains over the course of the April 2020-July 2022 recovery has been well distributed across industry sectors with the hard-hit leisure and hospitality sector gaining more jobs than any other sector.

The California labor market continues to be robust, as the economy continues its recovery from the economic downturn brought on by the pandemic. California is enjoying historically low unemployment statewide with jobs continuing to be added across most industry sectors and economic regions, though the growth rate has slowed as the labor market normalizes.

High inflation continues to endure as the looming threats of a pandemic resurgence and unstable geopolitical environment upsets economic stability. In response, the U.S. Federal Reserve has been using available monetary tools, including aggressive interest rate increases, in an attempt to bring inflation under control. The interest rates hikes are projected to moderate labor markets as increased borrowing costs on businesses and consumers will soften the pressures of increasing prices.

The Federal Reserve must keep a careful watch to ensure that its policies achieve their intended results. If monetary policy is too aggressive, the risk of the economy falling into recession is high, while an inadequate response would fail to rein in current inflationary trends. Although the economy continues to remain strong, signs of slowdown are appearing, indicating an increased risk that a recession in the next 12 to 18 months may occur.

## 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:

- June 2022 marks the end of the County's five-year Renew 2022 (Renew '22) initiative, embarked upon in 2017 to address financial and organizational challenges and make decisions that will transform the County for success well into the future. Over the past five years, departments prepared and positioned themselves to adopt new practices, be responsive and resilient, and rethink what the public needs and expects of the County. The pandemic caused an acceleration of Renew '22, which was initiated in part to fortify the organization against the next economic or natural emergency. The last five years have seen departments pursue efficiencies and improvements in the way they do business through Renew '22 initiatives to help position them to mitigate or avoid the difficult funding choices that were necessary during the last recession. The next Countywide strategic initiative, which will build upon the successes of Renew '22, is currently under development.
- The County continues to implement major initiatives to reduce the numbers of mentally ill individuals entering the criminal justice system and increase referrals to appropriate mental health services. Criminal justice partners and the Department of Behavioral Wellness established a new prefiling/pre-arraignment diversion program (CREDO 47) through Proposition 47 grant funding. The Department of Behavioral Wellness also expanded the Mental Health Rehabilitation Center (MHRC) to 34 beds, with two beds designated for people determined Incompetent to stand trial.
- Several County departments have been involved in providing services to prevent, address, mitigate or house homeless individuals. Homeless programs continue to increase in their complexities but have received renewed interest and effort at the federal, state, and local levels. There has been an overall increase by 42% in the number of people accessing shelter and services. The County has been successful in applying for and administering available homeless funding and provides additional support for this population including anticipated \$1.5 million in General Fund Contribution for FY 2022-23. The bulk of homelessness funding is managed within the Community Services Department, consisting of approximately \$30.6 million in state and federal sources for programs such as the Emergency Rental Assistance Program (ERAP) (\$17 million), federal Emergency Solutions Grant Coronavirus (ESG-CV) (\$5.3 million), and the Homeless Housing Assistance and Prevention Program (HHAP) (\$5.3 million). Additionally, the Board has allocated \$25.4 million in ARPA funding for facilities, services, and encampment strategies. This is the largest amount ever allocated by the County to combat homelessness.
- The Board adopted a budget policy that prioritizes funding for critical information technology needs to ensure residents and other County customers receive a necessary and evolving level of service. \$2 million is being set aside annually to assist with technology replacement that is prioritized through the Executive Information Technology Committee (EITC). This critical funding supports several information technology needs including the migration of Information Technology Services from on-premises to internet service providers (cloud), cybersecurity projects, the website replacement project to redesign and replace County intranet sites for standardization, and other projects that benefit several service departments. Additionally, the budget continues funding for the implementation of the County Enterprise Resource Planning (ERP) system.
- More than \$27 million in infrastructure spending is planned for maintaining County buildings, roads and parks, the most since the County set a funding policy in 2014. Of this amount, almost \$16 million is for road maintenance projects. In addition, other improvements are planned for the Santa Maria Health Care Center, Cachuma Lake Park, Arroyo Burro Beach, Lookout Park, and Goleta Beach. Construction of the Modoc Multiuse Path extension, and various bridge improvements and replacements are expected next year. Federal funding was also awarded recently for seismic and accessibility upgrades for the Veteran's Memorial Building in Santa Barbara and the Lompoc Healthcare Center.
- Construction on the Tajiguas ReSource Center was completed in March 2022 with a total cost of \$133.9 million. This new, state-of-the-art recycling facility and large-scale anaerobic digester will convert commercial and



residential waste into resources by recovering recyclable materials, transforming organics into landscape nutrients, and creating renewable energy in the process. With this new technology, approximately 60% of additional waste from our trash cans will be diverted from the landfill, bringing our region's diversion rate above 85% while significantly reducing greenhouse gas emissions.

- Additional energy efficiency upgrades in public facilities and electric vehicles in the County fleet are planned for FY 2022-23 as the County adapts to climate change. Increasing participation in the Home Energy Savings energy efficiency retrofit program, and energy assurance and auditing services will provide technical assistance to critical facilities to improve energy resiliency. Continued participation in Central Coast Community Energy has already increased customers' use of renewable energy and puts the County on the path to achieve 100% renewable energy by 2030.
- Several high-priority capital projects were identified in early 2019 for funding through Certificates of Participation (COP), which are expected to be issued within the next year. Funding for debt service payments is carved out in the recommended budget in anticipation of this issuance. These capital projects include:
  - Public Safety Radio System Replacement
  - Probation Department Headquarters
  - Main Jail Renovations
  - Cachuma Lake Park Infrastructure Upgrades
  - Regional/ Fire Communications Center Facility
  - Fire Station 27 Rebuild

## SIGNIFICANT CAPITAL PROJECTS

The County completed \$270.6 million in capital projects in FY 2021-22. Planned Projects in the FY 2022-23 Capital Budget Summary include:

- \$66 million for the Laguna County Sanitation District - Phase I Plant Upgrade with anticipated completion in January 2024;
- \$16 million for replacement of the 580-foot-long Floradale Avenue Bridge with anticipated completion by the end of 2022;
- Approximately \$18 million for replacement of the 1,430-foot-long Foothill Road Bridge in the Cuyama Valley;
- \$3 million for replacement of the Fernald Point Road Bridge in Montecito expected to be completed Summer 2022;
- Approximately \$3.3 million of improvements to 32 lane miles via the Countywide Pavement Preservation Project;
- Approximately \$27.2 million is planned for maintaining County buildings, roads and parks with over \$16 million of that going towards road maintenance projects.

Additional FY 2022-23 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/3317/2022-2023>).

## LONG-TERM FINANCIAL PLANNING

In the FY 2022-23 Recommended Budget the County is projecting modest local property tax revenue growth of 4.5%, a 12% increase in retail sales tax, and an increase of 20.1% 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 2021-22, the strategic reserve balance remained level at \$38.8 million and an additional \$1.8 million has been budgeted for FY 2022-23 to increase strategic reserves. 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. The GFOA awards were applied for on January 31, 2022, however delays in the review process have resulted in the GFOA taking up to 9 months to review, thus at the time of

publishing, the June 30, 2021 GFOA Awards for the ACFR and PAFR have not yet been issued.

### 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 [www.countyofsb.org](http://www.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 55% over the next ten years with 100% reduction in 19 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 County of Santa Barbara has applied for but not yet received the GFOA award for Certificate of Achievement for Excellence in Financial Reporting to the County’s ACFR for the fiscal year ended June 30, 2021. The GFOA award was applied for on January 31, 2022, however delays in the review process have resulted in the GFOA taking up to 9 months to review. This award has been achieved annually since 1991 through 2020. 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, 2021. 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 has applied for but not yet 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, 2021. The GFOA award was applied for on January 31, 2022, however delays in the review process have resulted in the GFOA taking up to 9 months to review. This award has been achieved annually since 1995 through 2020. 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.

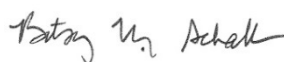
### Acknowledgments

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.

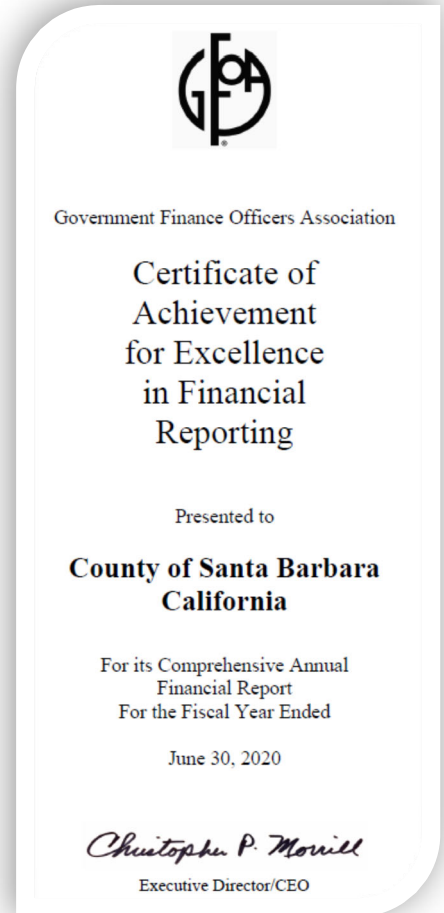
Respectfully submitted,



Mona Miyasato  
County Executive



Betsy M. Schaffer, CPA, CPFO  
Auditor-Controller





# FINANCIAL SECTION

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## 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, 2022, 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, 2022, 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 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**

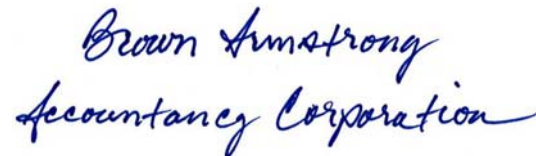
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover 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 December 2, 2022, 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

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style.

Bakersfield, California  
December 2, 2022



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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, 2022. 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, 2022, 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 \$181,434 (see page 22). The major elements that impacted the financial position during the year are detailed below.

**Changes to Net Investment in Capital Assets +\$50.2M** (represents the County's investment in capital assets, less (1) accumulated depreciation, (2) related outstanding debt used to acquire those assets, and (3) related deferred inflows of resources) were primarily due to:

- **Laguna Sanitation District Plant Expansion** (Net impact = +26.8M)  
Construction continued on the first phase of the \$54 million 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. More information on this project can be found in the work in progress section on page 29.
- **Increases to Bridge Infrastructure** (Net impact = +\$16.1M)  
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.
- **ReSource Center** (Net impact = +\$4.8M)  
The ReSource Center became operational at the beginning of the fiscal year on July 16, 2021.

**Changes to Unrestricted Net Position +\$101.2M** (represents the County's available resources for ongoing obligations related to programs with external restrictions of their use) were primarily due to:

- **Pension and Other Post-Employment Benefits (OPEB)** (Net impact = +\$103.4M)  
Pension and OPEB experienced higher than usual investment returns (reported by Santa Barbara County Employees' Retirement System (SBCERs) from FY 2020-21) decreasing net pension and OPEB liabilities while increasing unrestricted net position.
- **COVID-19 Pandemic Response** (Net impact = +\$27.3M)  
The following receipt of federal funds were used for cost reimbursement primarily for COVID-19 related programs:
  - \$5.6 million from the American Rescue Plan Act (ARPA)
  - \$4.2 million from the Federal Emergency Management Agency (FEMA)
  - \$17.5 million from the Emergency Rental Assistance Program (ERAP)
- **Litigation case settlement (Note 21)** (Net impact = -\$4.4M)  
On October 11, 2022, the County reached a settlement with the United States Department of Justice for reimbursement of specialty mental services through California's Medi-Cal program. Under the settlement agreement, the County will pay \$28 million in FY 2022-23 with \$23.6M attributable to Net Position Restricted for

General County Programs and \$4.4M attributable to Unrestricted Net Position. The settlement was approved by the Department of Justice and the County Board of Supervisors.

- Collection of Cannabis Tax (Net impact = -\$3.1M)  
Cannabis tax revenues received was \$8.7M, a decrease of \$7.0M from \$15.7M in the prior fiscal year. Cannabis tax revenues during the fiscal year were spent on discretionary programs.
- Enterprise Resource Planning (ERP) System Implementation (Net impact = -\$1.0M)  
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 expenses.

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 39-40 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 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 9 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 41-44 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 45-47 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 48-49 of this report display the Fiduciary Funds Financial Statements.*

## Notes to the Financial Statements

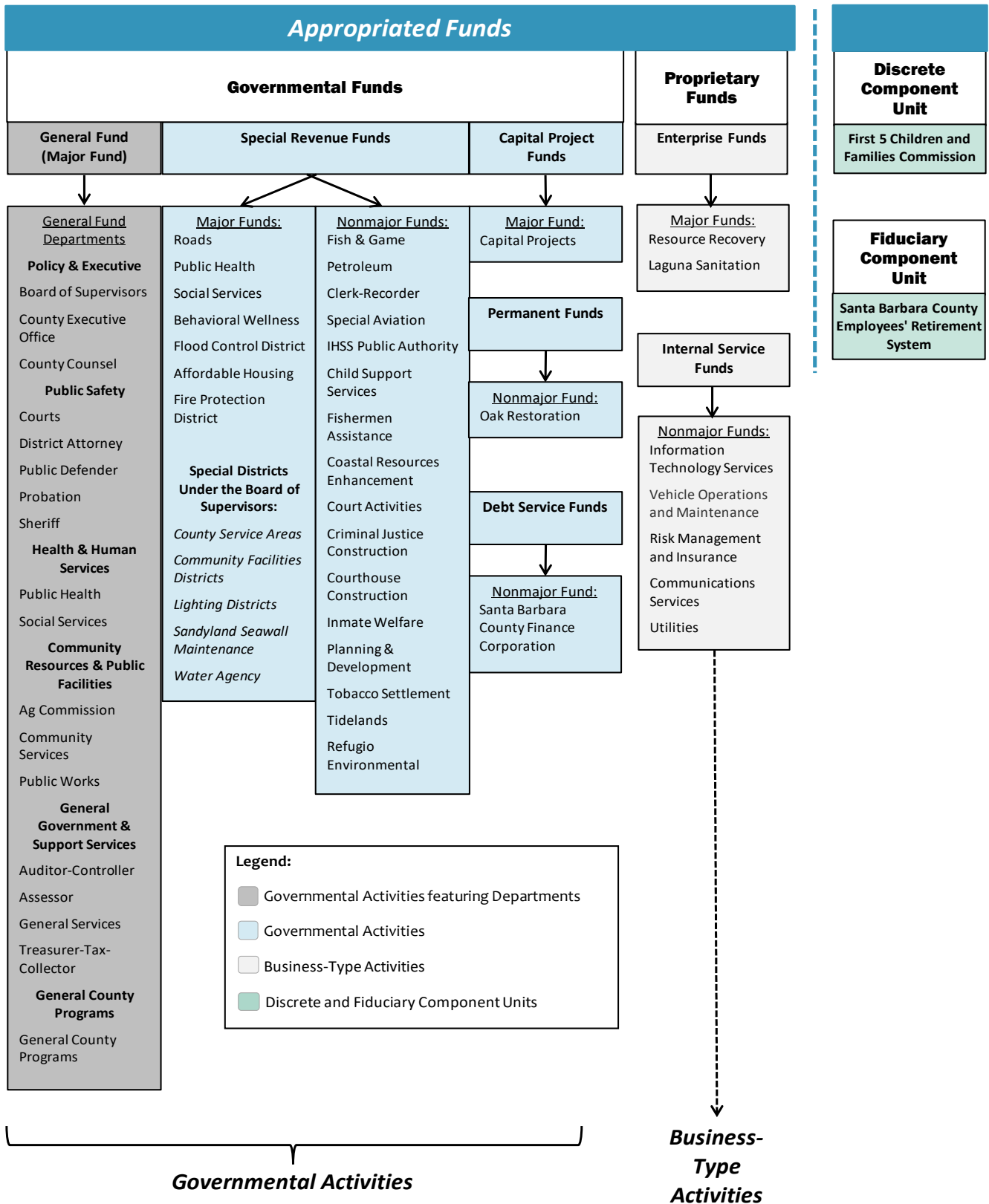
The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Governmentwide and Fund Financial Statements. Information in the Notes to the Financial Statements is described as follows:

- 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 and right-to-use leased assets, and service concession arrangements.
- Notes 8 to 13 provide detailed notes on advances from grantors and third parties, leases, 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.
- Note 21 provides detailed notes on subsequent events.

*Pages 50-133 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 Activities		Business-Type Activities		Total		Total	
	2021*	2022	2021*	2022	2021*	2022	Dollar Change	Percent Change
<b>Assets:</b>								
Current and other assets	\$ 827,049	\$ 935,343	\$ 169,947	\$ 136,263	\$ 996,996	\$1,071,606	\$ 74,610	7.5%
Capital assets, net of depreciation	843,621	877,484	252,160	284,653	1,095,781	1,162,137	66,356	6.1%
Right-to-use lease assets, net of amortization	--	13,799	--	--	--	13,799	13,799	100.0%
<b>Total assets</b>	<b>1,670,670</b>	<b>1,826,626</b>	<b>422,107</b>	<b>420,916</b>	<b>2,092,777</b>	<b>2,247,542</b>	<b>154,765</b>	<b>7.4%</b>
<b>Deferred outflows of resources:</b>	<b>345,899</b>	<b>232,159</b>	<b>6,165</b>	<b>4,166</b>	<b>352,064</b>	<b>236,325</b>	<b>(115,739)</b>	<b>(32.9%)</b>
<b>Liabilities:</b>								
Current and other liabilities	152,945	230,717	19,581	11,910	172,526	242,627	70,101	40.6%
Long-term liabilities	1,152,423	620,437	248,146	234,098	1,400,569	854,535	(546,034)	(39.0%)
<b>Total liabilities</b>	<b>1,304,894</b>	<b>851,154</b>	<b>267,727</b>	<b>246,008</b>	<b>1,573,095</b>	<b>1,097,162</b>	<b>(475,933)</b>	<b>(30.3%)</b>
<b>Deferred inflows of resources:</b>	<b>68,879</b>	<b>396,358</b>	<b>672</b>	<b>6,718</b>	<b>69,551</b>	<b>403,076</b>	<b>333,525</b>	<b>479.5%</b>
<b>Net position:</b>								
Net investment in capital assets	782,419	819,198	98,539	111,953	880,958	931,151	50,193	5.7%
Restricted for:								
Policy & executive	1,392	1,641	--	--	1,392	1,641	249	17.9%
Public safety	77,606	77,573	--	--	77,606	77,573	(33)	(.0%)
Health & human services	61,204	88,134	--	--	61,204	88,134	26,930	44.0%
Community resources & public facilities	191,632	208,806	--	--	191,632	208,806	17,174	9.0%
General government & support services	8,304	7,723	--	--	8,304	7,723	(581)	(7.0%)
General county programs	24,649	10,978	--	--	24,649	10,978	(13,671)	(55.5%)
Total Restricted	364,787	394,855	--	--	364,787	394,855	30,068	8.2%
Unrestricted	(504,884)	(402,780)	61,334	60,403	(443,550)	(342,377)	101,173	22.8%
<b>Total net position</b>	<b>\$ 642,322</b>	<b>\$ 811,273</b>	<b>\$ 159,873</b>	<b>\$ 172,356</b>	<b>\$ 802,195</b>	<b>\$ 983,629</b>	<b>\$ 181,434</b>	<b>22.6%</b>

\* No financial restatement for GASB 87 lease 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 \$983,629 at the close of the current fiscal year.

### Analysis of Net Position

The County’s total net position increased by \$181,434 or 22.6%, 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 \$71,186, primarily due to Coronavirus Aid, Relief and Economic Security (CARES) Act receipts and the implementation of GASB Statement No. 87. Please see Statistical section page 205 for a 10-year trend on changes in net position.

#### Assets

Current and other assets increased by \$74,610 or 7.5% due primarily to the receipt of CARES funding.

#### Deferred outflows of resources

Deferred outflows of resources decreased by \$115,739 or 32.9% due primarily to the higher than expected returns on net investments for pension and other post-employment benefits investments.

**Liabilities**

Total liabilities decreased by \$475,934 or 30.3% due primarily to a \$540,702, or 55.2%, decrease to the net pension liability and \$13,777, or 14.0%, decrease to the net OPEB liability, both as result of better than expected investment returns with a measurement date of FY 2020-21, and a \$7,317, or 3.49%, decrease in long-term certificates of participation (COP) payables over the prior year as a result of certificates coming to maturity. Simultaneously, liabilities increased due primarily to a \$36,062, or 81.5%, increase due to advances from grantors and third parties, a one-time \$28,000 increase in litigation settlement payable, a \$14,281, or 100%, increase to short-term and long-term lease liabilities, a \$5,517, or 19.6%, increase in accrued expenses and a \$4,844, or 14.3%, increase in short-term compensated absences.

**Deferred inflows of resources**

Total deferred inflows of resources increased by \$333,525, or 479.5%, due primarily to the higher than expected returns on net investments for pension and OPEB investments which had the measurement date of June 30, 2021.

**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 \$50,193, or 5.7%, to \$931,151 at year-end, and consisted of the following:

	2021*	2022	Dollar Change	Percentage Change
Investment in Capital Assets (net of accumulated depreciation)	\$ 1,095,781	\$ 1,175,936	\$ 80,155	7.3%
Less:				
Related Debt	183,969	209,415	25,446	13.8%
Related Payables	-	5,376	5,376	100.0%
Related Deferred Inflows of Resources	30,854	29,994	(860)	(2.8%)
Net Investment in Capital Assets	<u>\$ 880,958</u>	<u>\$ 931,151</u>	<u>\$ 50,193</u>	<u>5.7%</u>

\* No financial restatement for GASB 87 lease 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 \$394,855 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:

- \$141,066 (35.73%) for property taxes dedicated to specific services such as flood control and fire protection;
- \$81,482 (20.64%) for federally imposed restrictions for health and housing programs;
- \$81,348 (20.60%) for federal and State allocations for roads and health services;
- \$62,118 (15.73%) for numerous State imposed restrictions;
- \$20,042 (5.08%) for grant, land use, and permit agreements;

- \$7,646 (1.93%) for various other restrictions imposed on the County; and
- \$1,153 (0.29%) for donations.

Restricted net position increased \$30,068 or 8.2%. Significant changes to restricted net position, by function, include:

- The Health and Human Services function increased \$26,930 due primarily to:
  - \$24,018 of mental health services funding restricted for mental health purposes; and
  - \$2,055 of intergovernmental transfer options with CenCal Health, a local healthcare partner, which brought additional federal funding to support public health services.
- The Community Resources and Public Facilities function increased \$17,174 due primarily to:
  - \$13,107 of community resource services funding restricted for general community resource and public facilities purposes;
  - \$2,363 from Measure A funding intended for high priority transportation projects and programs; and
  - \$1,052 allocated for public facilities capital outlay.
- The General County Programs function decreased \$13,671 due primarily to the restricted portion of the litigation case settlement (Note 21) and offset by receipt of Proposition 172 sales tax allocations which are to be used for public safety.

#### **Unrestricted Net Position**

Due primarily to funding related to the Public Safety Realignment Act of 2011 and Highway and Bridge Infrastructure programs (see page 26), unrestricted net position changed favorably by \$101,173, or 22.8% from negative \$443,550 to negative \$342,377. The majority of the balance of negative unrestricted net position is the result of the County's unfunded net pension liabilities (\$438,825) and net OPEB liabilities (\$84,449).

Analysis of Governmental Activities

The net position of the County’s governmental activities increased by \$168,951 to \$811,273, or 26.3% over the prior year as a result of operating revenues exceeding operating expenses and prior period adjustments due to the implementation of GASB 84.

<b>Changes in Net Position (in thousands)</b>				
	<b>Governmental</b>		<b>Total</b>	
	<b>Activities</b>		<b>Dollar</b>	<b>Percent</b>
	<b>2021*</b>	<b>2022</b>	<b>Change</b>	<b>Change</b>
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 243,167	\$ 244,395	\$ 1,228	0.5%
Operating grants and contributions	490,869	498,469	7,600	1.5%
Capital grants and contributions	523	144	(379)	(72.5%)
Total program revenues	<u>734,559</u>	<u>743,008</u>	<u>8,449</u>	1.2%
General revenues:				
Property taxes	323,795	343,092	19,297	6.0%
Sales taxes	21,104	25,664	4,560	21.6%
Transient occupancy tax	12,535	16,984	4,449	35.5%
Cannabis	15,747	8,719	(7,028)	(44.6%)
Payments in lieu of taxes	2,017	2,069	52	2.6%
Franchise fees	3,323	4,158	835	25.1%
Unrestricted investment earnings	(783)	(9,735)	(8,952)	1143.3%
Other	2,305	425	(1,880)	(81.6%)
Total general revenues	<u>380,043</u>	<u>391,376</u>	<u>11,333</u>	3.0%
<b>Total revenues</b>	<u>1,114,602</u>	<u>1,134,384</u>	<u>19,782</u>	1.8%
<b>Expenses</b>				
Policy & executive	19,661	13,207	(6,454)	(32.8%)
Public safety	389,249	328,392	(60,857)	(15.6%)
Health & human services	412,050	375,447	(36,603)	(8.9%)
Community resources & public facilities	147,650	133,562	(14,088)	(9.5%)
General government & support services	48,950	38,517	(10,433)	(21.3%)
General county programs	9,583	46,135	36,552	381.4%
Interest on long-term debt	1,619	2,173	554	34.2%
<b>Total expenses</b>	<u>1,028,762</u>	<u>937,433</u>	<u>(91,329)</u>	(8.9%)
<b>Excess (deficiency) of revenues over (under) expenses</b>	<u>85,840</u>	<u>196,951</u>	<u>111,111</u>	129.4%
Transfers	(77)	--	77	(100.0%)
<b>Change in net position before special item</b>	<u>85,763</u>	<u>196,951</u>	<u>111,188</u>	130%
Special item (Note 21)	--	(28,000)	(28,000)	100%
<b>Change in net position</b>	<u>85,763</u>	<u>168,951</u>	<u>83,188</u>	97.0%
<b>Net position - beginning</b>	<u>534,566</u>	<u>642,322</u>	<u>107,756</u>	20.2%
<b>Prior period adjustment</b>	<u>21,993</u>	<u>--</u>	<u>(21,993)</u>	
<b>Net position - beginning, as restated</b>	<u>556,559</u>	<u>642,322</u>	<u>85,763</u>	15.4%
<b>Net position - ending</b>	<u>\$ 642,322</u>	<u>\$ 811,273</u>	<u>\$ 168,951</u>	26.3%

\* No financial restatement for GASB 87 lease implementation as it was impractical.

## Revenues

Total revenues for the County's Governmental Activities had an overall increase from the prior year of \$19,782 or 1.8%, to \$1,134,384. 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 \$8,449, or 1.2%, to \$743,008 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 65.5% of the County's funding for governmental activities.

- Charges for services increased a net \$1,228, or 0.5%, to \$244,395 primarily due to:
  - \$3,654 increase of one-time Medi-Cal revenue received; and
  - \$1,896 increase in fire incident reimbursements; and
  - \$4,307 decrease in grant, audit and other settlements from the prior year.
- Operating grants and contributions (intergovernmental revenues) increased a net \$7,600, or 1.5%, to \$498,469 primarily due to:
  - \$14,208 increase of funding related to Public Safety Realignment Act of 2011; and
  - \$13,924 increase of funding related to Highway and Bridge Infrastructure programs; and
  - \$12,619 increase of funding from ARPA for disaster response; and
  - \$8,552 increase of funding from State Proposition 172 intended for public safety; and
  - \$42,447 decrease in various state operating grants and contributions.
- Capital grants and contributions (intergovernmental revenues) decreased \$379, or 72.5%, to \$144 primarily due to planned capital maintenance road projects and other capital outlay grants reduced in comparison to the prior year.

**General Revenues** had an overall increase of \$11,333, or 3.0%, to \$391,376. 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 \$19,297, or 6.0%, to \$343,092 primarily from assessed valuation growth;
- *Transient Occupancy Tax* increased \$4,449, or 35.5%, to \$16,984 primarily from increased hotel demand after pandemic restrictions were lessened;
- *Cannabis Tax* decreased \$7,028, or 44.6%, to \$8,719 primarily due to decreased cannabis related operations; and
- Unrestricted investment earnings decreased by \$8,952 primarily due to a decrease in the fair market value of investments. However, since the Treasury generally holds investments until maturity this loss will not be realized.

**Expenses** had an overall decrease for governmental activities of \$91,329, or 8.9%, to \$937,433 from the prior year. This change was mainly driven by a \$128,304, or 1,251.4% decrease in accrued pension expenses and a \$3,124, or 712.5% decrease in structures and ground maintenance expenses.

As a service delivery entity, the County's major cost component is salaries and benefits, amounting to 57.5% of the total County expenses. The average full-time equivalent (FTE) count for the County (including business-type activities) had a net decrease of 52 FTEs from 4,205 in the prior year to 4,153 at June 30, 2022. A 10-year trend chart on average FTEs can be found in the Statistical section on page 218.

Analysis of Business-type Activities

The net position of business-type activities increased by \$12,483, or 7.8%, to \$172,356 which indicates these activities generated revenues sufficient to cover the costs of operations.

<b>Changes in Net Position (in thousands)</b>				
	<b>Business-Type Activities</b>		<b>Bus Total</b>	
	<b>2021*</b>	<b>2022</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 52,180	\$ 58,912	\$ 6,732	12.9%
Operating grants and contributions	3,488	7,406	3,918	112.3%
Total program revenues	<u>55,668</u>	<u>66,318</u>	<u>10,650</u>	19.1%
General revenues:				
Unrestricted investment earnings	(185)	(3,933)	(3,748)	2025.9%
Other	701	(568)	(1,269)	(181.0%)
Total general revenues	<u>516</u>	<u>(4,501)</u>	<u>(5,017)</u>	(972.3%)
<b>Total revenues</b>	<u>56,184</u>	<u>61,817</u>	<u>5,633</u>	10.0%
<b>Expenses</b>				
Resource recovery	34,030	40,528	6,498	19.1%
Laguna sanitation	8,736	8,806	70	0.8%
<b>Total expenses</b>	<u>42,766</u>	<u>49,334</u>	<u>6,568</u>	15.4%
<b>Excess (deficiency) of revenues     over (under) expenses</b>	13,418	12,483	(935)	(7.0%)
Transfers	77	--	(77)	(100.0%)
<b>Change in net position</b>	13,495	12,483	(1,012)	(7.5%)
<b>Net position - beginning</b>	146,378	159,873	13,495	9.2%
<b>Net position - ending</b>	<u>\$ 159,873</u>	<u>\$ 172,356</u>	<u>\$ 12,483</u>	7.8%

\* No financial restatement for GASB 87 lease implementation as it was impractical.

- Charges for services increased by \$6,732, or 12.9%, to \$58,912 primarily due to increases in charges for sanitation services in Resource Recovery and Laguna Sanitation from increases in commercial related revenues.
- Operating grants and contributions increased by \$3,918, or 112.3%, to \$7,406 primarily due to insurance proceeds for the repairs and remediation work at the Tajiguas Landfill and the ReSource Center due to fire damages sustained during the Alisal Fire event.
- Unrestricted investment earnings decreased by \$3,748, or 2,025.9%, to (\$3,933) primarily due unrealized losses on investments in the County treasury.
- Expenses increased by \$6,568, or 15.4%, to \$49,334 primarily due to an increase in both accrued pension and accrued OPEB expenses.

**Analysis of Capital and Right-to-use Lease Assets**

	Governmental		Business-Type		Total		Total	
	Activities		Activities				Dollar	Percent
	2021*	2022	2021*	2022	2021*	2022	Change	Change
Land	\$ 61,651	\$ 63,940	\$ 15,654	\$ 15,654	\$ 77,305	\$ 79,594	\$ 2,289	3.0%
Land easements	53,133	53,133	--	--	53,133	53,133	--	0.0%
SCA assets	40,729	40,782	--	--	40,729	40,782	53	0.1%
Work in progress	188,914	110,914	156,580	53,866	345,494	164,780	(180,714)	(52.3%)
Capital assets, not being depreciated	344,427	268,769	172,234	69,520	516,661	338,289	(178,372)	(34.5%)
Land improvements	19,853	20,443	229	218	20,082	20,661	579	2.9%
Structures and improvements	141,838	252,145	17,542	96,136	159,380	348,281	188,901	118.5%
Equipment and software	60,786	64,780	15,086	71,010	75,872	135,790	59,918	79.0%
Infrastructure	276,717	271,347	47,069	47,769	323,786	319,116	(4,670)	(1.4%)
Capital assets, net of accumulated depreciation	499,194	608,715	79,926	215,133	579,120	823,848	244,728	42.3%
Right-to-use lease assets, net of amortization	--	13,799	--	--	--	13,799	13,799	100.0%
<b>Total</b>	<b>\$ 843,621</b>	<b>\$ 891,283</b>	<b>\$ 252,160</b>	<b>\$ 284,653</b>	<b>\$1,095,781</b>	<b>\$ 1,175,936</b>	<b>\$ 80,155</b>	<b>7.3%</b>

\* No financial restatement for GASB 87 lease implementation as it was impractical.

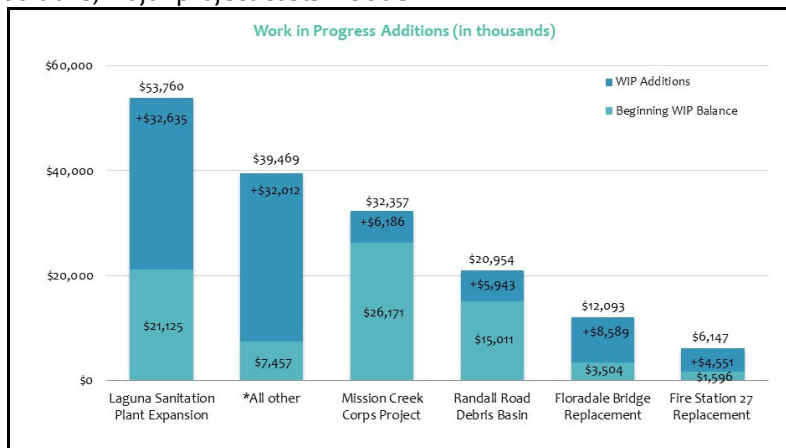
During the fiscal year, the County’s investment in capital assets increased by \$80,155, or 7.3%, to \$1,175,936 (net of accumulated depreciation/amortization). This investment is in a broad range of capital assets including land, land easements, Service Concession Arrangement (SCA) assets, work in progress (WIP), land improvements, structures and improvements, equipment and software, and infrastructure. Major capital additions include:

- **Land:** The County capitalized \$2,289 in land. The significant additions include:
  - \$1,316 for property in Isla Vista to be used for the operation of an emergency shelter (Land portion); and
  - \$973 for the purpose of building a new fire station (Station 25) in Orcutt.
- **SCA Asset:** The County capitalized \$53 in total for SCA assets for Lake Cachuma Café, Santa Barbara County Bowl, and the Boathouse Restaurant.
- **Land Improvements:** The County capitalized \$1,352 of land improvements for Kellogg Tennis Courts, Santa Maria Garden, and Cachuma Marina renovations net of \$773 in related depreciation, for a total increase of \$579 or 2.9%.
- **Structures and Improvements:** The County capitalized \$200,234 of structures and improvements, net of \$9,848 in depreciation and \$1,485 in disposals, for a total increase of \$188,901 or 118.5%. Significant increases include:
  - \$113,103 for the completion of the Northern Branch Jail;
  - \$80,835 for the completion of the Resource Center; and
  - \$5,000 for property in Isla Vista to be used for the operation of an emergency shelter (structure portion).
- **Equipment and Software:** The County capitalized \$76,760 of equipment and software, net of \$16,006 in related depreciation and \$836 of deletions, for a total increase of \$59,918 or 79.0%. Significant equipment and software additions include:
  - \$58,631 for various equipment components at the Resource Center, such as landfill gas engines;
  - \$6,676 for the completion of a Fire Hawk helicopter within the fire department;
  - \$540 for a Caterpillar bulldozer; and
  - \$10,913 for the acquisition of over 100 assets all of which were individually under \$400 in value.



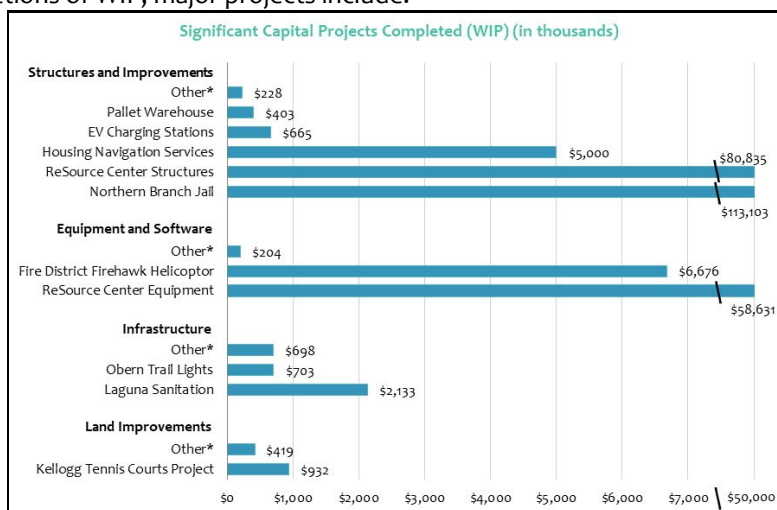
- Infrastructure:** The County capitalized additional infrastructure of \$3,533, and recognized \$8,203 in depreciation, for a total decrease of \$4,670 or 1.4%. Significant projects include:
  - \$1,121 for phase 2 of the North Trunk Line Rehabilitation project at Laguna Sanitation District;
  - \$1,012 for phase 3 of the North Trunk Line Rehabilitation project at Laguna Sanitation District; and
  - \$703 for the Obern Trail light replacement in Goleta.
- Right-to-use lease assets:** The County implemented GASB Statement No. 87, reporting \$13,799 in right-to-use lease assets as intangible capital assets. The assets represent the right to use underlying assets identified in lease contracts, as specified for a period of time.
- 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 decrease of \$180,714 or 52.3%. Total WIP additions of \$89,916 were offset by \$270,630 in WIP deletions which were primarily composed of \$139,466 for the capitalized ReSource Center structures and equipment and \$113,103 for the capitalized Northern Branch Jail.

Of the \$89,916 in WIP additions, major project costs include:



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

Of the \$270,630 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, 2022, can be found in Note 6 of the Notes to the Financial Statements.

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

<b>Outstanding Bonds, Notes, and COP (in thousands)</b>								
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		<b>Total</b>	
	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>Dollar Change</b>	<b>Percent Change</b>
	Bonds and notes payable	\$ 5,928	\$ 4,481	\$ 2,674	\$ 1,811	\$ 8,602	\$ 6,292	\$ (2,310)
Certificates of participation	23,490	22,014	191,451	186,164	214,941	208,178	(6,763)	(3.1%)
<b>Total</b>	<b>\$ 29,418</b>	<b>\$ 26,495</b>	<b>\$ 194,125</b>	<b>\$ 187,975</b>	<b>\$ 223,543</b>	<b>\$ 214,470</b>	<b>\$ (9,073)</b>	<b>(4.1%)</b>

The County’s total balance of bonds, notes, and COP decreased by \$9,073, or 4.1%, 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 results in reduced borrowing costs for new capital asset construction (e.g.: the Tajiguas ReSource Center).

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)							
	Nonspendable	Restricted	Committed	Unassigned	Total		Total	
					2022	2021*	Dollar Change	Percent Change
<b>General Fund</b>	\$ 56	\$ 79,433	\$ 169,714	\$ 13,518	\$ 262,721	\$ 263,573	\$ (852)	(0.3%)
<b>Major Funds</b>								
Roads	--	41,535	--	(1,220)	40,315	31,011	9,304	30.0%
Public Health	--	30,568	-	(727)	29,841	28,167	1,674	5.9%
Social Services	--	7,028	2,656	(485)	9,199	7,157	2,042	28.5%
Behavioral Wellness	--	46,737	--	(1,636)	45,101	25,258	19,843	78.6%
Flood Control	4	72,600	--	(2,397)	70,207	70,369	(162)	(0.2%)
Affordable Housing	--	11,689	--	(875)	10,814	8,595	2,219	25.8%
Fire Projection	-	24,194	--	(275)	23,919	30,107	(6,188)	(20.6%)
Capital Projects	--	7,775	16,130	(621)	23,284	23,127	157	0.7%
<b>Other Governmental Funds</b>	700	45,142	11,260	(1,935)	55,167	54,281	886	1.6%
<b>Total Fund Balances</b>	<u>\$ 760</u>	<u>\$ 366,701</u>	<u>\$ 199,760</u>	<u>\$ 3,347</u>	<u>\$ 570,568</u>	<u>\$ 541,645</u>	<u>\$ 28,923</u>	<u>5.3%</u>

### Governmental Funds

The focus of the County's governmental funds is to provide information on near-term (See Note 1 on page 54) 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.

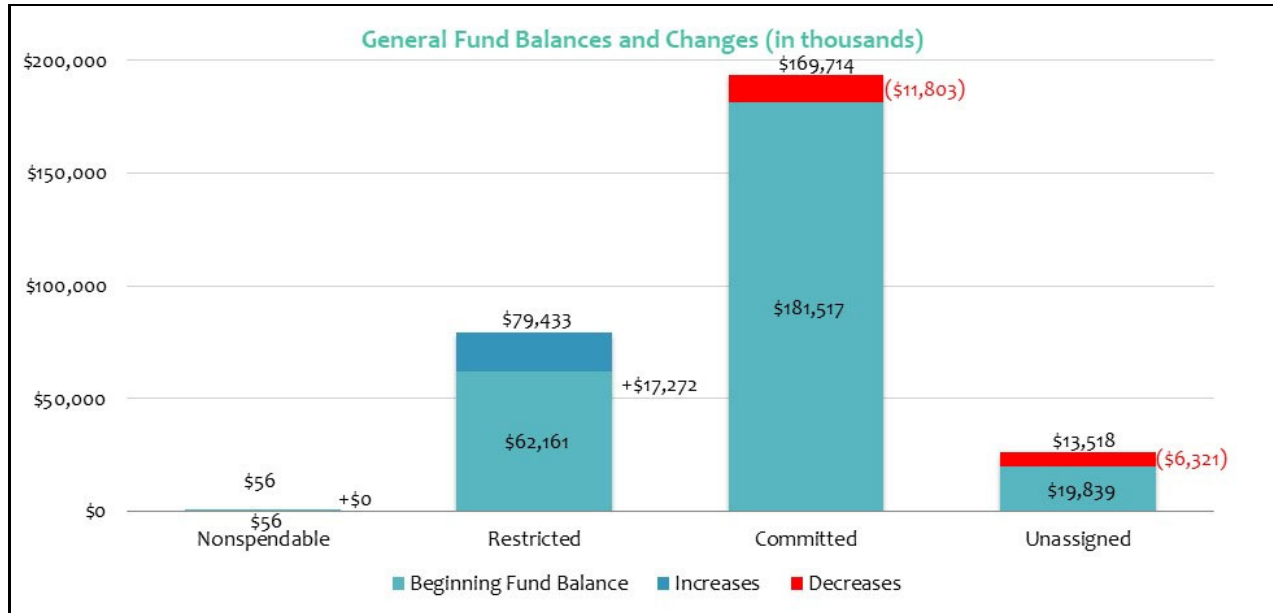
At June 30, 2022, the County's Governmental Funds reported total fund balance of \$570,568, a \$28,923 increase in comparison with the prior year's total ending fund balance. The components of total fund balance are as follows (for more information see Note 14 – Fund Balances):

- *Nonspendable Fund Balance*, \$760 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*, \$366,701 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*, \$199,760, 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*, \$3,347 represents the residual balance for the County's General Fund.

Approximately 99.87%, or \$569,808, 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 62.2% 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:
  - \$26,699 for Realignment funds for public safety, health, and social programs;
  - \$16,181 for Public Safety Proposition 172;
  - \$11,926 for Property Tax Loss Reserves in Purpose of Fund; and
  - \$5,380 for Probation Youth Offender Block Grant.
- Some significant committed fund balance amounts of the General Fund include:
  - \$41,295 for Accumulated Capital Outlay for future capital projects;
  - \$38,785 Strategic Reserve earmarked for severe economic downturns and emergencies;
  - \$13,568 for Cannabis funded projects; and
  - \$11,753 for new North Branch Jail Operations.
- Unassigned fund balance of \$13,518 is available for future discretionary appropriation by the Board.

The remaining \$83,566 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 remained unchanged at \$56 as the release of impounded taxes associated with the resolution of property tax assessment appeals occurred in the prior year and no new prepaids and deposits or receivables were reported in the current year.

The General Fund's total fund balance decreased by 0.3%, or \$852, to \$262,721 at June 30, 2022. The spendable fund balances decreased \$852 to \$262,665 primarily in the following areas:

- Restricted fund balance
  - \$7,728 increase from public safety Prop 172 sales tax allocation;
  - \$6,696 increase from local realignment for public safety, health, and social programs;
  - \$1,399 increase for supplemental law enforcement services.
- Committed fund balance
  - \$8,957 increase for various County capital projects;
  - \$4,899 increase for emerging issues; and
  - \$23,562 decrease for litigation case settlement (Note 21)
- Unassigned fund balance
  - General Fund unassigned fund balance decreased \$6,321 from the prior year. The decrease is primarily attributable to the decrease of receipt of CARES Act funding related to COVID-19 recovery from the prior year and the litigation case settlement (Note 21) applicable to the unassigned fund balance.

### **Major Funds (exclusive of General Fund)**

As compared with the prior year, the total fund balances of the major funds increased 12.9%, or \$28,889, to \$252,680 with the following significant changes:

- The Behavioral Wellness Fund, with expenditures of \$127,683, had a positive \$19,843 change in fund balance primarily due to increases in intergovernmental state revenue, increases in Medi-Cal charges for services and receipt of alcoholism/drug abuse programs funds.
- The Roads Fund, with expenditures of \$55,246, had a positive \$9,304 change in fund balance primarily due to increases in source of funding for highway and bridge programs and Measure A funding intended for high priority transportation projects and programs.
- The Fire Protection District Fund, with expenditures of \$98,239, had a negative \$6,188 change in fund balance primarily due to an increase in transfers out to other funds in comparison to the prior year.
- The remaining net increases totaled \$5,930 across the other five major funds and were principally related to the receipt of funding for CARES funding and the Public Safety Realignment Act of 2011.

### **Other Governmental Funds**

The fund balances of nonmajor governmental funds as a whole increased \$886, or 1.6%, to \$55,167. The following were significant changes:

- Planning & Development operations had an ending fund balance of \$3,895, a \$1,035 decrease from the prior fiscal year due to an increase in community resources and public facilities expenditures.
- The Criminal Justice Construction special revenue fund had an ending fund balance of \$585, a \$585 increase from the prior year due to revenue increases in fines, forfeitures and penalties and no transfers in or out this fiscal year.

- The remaining net increases totaled \$1,336 across the other 21 nonmajor funds and were principally related to positive results of operations and the implementation of GASB Statement No. 87.

### 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 \$3,434, or 5.2%, to \$69,054. The total increase in net position is primarily due to increased operating revenues related to charges for services.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The variance between General Fund final budget and actual expenditures resulted in \$59,421 of unspent appropriations. Key variances in unspent appropriations are primarily due to: \$13,806 for services and supplies, \$11,745 for salaries and benefits due to unfilled positions; \$2,043 from other charges; and \$927 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.

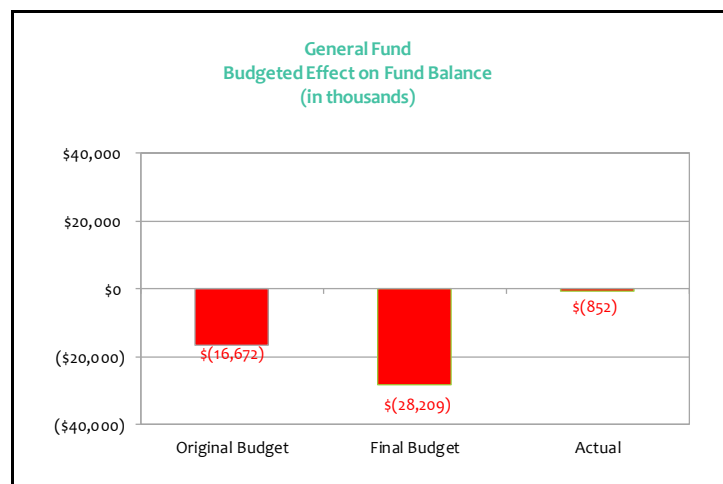
**Expenditures:** The County’s final budget appropriations for the General Fund differed from the original budget by \$3,592, or 0.1%. The major changes were as follows:

- Salaries and employee benefits increased by \$4,174 primarily due to increases in Public Safety salaries and retirement contributions.
- Services and supplies decreased \$5,826 primarily due to decreases in professional and special services and special department expense.
- Other Charges increased \$448 primarily due to increases in Public Safety liability insurance.
- Capital Assets increased \$4,796 primarily due to the purchase of a multifamily building in Goleta, CA.

**Revenues:** The County’s General Fund final budgeted revenues were greater than the original budget by \$24,822, or 4.7%, due to increases in property tax and intergovernmental revenue related to the Public Safety Realignment Act of 2011.

The General Fund Budget and Actual schedule can be found on page 140 of this report.

**Fund Balance:** The General Fund’s fund balance decreased by \$852, versus the final budget plan to decrease fund balance by \$28,209. By year-end, the increase to fund balance was more than the budget plan as departmental savings and positive operating results exceeded estimates. The decrease in the General Fund’s equity position was primarily due to the litigation case settlement (Note 21).



## ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The following factors were considered in preparing the County’s recommended budget for FY 2022-23:

The goals for the upcoming year are building upon lessons learned during the pandemic by leveraging technology, striving for greater inclusion, and reconnecting with community members to provide effective service that meets their needs. The recommended budget for FY 2022-23 is based on the assumptions that projected revenues will remain stable and that cannabis tax revenue is declining and will not be used for any new ongoing budgetary purposes. Cannabis tax revenue will continue to be used to fully fund enforcement, program compliance and administrative cost, commitments approved by the Board in prior years and one-time budgetary needs.

Total Governmental Fund revenues show an increase of 4.4%, or \$52,959 comparing FY 2022-23 budget to FY 2021-22 actual revenues. The FY 2022-23 budget shows an increase in General Fund total revenues of 0.7%, or \$3,674, compared to FY 2021-22 actual revenues.

The adopted budget appropriations for total Governmental Fund expenditures for FY 2022-23 includes a 16.98%, or \$190,491, increase when compared to FY 2021-22 actuals. The primary reason for the increase is that the County's adopted budget includes the \$38.4M final allocation in federal ARPA funding that will be passed through from the State to the County 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 2022-23 budget is to continue to provide mandated and essential services, meet debt service obligations, and address critical deferred maintenance and infrastructure needs, address Board priorities, and adhere to the Board's financial management policies.

As of June 30, 2022, the recommended available spendable General Fund balance is projected to be \$251,129. Of this amount, \$57,467 is Restricted and \$182,506 is Committed but remains available for appropriation. The County's General Fund is projected to end with \$11,156 of Unassigned fund balance. The County's Recommended performance-based FY 2022-23 budget and the County's Five-Year Capital Improvement Program can be found at [Budget Documents Page | Santa Barbara County, CA - Official Website \(countyofsb.org\)](#).

## 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.





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# Basic Financial Statements

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COUNTY OF SANTA BARBARA, CALIFORNIA  
STATEMENT OF NET POSITION  
GOVERNMENTWIDE  
June 30, 2022 (in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	First 5 Children and Families Commission
<b>Assets</b>				
Cash and investments (Note 3)	\$ 689,923	\$ 88,448	\$ 778,371	\$ 6,968
Accounts receivable, net:				
Taxes	41,420	--	41,420	--
Licenses, permits, and franchises	957	301	1,258	--
Fines, forfeitures, and penalties	188	--	188	--
Use of money and property	1,272	180	1,452	11
Intergovernmental	75,377	--	75,377	247
Charges for services	29,278	5,579	34,857	--
Lease receivables	3,113	238	3,351	--
Other	2,611	1	2,612	257
Internal balances	593	(593)	--	--
Inventories	356	382	738	--
Prepaid items	438	--	438	--
Notes receivable (Note 5)	8,160	--	8,160	--
Other receivables	1,889	1,001	2,890	7
Restricted cash and investments (Note 4)	28,813	40,726	69,539	--
Housing loans receivable, net (Note 5)	40,922	--	40,922	--
Housing loans interest receivable, net (Note 5)	10,033	--	10,033	--
Capital assets, not being depreciated/amortized (Note 6)	268,769	69,520	338,289	--
Capital assets, net of accumulated depreciation/amortization (Note 6)	608,715	215,133	823,848	--
Right-to-use lease assets, net of accumulated amortization (Note 9)	13,799	--	13,799	533
Total assets	<u>1,826,626</u>	<u>420,916</u>	<u>2,247,542</u>	<u>8,023</u>
<b>Deferred outflows of resources</b>				
Deferred payables (Note 1)	705	--	705	--
Deferred pensions (Note 18)	216,981	3,866	220,847	371
Deferred OPEB (Note 19)	14,473	300	14,773	43
Total deferred outflows of resources	<u>232,159</u>	<u>4,166</u>	<u>236,325</u>	<u>414</u>
<b>Liabilities</b>				
Accounts payable	44,295	5,561	49,856	436
Salaries and benefits payable	34,451	704	35,155	65
Interest payable	127	682	809	--
Other payables	25,670	4,938	30,608	--
Litigation settlement payable (Note 21)	28,000	--	28,000	--
Advances from grantors and third parties (Note 8)	80,308	--	80,308	--
Unearned revenue	1,582	--	1,582	--
Customer deposits payable	16,284	25	16,309	--
Long-term liabilities (Note 10):				
Portion due within one year:				
Compensated absences (Note 10)	37,811	814	38,625	62
Lease liabilities (Note 9 & 10)	2,542	--	2,542	78
Certificates of participation, net (Note 10)	1,545	4,245	5,790	--
Other long-term obligations (Note 10)	283	--	283	--
Bonds and notes payable (Note 10)	1,472	881	2,353	--
Liability for self-insurance claims (Notes 10 & 11)	5,313	--	5,313	--
Landfill closure/postclosure care costs (Note 13)	--	1,706	1,706	--
Portion due in more than one year:				
Compensated absences (Note 10)	7,011	88	7,099	20
Lease liabilities (Note 9 & 10)	11,739	--	11,739	474
Certificates of participation, net (Note 10)	20,469	181,919	202,388	--
Other long-term obligations (Note 10)	7,522	--	7,522	--
Bonds and notes payable (Note 10)	3,009	930	3,939	--
Liability for self-insurance claims (Notes 10 & 11)	7,646	--	7,646	--
Estimated litigation liability (Note 12)	200	--	200	--
Landfill closure/postclosure care costs (Note 13)	--	34,116	34,116	--
Net pension liability (Note 18)	431,142	7,683	438,825	738
Net OPEB liability (Note 19)	82,733	1,716	84,449	245
Total liabilities	<u>851,154</u>	<u>246,008</u>	<u>1,097,162</u>	<u>2,118</u>
<b>Deferred inflows of resources</b>				
Deferred service concession arrangements (Note 7)	31,026	--	31,026	--
Deferred pensions (Note 18)	353,688	6,303	359,991	605
Deferred OPEB (Note 19)	8,531	177	8,708	25
Deferred lease proceeds	3,113	238	3,351	--
Total deferred inflows of resources	<u>396,358</u>	<u>6,718</u>	<u>403,076</u>	<u>630</u>
<b>Net position</b>				
Net investment in capital assets	819,198	111,953	931,151	(19)
Restricted for (Note 15):				
Policy & executive	1,641	--	1,641	--
Public safety	77,573	--	77,573	--
Health & human services	88,134	--	88,134	--
Community resources & public facilities	208,806	--	208,806	--
General government & support services	7,723	--	7,723	--
General county programs	10,978	--	10,978	--
Unrestricted	(402,780)	60,403	(342,377)	5,708
Total net position	<u>\$ 811,273</u>	<u>\$ 172,356</u>	<u>\$ 983,629</u>	<u>\$ 5,689</u>

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, 2022 (in thousands)

Functions/Programs	Program Revenues						Net (Expense) Revenue and Changes in Net Position			Component Unit First 5 Children and Families Commission
	Direct Expenses	Indirect Expenses	Total Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
							Governmental Activities	Business-type Activities		
Governmental activities:										
Policy & executive	\$ 20,281	\$ (7,074)	\$ 13,207	\$ 727	\$ 20,851	\$ --	\$ 8,371	\$ --	\$ 8,371	
Public safety	317,222	11,170	328,392	63,061	99,803	--	(165,528)	--	(165,528)	
Health & human services	365,905	9,542	375,447	109,439	297,200	--	31,192	--	31,192	
Community resources & public facilities	129,058	4,504	133,562	36,445	66,467	58	(30,592)	--	(30,592)	
General government & support services	57,484	(18,967)	38,517	16,877	2,901	86	(18,653)	--	(18,653)	
General county programs	46,182	(47)	46,135	17,846	11,247	--	(17,042)	--	(17,042)	
Interest on long-term debt	2,173	--	2,173	--	--	--	(2,173)	--	(2,173)	
Total governmental activities	938,305	(872)	937,433	244,395	498,469	144	(194,425)	--	(194,425)	
Business-type activities:										
Resource Recovery	39,822	706	40,528	43,516	5,553	--	--	8,541	8,541	
Laguna Sanitation	8,640	166	8,806	15,396	1,853	--	--	8,443	8,443	
Total business-type activities	48,462	872	49,334	58,912	7,406	--	--	16,984	16,984	
Total primary government	\$ 986,767	\$ --	\$ 986,767	\$ 303,307	\$ 505,875	\$ 144	\$ (194,425)	\$ 16,984	\$ (177,441)	
Component unit:										
First 5 Children and Families Comm.	\$ 3,156	\$ --	\$ 3,156	\$ 424	\$ 3,862	\$ --				\$ 1,130
General Revenues:										
Taxes:										
Property							245,283	--	245,283	--
Sales							20,576	--	20,576	--
Transient occupancy							16,984	--	16,984	--
Cannabis							8,719	--	8,719	--
Payments in-lieu of taxes							2,069	--	2,069	--
Franchise fees							4,158	--	4,158	--
Other general revenues							412	--	412	--
Restricted for community resources and public facilities:										
Sales tax, allocated to roads							5,088	--	5,088	--
Property tax, levied for flood control districts							13,159	--	13,159	--
Property tax, levied for county service areas							1,713	--	1,713	--
Property tax, levied for water agency							3,426	--	3,426	--
Property tax, levied for lighting districts							628	--	628	--
Property tax, levied for community facilities districts							958	--	958	--
Property tax, residual distribution from the redevelopment property tax trust fund							15,967	--	15,967	--
Restricted for public safety:										
Property tax, levied for fire district							61,958	--	61,958	--
Unrestricted investment loss							(9,735)	(3,933)	(13,668)	(214)
Gain on sale of capital assets							263	(568)	(305)	--
Loss on disposal of capital asset/lease termination							(250)	--	(250)	--
Total general revenues and transfers							391,376	(4,501)	386,875	(214)
Change in net position before special item							196,951	12,483	209,434	916
Special item (Note 21)							(28,000)	--	(28,000)	--
Change in net position							168,951	12,483	181,434	916
Net position - beginning							642,322	159,873	802,195	4,773
Net position - ending							\$ 811,273	\$ 172,356	\$ 983,629	\$ 5,689

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

COUNTY OF SANTA BARBARA, CALIFORNIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022 (in thousands)

	General	Roads	Public Health	Social Services	Behavioral Wellness
<b>Assets and deferred outflows of resources</b>					
Assets:					
Cash and investments (Note 3)	\$ 300,612	\$ 35,366	\$ 22,753	\$ 14,421	\$ 60,024
Accounts receivable, net:					
Taxes	41,420	--	--	--	--
Licenses, permits, and franchises	637	--	11	--	--
Fines, forfeitures, and penalties	--	--	--	--	--
Use of money and property	616	50	33	34	105
Intergovernmental	15,811	7,705	10,238	17,283	10,297
Charges for services	4,476	2,481	1,870	--	10,476
Lease receivables	2,933	--	--	--	180
Other	1,843	--	--	59	36
Due from other funds (Note 16)	6,502	--	--	1,807	31
Prepaid items	50	--	--	290	--
Other receivables	--	--	--	--	479
Advances to other funds (Note 16)	5	--	--	--	--
Restricted cash and investments (Note 4)	11,483	--	--	--	--
Housing loans receivable	--	--	--	--	2,410
Housing loans interest receivable	--	--	--	--	276
Total assets	<u>386,388</u>	<u>45,602</u>	<u>34,905</u>	<u>33,894</u>	<u>84,314</u>
Deferred outflows of resources:					
Deferred payables (Note 1)	--	--	--	705	--
Total deferred outflows of resources	--	--	--	705	--
Total assets and deferred outflows of resources	<u>\$ 386,388</u>	<u>\$ 45,602</u>	<u>\$ 34,905</u>	<u>\$ 34,599</u>	<u>\$ 84,314</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>					
Liabilities:					
Accounts payable	\$ 14,539	\$ 3,048	\$ 1,164	\$ 2,141	\$ 11,141
Salaries and benefits payable	16,709	827	3,440	4,564	2,748
Other payables	13,001	222	258	130	18,675
Litigation settlement payable (Note 21)	28,000	--	--	--	--
Advances from grantors and third parties (Note 8)	44,794	1,134	--	18,529	227
Unearned revenue	1,582	--	--	--	--
Due to other funds (Note 16)	1,409	3	202	31	3,556
Customer deposits payable	700	53	--	--	--
Advances payable (Note 16)	--	--	--	5	--
Total liabilities	<u>120,734</u>	<u>5,287</u>	<u>5,064</u>	<u>25,400</u>	<u>36,347</u>
Deferred inflows of resources:					
Deferred housing loan payments (Note 5)	--	--	--	--	2,686
Deferred lease proceeds	2,933	--	--	--	180
Total deferred inflows of resources	<u>2,933</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,866</u>
Fund balances (Note 14):					
Nonspendable	56	--	--	--	--
Restricted	79,433	41,535	30,568	7,028	46,737
Committed	169,714	--	--	2,656	--
Unassigned	13,518	(1,220)	(727)	(485)	(1,636)
Total fund balances	<u>262,721</u>	<u>40,315</u>	<u>29,841</u>	<u>9,199</u>	<u>45,101</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 386,388</u>	<u>\$ 45,602</u>	<u>\$ 34,905</u>	<u>\$ 34,599</u>	<u>\$ 84,314</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	
						<b>Assets and deferred outflows of resources</b>
						Assets:
\$ 69,518	\$ 25,383	\$ 18,647	\$ 22,739	\$ 55,166	\$ 624,629	Cash and investments (Note 3)
--	--	--	--	--	41,420	Accounts receivable, net:
--	--	--	--	309	957	Taxes
--	--	--	--	188	188	Licenses, permits, and franchises
111	34	35	30	118	1,166	Fines, forfeitures, and penalties
1,707	5,355	1,074	4,872	1,035	75,377	Use of money and property
356	--	9,102	1	420	29,182	Intergovernmental
--	--	--	--	--	3,113	Charges for services
--	--	--	--	673	2,611	Lease receivables
12	--	--	--	1,446	9,798	Other
--	--	--	--	6	346	Due from other funds (Note 16)
--	--	--	--	--	479	Prepaid items
--	--	--	--	--	5	Other receivables
--	--	--	--	17,320	28,803	Advances to other funds (Note 16)
--	45,476	--	--	--	47,886	Restricted cash and investments (Note 4)
--	10,336	--	--	--	10,612	Housing loans receivable
71,704	86,584	28,858	27,642	76,681	876,572	Housing loans interest receivable
						Total assets
						Deferred outflows of resources:
--	--	--	--	--	705	Deferred payables (Note 1)
--	--	--	--	--	705	Total deferred outflows of resources
\$ 71,704	\$ 86,584	\$ 28,858	\$ 27,642	\$ 76,681	\$ 877,277	Total assets and deferred outflows of resources
						<b>Liabilities, deferred inflows of resources, and fund balances</b>
						Liabilities:
\$ 1,049	\$ 4,534	\$ 944	\$ 1,566	\$ 2,508	\$ 42,634	Accounts payable
280	--	3,993	--	1,317	33,878	Salaries and benefits payable
131	--	--	720	55	33,192	Other payables
--	--	--	--	--	28,000	Litigation settlement payable (Note 21)
--	15,041	--	--	--	79,725	Advances from grantors and third parties (Note 8)
--	--	--	--	--	1,582	Unearned revenue
37	383	--	2,072	2,105	9,798	Due to other funds (Note 16)
--	--	2	--	15,529	16,284	Customer deposits payable
--	--	--	--	--	5	Advances payable (Note 16)
1,497	19,958	4,939	4,358	21,514	245,098	Total liabilities
						Deferred inflows of resources:
--	55,812	--	--	--	58,498	Deferred housing loan payments (Note 5)
--	--	--	--	--	3,113	Deferred lease proceeds
--	55,812	--	--	--	61,611	Total deferred inflows of resources
						Fund balances (Note 14):
4	--	--	--	700	760	Nonspendable
72,600	11,689	24,194	7,775	45,142	366,701	Restricted
--	--	--	16,130	11,260	199,760	Committed
(2,397)	(875)	(275)	(621)	(1,935)	3,347	Unassigned
70,207	10,814	23,919	23,284	55,167	570,568	Total fund balances
\$ 71,704	\$ 86,584	\$ 28,858	\$ 27,642	\$ 76,681	\$ 877,277	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	\$ 570,568
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance Sheet.	845,083
Right-to-use lease assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance Sheet.	13,799
Note receivable for governmental activities from the RDA Successor Agency private-purpose trust fund.	8,160
Housing loan and loan interest receivable forgivable portion.	(7,543)
Other receivable not due in the current period is not a current financial resource, therefore, it is not reported in the Balance Sheet.	1,030
Deferred outflows of resources reported in the Statement of Net Position.	227,809
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet.	(588,058)
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.	61,611
Deferred inflows of resources reported in the Statement of Net Position.	(390,706)
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.	69,054
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.	593
Net position of governmental activities	\$ 811,273

COUNTY OF SANTA BARBARA, CALIFORNIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED June 30, 2022 (in thousands)

	General	Roads	Public Health	Social Services	Behavioral Wellness
<b>Revenues</b>					
Taxes	\$ 297,812	\$ 10,322	\$ --	\$ --	\$ --
Licenses, permits, and franchises	5,939	559	668	118	--
Fines, forfeitures, and penalties	9,322	--	489	21	45
Use of money and property	(9,504)	(1,081)	(690)	(257)	(1,079)
Intergovernmental	137,662	38,495	34,097	160,984	83,471
Charges for services	68,628	1,156	49,656	193	55,783
Other	4,484	74	512	655	(34)
Total revenues	<u>514,343</u>	<u>49,525</u>	<u>84,732</u>	<u>161,714</u>	<u>138,186</u>
<b>Expenditures</b>					
Current:					
Policy & executive	22,040	--	--	--	--
Public safety	256,965	--	--	--	--
Health & human services	4,883	--	92,218	175,616	127,258
Community resources & public facilities	31,487	55,142	--	--	--
General government & support services	60,106	--	--	--	--
General county programs	46,293	--	--	--	--
Debt service:					
Principal	367	66	43	1,559	298
Interest	131	38	2	384	127
Capital outlay	--	--	--	--	--
Total expenditures	<u>422,272</u>	<u>55,246</u>	<u>92,263</u>	<u>177,559</u>	<u>127,683</u>
Excess (deficiency) of revenues over (under) expenditures	<u>92,071</u>	<u>(5,721)</u>	<u>(7,531)</u>	<u>(15,845)</u>	<u>10,503</u>
<b>Other financing sources (uses)</b>					
Transfers in (Note 16)	8,151	14,164	10,455	9,013	7,613
Transfers out (Note 16)	(76,551)	(30)	(1,304)	(319)	(1,246)
Gain on sale of capital assets	58	18	--	--	--
Leases issued	3,419	873	54	9,193	2,973
Total other financing sources (uses)	<u>(64,923)</u>	<u>15,025</u>	<u>9,205</u>	<u>17,887</u>	<u>9,340</u>
Net change in fund balances before special items	<u>27,148</u>	<u>9,304</u>	<u>1,674</u>	<u>2,042</u>	<u>19,843</u>
<b>Special Item</b>					
Litigation settlement (Note 21)	(28,000)	--	--	--	--
Total special items	<u>(28,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	<u>(852)</u>	<u>9,304</u>	<u>1,674</u>	<u>2,042</u>	<u>19,843</u>
Fund balances - beginning	<u>263,573</u>	<u>31,011</u>	<u>28,167</u>	<u>7,157</u>	<u>25,258</u>
Fund balances - ending	<u>\$ 262,721</u>	<u>\$ 40,315</u>	<u>\$ 29,841</u>	<u>\$ 9,199</u>	<u>\$ 45,101</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	
\$ 14,009	\$ --	\$ 64,665	\$ --	\$ 6,976	\$ 393,784	<b>Revenues</b>
16	--	29	--	13,681	21,010	Taxes
--	--	2	--	2,788	12,667	Licenses, permits, and franchises
(2,061)	(813)	(537)	(655)	(1,452)	(18,129)	Fines, forfeitures, and penalties
6,811	17,146	2,019	4,724	25,606	511,015	Use of money and property
4,454	161	33,079	191	7,602	220,903	Intergovernmental
2	1,670	98	135	8,323	15,919	Charges for services
23,231	18,164	99,355	4,395	63,524	1,157,169	Other
						Total revenues
--	--	--	--	--	22,040	<b>Expenditures</b>
--	--	98,239	--	16,767	371,971	Current:
--	--	--	--	21,252	421,227	Policy & executive
23,411	31,192	--	--	26,677	167,909	Public safety
--	--	--	--	4,218	64,324	Health & human services
--	--	--	--	64	46,357	Community resources & public facilities
--	--	--	--	--	5,134	General government & support services
--	--	--	--	2,801	2,098	General county programs
--	--	--	--	1,416	2,098	Debt service:
--	--	--	14,716	--	14,716	Principal
23,411	31,192	98,239	14,716	73,195	1,115,776	Interest
						Capital outlay
						Total expenditures
(180)	(13,028)	1,116	(10,321)	(9,671)	41,393	Excess (deficiency) of revenues over (under) expenditures
39	17,936	1,356	11,137	16,689	96,553	<b>Other financing sources (uses)</b>
(25)	(2,689)	(8,701)	(659)	(6,380)	(97,904)	Transfers in (Note 16)
4	--	41	--	--	121	Transfers out (Note 16)
--	--	--	--	248	16,760	Gain on sale of capital assets
18	15,247	(7,304)	10,478	10,557	15,530	Leases issued
						Total other financing sources (uses)
(162)	2,219	(6,188)	157	886	56,923	Net change in fund balances before
--	--	--	--	--	(28,000)	Special Item
--	--	--	--	--	(28,000)	Litigation settlement (Note 21)
(162)	2,219	(6,188)	157	886	28,923	Net change in fund balances
70,369	8,595	30,107	23,127	54,281	541,645	Fund balances - beginning
\$ 70,207	\$ 10,814	\$ 23,919	\$ 23,284	\$ 55,167	\$ 570,568	Fund balances - ending

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

Net change in fund balances - governmental funds	\$ 28,923
<b>Capital assets:</b>	
The acquisition of capital assets uses current financial resources but has no effect on net position.	72,764
The cost of capital assets is allocated over their estimated useful lives and reported as depreciation/amortization expense in the Statement of Activities.	(21,226)
Proceeds from the sale of capital assets provide current financial resources but have no effect on net position.	(121)
Net gain on the disposal of capital assets does not affect current financial resources but increases net position.	121
Loss on disposal of capital asset/lease termination	(250)
Lease acquisitions provide current financial resources but have no effect on net position.	(16,760)
Lease amortization expense does not use current financial resources but has an effect on net position.	(2,961)
<b>Long-term debt:</b>	
Principal payments on long-term debt use current financial resources but have no effect on net position.	2,656
Lease principal payments on long-term debt use current financial resources but have no effect on net position.	2,478
<b>Measurement focus:</b>	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(2,312)
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	15
Change in compensated absences liability	(1,333)
Change in estimated litigation liability	273
Change in accrued net OPEB liability	11,609
Change in accrued net pension liability	91,714
Amortization of bond premiums/discounts and issuance costs	(10)
<b>Internal service funds:</b>	
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.	3,371
Change in net position of governmental activities	\$ 168,951



COUNTY OF SANTA BARBARA, CALIFORNIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2022 (in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Resource Recovery	Laguna Sanitation	Total	
<b>Assets</b>				
Current assets:				
Cash and investments (Note 3)	\$ 48,303	\$ 40,145	\$ 88,448	\$ 65,294
Accounts receivable, net:				
Licenses, permits, and franchises	301	--	301	--
Use of money and property	112	68	180	106
Charges for services	5,540	39	5,579	96
Lease receivables	--	238	238	--
Other	--	1	1	--
Inventories	341	41	382	356
Prepaid items	--	--	--	92
Total current assets	<u>54,597</u>	<u>40,532</u>	<u>95,129</u>	<u>65,944</u>
Noncurrent assets:				
Other receivables (Note 5)	990	11	1,001	380
Restricted cash and investments (Note 4)	40,109	617	40,726	10
Capital assets, not being depreciated/amortized (Note 6)	12,071	57,449	69,520	639
Capital assets, net of accumulated depreciation/amortization (Note 6)	184,322	30,811	215,133	31,762
Total noncurrent assets	<u>237,492</u>	<u>88,888</u>	<u>326,380</u>	<u>32,791</u>
Total assets	<u>292,089</u>	<u>129,420</u>	<u>421,509</u>	<u>98,735</u>
<b>Deferred outflows of resources</b>				
Deferred pensions (Note 18)	3,099	767	3,866	3,365
Deferred OPEB (Note 19)	249	51	300	280
Total deferred outflows of resources	<u>3,348</u>	<u>818</u>	<u>4,166</u>	<u>3,645</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	1,263	4,298	5,561	1,661
Salaries and benefits payable	561	143	704	573
Interest payable	602	80	682	--
Other payables	4,836	102	4,938	--
Advances from grantors and third parties (Note 8)	--	--	--	583
Customer deposits payable	--	25	25	--
Compensated absences (Note 10)	640	174	814	737
Certificates of participation payable (Note 10)	3,425	820	4,245	--
Other short-term liabilities	--	--	--	283
Bonds and notes payable (Note 10)	--	881	881	432
Liability for self-insurance claims (Note 11)	--	--	--	5,313
Landfill closure/postclosure care costs (Note 13)	1,706	--	1,706	--
Total current liabilities	<u>13,033</u>	<u>6,523</u>	<u>19,556</u>	<u>9,582</u>
Noncurrent liabilities:				
Compensated absences (Note 10)	83	5	88	214
Certificates of participation payable, net (Note 10)	155,823	26,096	181,919	--
Bonds and notes payable (Note 10)	--	930	930	1,939
Liability for self-insurance claims (Note 11)	--	--	--	7,646
Landfill closure/postclosure care costs (Note 13)	34,116	--	34,116	--
Net pension liability (Note 18)	6,158	1,525	7,683	6,688
Net OPEB liability (Note 19)	1,423	293	1,716	1,605
Total noncurrent liabilities	<u>197,603</u>	<u>28,849</u>	<u>226,452</u>	<u>18,092</u>
Total liabilities	<u>210,636</u>	<u>35,372</u>	<u>246,008</u>	<u>27,674</u>
<b>Deferred inflows of resources</b>				
Deferred pensions (Note 18)	5,052	1,251	6,303	5,486
Deferred OPEB (Note 19)	147	30	177	166
Deferred lease proceeds	--	238	238	--
Total deferred inflows of resources	<u>5,199</u>	<u>1,519</u>	<u>6,480</u>	<u>5,652</u>
<b>Net position</b>				
Net investment in capital assets	52,622	59,331	111,953	30,030
Unrestricted	26,980	34,016	60,996	39,024
Total net position	<u>\$ 79,602</u>	<u>\$ 93,347</u>	<u>172,949</u>	<u>\$ 69,054</u>
Adjustment to reflect the allocation of the internal service funds' cumulative net loss			(593)	
Net position of business-type activities			<u>\$ 172,356</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, 2022 (in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Resource Recovery	Laguna Sanitation	Total	
<b>Operating revenues</b>				
Charges for services	\$ 38,656	\$ 15,377	\$ 54,033	\$ 79,752
Sale of scrap and recyclables	106	--	106	--
Self-insurance recovery	--	--	--	1,926
Other operating revenues	4,754	19	4,773	464
Total operating revenues	<u>43,516</u>	<u>15,396</u>	<u>58,912</u>	<u>82,142</u>
<b>Operating expenses</b>				
Salaries and benefits	8,740	2,119	10,859	8,497
Services and supplies	8,061	3,966	12,027	51,075
Self-insurance claims	--	--	--	8,909
Contractual services	8,867	473	9,340	845
Depreciation and amortization	6,357	1,508	7,865	6,095
County overhead allocation	706	166	872	3,542
Closure/postclosure care costs	1,706	--	1,706	--
Total operating expenses	<u>34,437</u>	<u>8,232</u>	<u>42,669</u>	<u>78,963</u>
Operating income	<u>9,079</u>	<u>7,164</u>	<u>16,243</u>	<u>3,179</u>
<b>Non-operating revenues (expenses)</b>				
Use of money and property	(2,823)	(1,110)	(3,933)	(1,825)
Interest expense	(6,102)	(572)	(6,674)	(82)
Gain (loss) on sale of assets	(514)	(54)	(568)	274
Settlements and damages	(50)	--	(50)	--
State and federal aid	66	--	66	--
Other non-operating revenues	5,487	1,852	7,339	537
Total non-operating revenues (expenses), net	<u>(3,936)</u>	<u>116</u>	<u>(3,820)</u>	<u>(1,096)</u>
Income before transfers	<u>5,143</u>	<u>7,280</u>	<u>12,423</u>	<u>2,083</u>
Transfers in (Note 16)	--	--	--	1,351
Total transfers, net	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,351</u>
Change in net position	<u>5,143</u>	<u>7,280</u>	<u>12,423</u>	<u>3,434</u>
Total net position - beginning	<u>74,459</u>	<u>86,067</u>	<u>160,526</u>	<u>65,620</u>
Total net position - ending	<u>\$ 79,602</u>	<u>\$ 93,347</u>	<u>\$ 172,949</u>	<u>\$ 69,054</u>
Change in net position - total enterprise funds			\$ 12,423	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			60	
Change in net position of business-type activities			<u>\$ 12,483</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, 2022 (in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Resource Recovery	Laguna Sanitation	Total	
<b>Cash flows from operating activities</b>				
Receipts from interfund services provided	\$ --	\$ --	\$ --	\$ 80,207
Receipts from self-insurance recovery	--	--	--	1,926
Receipts from customers and users	47,432	15,448	62,880	--
Payments to employees	(10,092)	(2,455)	(12,547)	(10,019)
Payments to suppliers	(19,857)	(7,639)	(27,496)	(52,441)
Payments for self-insurance claims	--	--	--	(7,727)
Payments for landfill closure/postclosure costs	(101)	--	(101)	--
County overhead allocation payments to the General Fund	(706)	(166)	(872)	(3,542)
Other receipts	5,479	1,805	7,284	537
Net cash provided by operating activities	<u>22,155</u>	<u>6,993</u>	<u>29,148</u>	<u>8,941</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers from other funds	--	--	--	1,351
Payment on landfill settlement	(50)	--	(50)	--
State and federal aid	66	--	66	--
Net cash provided by noncapital financing activities	<u>16</u>	<u>--</u>	<u>16</u>	<u>1,351</u>
<b>Cash flows from capital and related financing activities</b>				
Purchase of capital assets	(9,599)	(32,982)	(42,581)	(6,399)
Proceeds from sale of capital assets	--	--	--	387
Principal paid on certificates of participation	(2,970)	--	(2,970)	--
Interest and fees paid on certificates of participation	(7,272)	--	(7,272)	--
Principal paid on bonds and notes payable	--	(1,643)	(1,643)	(427)
Interest and fees paid on bonds and notes payable	--	--	--	(82)
Proceeds from certificates of participation premiums	--	(953)	(953)	--
Federal interest subsidy on bonds payable	--	47	47	--
Net cash used by capital and related financing activities	<u>(19,841)</u>	<u>(35,531)</u>	<u>(55,372)</u>	<u>(6,521)</u>
<b>Cash flows from investing activities</b>				
Use of money and property received	438	292	730	392
Changes in fair value of investments	(3,310)	(1,421)	(4,731)	(2,265)
Net cash used by investing activities	<u>(2,872)</u>	<u>(1,129)</u>	<u>(4,001)</u>	<u>(1,873)</u>
Net change in cash and cash equivalents	(542)	(29,667)	(30,209)	1,898
Cash and cash equivalents - beginning	88,954	70,429	159,383	63,406
Cash and cash equivalents - ending	<u>\$ 88,412</u>	<u>\$ 40,762</u>	<u>\$ 129,174</u>	<u>\$ 65,304</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position</b>				
Cash and investments per Statement of Net Position	\$ 48,303	\$ 40,145	\$ 88,448	\$ 65,294
Restricted cash and investments per Statement of Net Position	40,109	617	40,726	10
Total cash and cash equivalents per Statement of Net Position	<u>\$ 88,412</u>	<u>\$ 40,762</u>	<u>\$ 129,174</u>	<u>\$ 65,304</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	\$ 9,079	\$ 7,164	\$ 16,243	\$ 3,179
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	6,357	1,508	7,865	6,095
Other non-operating revenue	5,479	1,805	7,284	537
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:				
Accounts and other receivables	3,920	52	3,972	(7)
Inventories	(121)	(4)	(125)	(130)
Prepaid items	--	--	--	(92)
Accounts payable	(2,812)	(3,193)	(6,005)	(299)
Salaries and benefits payable	(1,352)	(336)	(1,688)	(1,524)
Customer deposits	--	(3)	(3)	--
Liability for self-insurance claims	--	--	--	1,182
Landfill closure/postclosure care cost liability	1,605	--	1,605	--
Net cash provided by operating activities	<u>\$ 22,155</u>	<u>\$ 6,993</u>	<u>\$ 29,148</u>	<u>\$ 8,941</u>
<b>Noncash investing, capital, and financing activities</b>				
Lease proceeds - deferred inflows of resources	\$ --	\$ 238	\$ 238	\$ --

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, 2022 (in thousands)**

	Pension and Other Postemployment Employee Benefits Trust Funds (1)	Investment Trust Fund	Private-purpose Trust Fund	Other Custodial Funds
<b>Assets</b>				
Cash and investments (Note 3)	\$ --	\$ 1,324,931	\$ 1,475	\$ 29,639
Other cash and cash equivalents (Note 3)	19,177	--	--	--
Collateral held for securities lent	13,609	--	--	--
Short-term investments	53,491	--	--	--
Total other cash and cash equivalents	<u>86,277</u>	<u>1,324,931</u>	<u>1,475</u>	<u>29,639</u>
Investments:				
Private equity	493,546	--	--	--
Domestic equity	789,478	--	--	--
Core fixed income	611,150	--	--	--
Developed markets non-US equity	406,768	--	--	--
Emerging market equity	318,037	--	--	--
Non-core fixed income	287,020	--	--	--
Private credit	90,111	--	--	--
Real assets/real return	604,896	--	--	--
Real estate	348,687	--	--	--
Total Investments	<u>3,949,693</u>	<u>--</u>	<u>--</u>	<u>--</u>
Prepays and receivables				
Prepaid assets	3,402	--	--	--
Contributions	9,630	--	--	--
Accrued interest	2,162	--	1	--
Dividends	3,812	--	--	--
Security sales	24,097	--	--	--
Other receivables	--	2,114	--	159
Total prepaids and receivables	<u>43,103</u>	<u>2,114</u>	<u>1</u>	<u>159</u>
Restricted cash and investments (Note 4)	--	--	1,346	--
Total assets	<u>4,079,073</u>	<u>1,327,045</u>	<u>2,822</u>	<u>29,798</u>
<b>Liabilities</b>				
Accounts payable	736	23,361	--	--
Collateral held for securities lent	13,609	--	--	--
Benefits payable	14,083	--	--	--
Security purchases	13,277	--	--	--
Long-term debt:				
Due in more than one year	--	--	8,160	--
Total liabilities	<u>41,705</u>	<u>23,361</u>	<u>8,160</u>	<u>--</u>
<b>Net position</b>				
Restricted for:				
Pensions	3,990,899	--	--	--
Postemployment benefits other than pensions	46,469	--	--	--
Pool participants	--	1,303,684	--	--
Redevelopment agency dissolution	--	--	(5,338)	--
Individuals, organizations, and other governments	--	--	--	29,798
Total net position (deficit)	<u>\$ 4,037,368</u>	<u>\$ 1,303,684</u>	<u>\$ (5,338)</u>	<u>\$ 29,798</u>

(1) The June 30, 2022 information was not readily available at the time of issuance so that June 30, 2021 information has been presented.

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, 2022 (in thousands)**

Other Postemployment	Pension and Other Postemployment Employee Benefits Trust Funds (1)	Investment Trust Fund	Private-purpose Trust Fund	Other Custodial Funds
<b>Additions</b>				
Property tax collections	\$ --	\$ --	\$ 1,406	\$ 3,775,351
Other taxes and fees collected for other governments	--	--	--	38,210
Contributions:				
Employer	164,761	--	--	--
Plan members	35,520	--	--	--
Private contributions	--	6,078,178	--	2,382
Total contributions	<u>200,281</u>	<u>6,078,178</u>	<u>--</u>	<u>2,382</u>
Investment earnings:				
Net increase (decrease) in the fair value of investments	809,283	(46,069)	(134)	(300)
Interest	9,933	5,256	11	--
Dividends	26,586	--	--	--
Total net investment earnings (losses)	<u>845,802</u>	<u>(40,813)</u>	<u>(123)</u>	<u>(300)</u>
Less investment expense	<u>(15,434)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net investment earnings (losses)	830,368	(40,813)	(123)	(300)
Net securities income	179	--	--	--
Total miscellaneous income	600	--	--	--
Total additions	<u>1,031,428</u>	<u>6,037,365</u>	<u>1,283</u>	<u>3,815,643</u>
<b>Deductions</b>				
Beneficiary payments	213,331	--	--	2,919
Member withdrawals	1,578	--	--	--
Administrative expenses	5,919	--	3	--
Distributions from pooled investments	--	5,807,786	--	--
Property tax distributions	--	--	--	3,768,775
Payments to other local governments	--	--	--	38,590
Interest on note payable	--	--	401	--
Total deductions	<u>220,828</u>	<u>5,807,786</u>	<u>404</u>	<u>3,810,284</u>
Net increase in fiduciary net position	810,600	229,579	879	5,359
Net position (deficit) - beginning	--	1,074,105	(6,217)	24,439
Prior period adjustment (Pension / OPEB only)	3,226,768	--	--	--
Net position (deficit) - beginning, as restated	<u>3,226,768</u>	<u>1,074,105</u>	<u>(6,217)</u>	<u>24,439</u>
Net position (deficit) - ending	<u>\$ 4,037,368</u>	<u>\$ 1,303,684</u>	<u>\$ (5,338)</u>	<u>\$ 29,798</u>

(1) The June 30, 2022 information was not readily available at the time of issuance so that June 30, 2021 information has been presented.

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:

<b>Component Unit</b>	<b>Included in the Reporting Entity Because:</b>	<b>Separate Financial Statements</b>
<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) Unit’s board is 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 &amp; 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 Children and Families Commission (Commission) was established by 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, appointed by the County Board. The Board of Commissioners, as the governing body of the Commission, is responsible for the operation of the Commission. The Commission is discretely presented because its board is not substantively the same as the County's. 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://cosb.countyofsb.org/sbcers>.

### 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. 87	<i>"Leases"</i>	The requirements of this statement are effective for reporting periods beginning after December 15, 2020. (FY 21/22)
Statement No. 92	<i>"Omnibus 2020"</i>	The requirements of this statement are effective for reporting periods beginning after June 15, 2021. (FY 21/22)
Statement No. 93	<i>"Replacement of Interbank Offered Rates"</i>	The requirements of this statement are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. (FY 21/22)
Statement No. 97	<i>"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans"</i>	The requirements of this statement are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. (FY 21/22) Portions of this statement related to GASB Statement No. 84 are effective for reporting periods beginning after December 15, 2019. (FY 20/21)
Statement No. 99	<i>"Omnibus 2022"</i>	The requirements related to extension of the use of LIBOR, accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB Statement No. 34, as amended, and terminology updates related to GASB Statement No. 53 and GASB Statement No. 63 are effective upon issuance. (FY 21/22)

### 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 entering into contracts giving the County the right-to-use leased 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 Benefit Trusts 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 377 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 135 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, 2022, property taxes receivables of \$41,420 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 position 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 position 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 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	20 to 100 years
	Building improvements	5 to 50 years
Equipment:	Automobiles and light trucks	5 to 10 years
	Construction and maintenance vehicles	5 to 20 years
	General machinery and office equipment	2 to 25 years
Infrastructure:	Pavement and traffic signals	15 to 30 years
	Bridges	40 to 75 years
	All other	20 to 99 years
Intangible assets:	Computer software	2 to 10 years
	Right-to-use leased assets	2 to 40 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.

**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 governmental 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, 2022, the County's Strategic Reserve fund balance was \$38,785.

### 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. 91	<i>"Conduit Debt Obligations"</i>	The requirements of this statement are effective for reporting periods beginning after December 15, 2021. (FY 22/23)
Statement No. 94	<i>"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"</i>	The requirements of this statement are effective for reporting periods beginning after June 15, 2022. (FY 22/23)
Statement No. 96	<i>"Subscription-Based Information Technology Arrangements"</i>	The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. (FY 22/23)
Statement No. 99	<i>"Omnibus 2022"</i>	The requirements related to leases, Public-Private and Public-Public Partnerships (PPPs), and Subscription Based Information Technology Arrangements (SBITAs) are effective for fiscal year beginning after June 15, 2022 and all reporting periods thereafter. (FY 22/23)
		The requirements 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>	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>	The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. (FY24/25)



## 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 45)	Adjustments (3)	Total Governmental Activities (Page 39)
<b>Assets &amp; deferred outflows of resources:</b>					
<b>Assets</b>					
Cash and investments	\$ 624,629	\$ --	\$ 65,294	\$ --	\$ 689,923
Accounts receivable, net:					
Taxes	41,420	--	--	--	41,420
Licenses, permits, and franchises	957	--	--	--	957
Fines, forfeitures, and penalties	188	--	--	--	188
Use of money and property	1,166	--	106	--	1,272
Intergovernmental	75,377	--	--	--	75,377
Charges for services	29,182	--	96	--	29,278
Lease receivables	3,113	--	--	--	3,113
Other	2,611	--	--	--	2,611
Due from other funds	9,798	--	--	(9,798)	--
Internal balances	--	--	--	593	593
Inventories	--	--	356	--	356
Prepaid items	346	--	92	--	438
Note receivable	--	8,160	--	--	8,160
Other receivables	479	1,030	380	--	1,889
Advances to other funds	5	--	--	(5)	--
Restricted cash and investments	28,803	--	10	--	28,813
Housing loans receivable	47,886	(6,964)	--	--	40,922
Housing loans interest receivable	10,612	(579)	--	--	10,033
Capital assets	--	845,083	32,401	--	877,484
Right-of-use lease assets	--	13,799	--	--	13,799
Total assets	<u>876,572</u>	<u>860,529</u>	<u>98,735</u>	<u>(9,210)</u>	<u>1,826,626</u>
<b>Deferred outflows of resources</b>					
Deferred social services	705	--	--	--	705
Deferred pensions	--	213,616	3,365	--	216,981
Deferred OPEB	--	14,193	280	--	14,473
Total deferred outflows of resources	<u>705</u>	<u>227,809</u>	<u>3,645</u>	<u>--</u>	<u>232,159</u>
<b>Total assets &amp; deferred outflows of resources</b>	<u>\$ 877,277</u>	<u>\$ 1,088,338</u>	<u>\$ 102,380</u>	<u>\$ (9,210)</u>	<u>\$ 2,058,785</u>

The Reconciliation of Governmentwide and Fund Financial Statements for the year ended June 30, 2022 continued:

	Total Governmental Funds (Page 42)	Long-term Assets and Liabilities (1)	Internal Service Funds (2) (Page 45)	Adjustments (3)	Total Governmental Activities (Page 39)
<b>Liabilities, deferred inflows of resources, &amp; fund balances/net position:</b>					
<b>Liabilities</b>					
Accounts payable	\$ 42,634	\$ --	\$ 1,661	\$ --	\$ 44,295
Salaries and benefits payable	33,878	--	573	--	34,451
Interest payable	--	127	--	--	127
Other payables and long-term obligations	33,192	--	--	--	33,192
Litigation settlement payable (Note 21)	28,000	--	--	--	28,000
Advances from grantors and third parties	79,725	--	583	--	80,308
Unearned revenue	1,582	--	--	--	1,582
Due to other funds	9,798	--	--	(9,798)	--
Customer deposits payable	16,284	--	--	--	16,284
Advances payable	5	--	--	(5)	--
Compensated absences	--	43,871	951	--	44,822
Lease liability	--	14,281	--	--	14,281
Capital lease obligations	--	--	--	--	--
Certificates of participation (COP)	--	22,014	--	--	22,014
Other short-term obligations	--	--	283	--	283
Bonds and notes payable	--	2,110	2,371	--	4,481
Liability for self-insurance claims	--	--	12,959	--	12,959
Estimated litigation liability	--	200	--	--	200
Net pension liability	--	424,454	6,688	--	431,142
Net OPEB liability	--	81,128	1,605	--	82,733
<b>Total liabilities</b>	<b>245,098</b>	<b>588,185</b>	<b>27,674</b>	<b>(9,803)</b>	<b>851,154</b>
<b>Deferred inflows of resources</b>					
Deferred service concession arrangements	--	31,026	--	--	31,026
Deferred housing loan payments	58,498	(58,498)	--	--	--
Deferred pensions	--	348,202	5,486	--	353,688
Deferred OPEB	--	8,365	166	--	8,531
Deferred miscellaneous unavailable revenue	--	--	--	--	--
Deferred lease proceeds	3,113	--	--	--	3,113
<b>Total deferred inflows of resources</b>	<b>61,611</b>	<b>329,095</b>	<b>5,652</b>	<b>--</b>	<b>396,358</b>
<b>Fund balances/net position:</b>					
<b>Total fund balances/net position</b>	<b>570,568</b>	<b>171,058</b>	<b>69,054</b>	<b>593</b>	<b>811,273</b>
<b>Total liabilities, deferred inflows of resources, &amp; fund balances/net position</b>					
	<b>\$ 877,277</b>	<b>\$ 1,088,338</b>	<b>\$ 102,380</b>	<b>\$ (9,210)</b>	<b>\$ 2,058,785</b>

(1) Note receivable for governmental activities from the RDA Successor Agency		
Private-Purpose Trust Fund.	\$	8,160
Other receivables		1,030
Housing loans receivable		(6,964)
Housing loans interest receivable		(579)
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).		845,083
Right-to-use Lease Assets		13,799
Deferred outflows of resources reported in the Statement of Net Position (Note 1).		227,809
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet (Note 10):		
Compensated absences (excluding Internal Service Funds)		(43,871)
Lease liability		(14,281)
Certificates of participation		(22,014)
Bonds and notes payable (excluding Internal Service Funds)		(2,110)
Estimated liability for litigation		(200)
Net pension liability (excluding Internal Service Funds)		(424,454)
Net OPEB liability (excluding Internal Service Funds)		(81,128)
Total long-term liabilities		<u>(588,058)</u>
Accrued interest on long-term debt		(127)
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).		61,611
Deferred inflows of resources (excluding Internal Service Funds) reported in the Statement of Net Position (Note 1).		<u>(390,706)</u>
	\$	<u>171,058</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>\$ 69,054</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>\$ 593</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 \$100,818 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, 2022, the carrying amount of the Pool’s deposits was \$101,068 and the corresponding bank balance was \$92,853. The difference of \$8,215 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, 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, 2022, 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 June 30, 2022:

	Fair Value	% of Portfolio	Max % of Portfolio Pool Policy
Treasurer's Pooled Investments:			
CAMP	\$ 5,000	0.24%	Limited by CAMP
LAIF	74,999	3.55%	Limited by LAIF
FICA	5,000	0.24%	Limited by FICA
US Treasuries	895,890	42.42%	100%
Government Agency Bonds	247,201	11.71%	100%
Government Agency Discount Notes	104,207	4.93%	100%
Government Agency Bonds - Callable	779,485	36.91%	50%
	<u>\$ 2,111,782</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, P-1 by 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, 2022:

	Moody's	S&P	Fitch	% of Portfolio
Treasurer's Pooled Investments:				
CAMP	NR*	AAA	NR*	0.24%
LAIF	NR*	NR*	NR*	3.55%
FICA	NR*	NR*	NR*	0.24%
Government Agency Bonds and Notes	Aaa	AA+	AAA	31.25%
Government Agency Bonds and Notes	Aaa	AA+	NR*	22.30%
US Treasury Bills and Notes	Aaa	AA	AAA	42.42%
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, 2022 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 Mortgage Corporation	Government Sponsored	\$ 112,190	5.07%
Federal Home Loan Bank	Government Sponsored	471,018	21.29%
Federal Farm Credit Bank	Government Sponsored	452,930	20.47%
		<u>\$ 1,036,138</u>	<u>46.82%</u>

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

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, 2022, the weighted average days to maturity for the Pool was 664 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.

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, 2022:

Investment earnings	\$ 9,855
Net decrease in fair value of investments	(78,320)
Administrative expenses	<u>(2,204)</u>
Net investment income (loss)	<u>\$ (70,669)</u>

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, 2022:

Investment	Cost	Fair Value	Interest Rate Range	Maturity Range	Weighted Average Maturity
Treasurer's pooled investments:					
CAMP	\$ 5,000	\$ 5,000	0.05%	7/22 - 3/23	28
LAIF	74,999	74,999	0.86%	7/22 - 3/43	311
FICA	5,000	5,000	0.67%	1 Day	1 Day
US Treasury Bills*	179,645	179,694	Discount	7/22 - 11/22	42
US Treasury Notes	739,842	716,196	0.13% - 2.77%	7/22 - 7/26	698
Government Agency Bonds	252,993	247,201	0.17% - 2.70%	7/22 - 6/26	569
Government Agency Discount Notes*	104,393	104,207	0.03% - 1.63%	7/22 - 2/23	111
Government Agency Bonds - Callable	827,664	779,485	0.16% - 3.00%	10/22 - 2/27	1,016
Total pooled and directed investments	<u>\$ 2,189,536</u>	2,111,782			
Investments held with fiscal agents:					
US Treasury Notes		17,142	0.063% - 1.13%	11/23 - 10/26	1,515
Cash & Cash Equivalents		4,073	0.01% - 0.05%	Same Day	Same Day
Total Investments held with fiscal agents		<u>21,215</u>			
Cash in banks:					
Non-interest bearing deposits		111,914			
Cash on hand:					
Total cash and investments		<u>\$ 65</u>			
Total cash and investments		<u>\$ 2,244,976</u>			
Total unrestricted cash and investments					
		\$ 2,174,091			
Total restricted cash and investments (Note 4)					
		70,885			
Total cash and investments		<u>\$ 2,244,976</u>			
Total cash and investments summary:					
Total Governmental activities		\$ 718,736			
Total Business-type activities		129,174			
Total Discrete component unit activities		6,968			
Total Fiduciary Funds - Excluding Pension/OPEB		1,357,391			
Total Fiduciary Funds - Pension/OPEB FY 2020-21		19,177			
		<u>2,231,446</u>			
FY 2021-22 change in Pension/OPEB fiduciary Funds		13,530			
Total cash and investments		<u>\$ 2,244,976</u>			

\* 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, 2022:

Total cash and investments	\$ 2,244,976
Less: investments held with fiscal agents	(21,215)
Less: cash on hand	(65)
Less: purchase interest	(176)
Less: Proposition 64 cash on hand	(10,670)
Add: cash and investment interest receivable	2,747
Net Position of the Treasurer's Investment Pool	<u>\$ 2,215,597</u>

The following represents a condensed Statement of Net Position and Changes in Net Position for the Treasurer’s Investment Pool as of June 30, 2022:

Statement of Net Position	
Net position held in trust	\$ 2,215,597
Equity of internal pool	\$ 890,666
Equity of external pool participants (voluntary and involuntary)	1,324,931
Total equity	<u>\$ 2,215,597</u>
Statement of Changes in Net Position	
Net position held for pool participants, July 1, 2021	\$ 1,859,616
Net change in investments by pool	355,981
Net position held for pool participants, June 30, 2022	<u>\$ 2,215,597</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/418/Treasurer-Tax-Collector-Public-Administr> 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, 2022. 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, 2022:

		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)
<u>Investments by fair value level</u>				
Debt securities				
US Treasuries	\$ 895,890	\$ --	\$ 351,408	\$ --
Government agency bonds	247,201	--	716,196	--
Government agency discount notes	104,207	--	179,694	--
Government agency bonds - callable	779,485	--	779,485	--
Total investments measured at fair value	2,026,783	\$ --	\$ 2,026,783	\$ --
Investments not subject to fair value hierarchy				
CAMP	5,000			
LAIF	74,999			
FICA	5,000			
Total pooled and directed investments	\$ 2,111,782			

Investment held with fiscal agents have the following recurring fair value measurements as of June 30, 2022:

		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)
<u>Investments held with fiscal agents</u>				
US Treasury Notes	\$ 17,142	\$ 17,142	\$ --	\$ --
Total investments measured at fair value	17,142	\$ 17,142	\$ --	\$ --
Investments not subject to fair value hierarchy				
Cash & Cash Equivalents	4,073			
Total Investments held with fiscal agents	\$ 21,215			

### 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, 2021. The June 30, 2022 information was not readily available at the time of issuance so therefore June 30, 2021 information has been presented (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 SBCERS Board of Retirement 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 June 2018. The policy statement is available on the SBCERS website at [www.sbcers.org](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.

SBCERS operates under the "Prudent Investor Rule" which authorizes the Board of Retirement, 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 of Retirement.

#### ***Deposits and Short-Term Investments***

Amounts shown as Cash are held as a 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 plan sponsor 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, 2021, 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 [www.countyofsb.org](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, 2021:

	County Treasury	BNY Mellon
Cash Held for Pension Benefits	\$ 19,177	\$ -
Cash Held for OPEB Benefits	-	-
Short-term Investments for Pension Benefits	-	49,391
Short-term Investments for OPEB Benefits	-	4,100
Total by custodian	<u>\$ 19,177</u>	<u>\$ 53,491</u>
Total Deposits and Short-Term Investments	<u><u>\$ 72,668</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, 2021, 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, 2021.

The following is a summary of SBCERS pension and OPEB investments as of June 30, 2021:

Pension Plan Investments at Fair Value	
Private Equity	\$ 493,546
Domestic Equity	761,791
Core Fixed Income	592,979
Developed Markets Non-US Equity	406,768
Emerging Market Equity	318,037
Non-Core Fixed Income	287,020
Real Assets/Real Return	604,896
Real Estate	348,687
Private Credit	90,111
Collateral Held for Securities Lending	13,609
Total Pension Plan Investments at Fair Value	<u>\$ 3,917,444</u>
OPEB Plan Investments at Fair Value	
Domestic Equity	\$ 27,687
Core Fixed Income	18,171
Total OPEB Plan Investments at Fair Value	<u>\$ 45,858</u>
Total All Plans	<u><u>\$ 3,963,302</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, 2021:

	June 30, 2021	Quoted Prices in Active Markets for Identical Assets: Level 1	Significant Other Observable Inputs: Level 2	Significant Unobservable Inputs: Level 3
<b>Pension Investments Measured at Fair Value</b>				
<b>Equity</b>				
Domestic Equity	\$ 342,265	\$ 342,265	\$ -	\$ -
International Equity	368,464	368,301	-	163
<b>Total Equity</b>	<b>\$ 710,729</b>	<b>\$ 710,566</b>	<b>\$ -</b>	<b>\$ 163</b>
<b>Fixed Income Securities</b>				
Asset Backed Securities	\$ 893	\$ -	\$ 893	\$ -
Corporates and Other Credits	127,950	13,226	112,785	1,939
Government Securities	231,436	144,363	87,073	-
Other	(59)	(59)	-	-
<b>Total Fixed Income Securities</b>	<b>\$ 360,220</b>	<b>\$ 157,530</b>	<b>\$ 200,751</b>	<b>\$ 1,939</b>
<b>Real Estate</b>				
Real Estate Investment Trusts (REITs)	\$ 29,437	\$ 29,437	\$ -	\$ -
<b>Total Real Estate</b>	<b>\$ 29,437</b>	<b>\$ 29,437</b>	<b>\$ -</b>	<b>\$ -</b>
Securities Lending	\$ 13,609	\$ -	\$ 13,609	\$ -
<b>Total Pension Investments Measured at Fair Value</b>	<b>\$ 1,113,995</b>	<b>\$ 897,533</b>	<b>\$ 214,360</b>	<b>\$ 2,102</b>
<b>Pension Investments Measured at Net Asset Value (NAV)</b>				
Commingled Funds	\$ 1,597,636			
Real Estate Funds	348,687			
Private Equity Funds	493,546			
Private Credit	90,111			
Private Real Asset Funds	273,469			
<b>Total Pension Investments Measured at NAV</b>	<b>\$ 2,803,449</b>			
<b>TOTAL PENSION INVESTMENTS</b>	<b>\$ 3,917,444</b>			
<b>Pension Investment Derivative Instruments</b>				
Forward Contracts	\$ 3,472	\$ -	\$ -	\$ 3,472
Futures	(59)	-	-	(59)
Participation Certificate	3,596	-	-	3,596
<b>Total Pension Investment Derivative Instruments</b>	<b>\$ 7,009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,009</b>
<b>OPEB Trust Investments Measured at Net Asset Value (NAV)</b>				
Equity Commingled Funds	\$ 27,687			
Debt Commingled Funds	18,171			
<b>Total OPEB Trust Investments Measured at NAV</b>	<b>\$ 45,858</b>			

### **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, 2021:

	June 30, 2021	Unfunded Commitments	Redemption Frequency	Notice Period
<b>Pension Investments</b>				
Commingled Funds <sup>(1)</sup>	\$ 1,597,636	\$ -	Daily to Monthly	Daily to 90 Days
Private Real Estate Funds <sup>(2)</sup>	348,687	133,863	Quarterly, Annually or Not Redeemable	Daily to 90 Days
Private Equity Funds <sup>(3)</sup>	493,546	269,785		
Private Credit Funds <sup>(4)</sup>	90,111	34,103	Annually or Not Redeemable	90 Days
Private Real Asset Funds <sup>(5)</sup>	273,469	293,660	Not Redeemable	
<b>Total Pension Investments Measured at Net Asset Value</b>	<b>\$ 2,803,449</b>			
<b>Total Pension Unfunded Commitments</b>				
		<b>\$ 731,411</b>		
<b>OPEB Trust Investments</b>				
Equity Commingled Funds	\$ 27,687	\$ -		
Debt Commingled Funds	18,171	-		
<b>Total OPEB Trust Investments Measured at Net Asset Value</b>	<b>\$ 45,858</b>			
<b>Total OPEB Trust Unfunded Commitments</b>				
		<b>\$ -</b>		

### (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, 2021. 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, 2021, this investment type consists of 35 limited partnership investments ranging in commitment sizes from \$4.5 million to \$30 million. The remaining commitments outstanding on these funds as of June 30, 2021 are \$133.9 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 July 9, 2020. 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, 2021, this investment type consists of 86 limited partnership investments ranging in commitment size from approximately \$2 million to \$30 million with \$269.8 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, 2021, this investment type of funds consists of six limited partnership investments ranging in commitment sizes from approximately \$20 million to \$25 million. The remaining commitments outstanding on these funds as of June 30, 2021 are \$34.1 million. 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, 2021, these investment type of funds consists of 38 limited partnership investments ranging in commitment sizes from approximately \$5 million to \$20 million. The remaining commitments outstanding on these funds as of June 30, 2021 are \$293.7 million. The investments in this pool are illiquid and contain mostly closed-end fund structures.

**Investment Risk**

The Board of Retirement'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 of Retirement 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	\$ 459	\$ -	\$ 348	\$ 807	0.2%
AA+	-	230,326	-	230,326	65.5%
AA	17,310	-	-	17,310	4.9%
AA-	-	-	-	-	0.0%
A+	-	-	23	23	0.0%
A	-	-	-	-	0.0%
A-	-	27,571	246	27,817	7.9%
BBB+	-	40,294	785	41,079	11.7%
BBB	-	789	-	789	0.2%
BBB-	-	4,777	5,526	10,303	2.9%
BB+	-	1,825	2,040	3,865	1.1%
BB	-	4,050	305	4,355	1.2%
BB-	-	3,354	1,148	4,502	1.3%
B+	-	1,360	209	1,569	0.4%
B	-	1,654	1,082	2,736	0.8%
B-	-	1,075	135	1,210	0.3%
CCC+	-	369	820	1,189	0.3%
CCC	-	134	-	134	0.0%
CCC-	-	-	-	-	0.0%
CC	-	174	-	174	0.0%
C	-	-	-	-	0.0%
NR	1,358	651	1,186	3,195	0.9%
Totals	\$ 19,127	\$ 318,403	\$ 13,853	\$ 351,383	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, 2021, 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, 2021, 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, 2021. 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, 2021, the fair value of securities on loan was \$53.9 million and the value of collateral received for the securities on loan was \$56.6 million, of which \$43.0 million was non-cash collateral and \$13.6 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 \$179 thousand for the fiscal year ending June 30, 2021.

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	\$ 6,724	\$ 6,914	
International Equities	4,589	5,064	
Domestic Corporate Fixed Income	1,570	1,631	
Total Cash	12,883	13,609	
Total Non-Cash	41,049	43,019	
Total Securities on Loan	\$ 53,932	\$ 56,628	105%

#### **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:

Currency	Cash	Equity	Fixed Income	Total Fair Value
Australian Dollar	\$ 11	\$ 15,382	\$ -	\$ 15,394
Brazilian Real	-	14,039	348	14,387
Canadian Dollar	(10)	16,523	1,020	17,533
Chilean Peso	-	2,760	-	2,760
Chinese Yuan Renminbi	-	11,458	-	11,458
Colombian Peso	-	112	539	651
Czech Koruna	-	476	-	476
Danish Krone	1	10,359	-	10,360
Euro	(2,643)	119,600	125	117,082
Hong Kong Dollar	-	82,128	-	82,128
Hungarian Forint	-	278	-	278
Indian Rupee	-	43,365	-	43,365
Indonesian Rupiah	-	5,582	151	5,733
Israeli Shekel	1	1,150	-	1,152
Japanese Yen	157	53,700	-	53,857
Malaysian Ringgit	-	2,451	316	2,767
Mexican Peso	-	3,778	531	4,309
New Taiwan Dollar	-	51,986	-	51,986
New Zealand Dollar	6	664	-	670
Norwegian Krone	1	1,732	-	1,734
Peruvian Nuevo Sol	-	-	246	246
Philippines Peso	-	4,898	9	4,907
Polish Zloty	-	1,171	-	1,171
Qatari Riyal	-	305	-	305
Saudi Riyal	-	3,469	-	3,469
Singapore Dollar	15	6,341	546	6,901
South African Rand	-	19,591	-	19,591
South Korean Won	-	45,289	907	46,196
Swedish Krona	-	9,457	-	9,457
Swiss Franc	-	29,864	-	29,864
Thai Baht	-	4,570	-	4,570
Turkish Lira	-	2,902	-	2,902
United Arab Emirates Dirham	-	364	-	364
United Kingdom Pound Sterling	(805)	47,803	321	47,319
Total Securities Held in Foreign Currency	\$ (3,266)	\$ 613,547	\$ 5,059	\$ 615,341

### 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, 2021, SBCERS’ derivatives investments were in Forward Contracts, Futures, and Participation Certificates. Investments in commingled funds may provide added exposure to derivatives.

### Forward Contracts

A forward contract represents an agreement to buy or sell an underlying asset at a specified date in the future at a specified price. Payment for the transaction is delayed until the settlement or expiration date.

Currency forward contracts are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions.

### 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
Forward Contracts	\$ 3,472	\$ 3,472
Futures	(2,841)	(59)
Participation Certificates	3,596	3,596
Total	<u>\$ 4,227</u>	<u>\$ 7,009</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, 2021. 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, 2021, SBCERS' has a net exposure to derivative credit risk of \$7.0 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	\$ 452	\$ -	\$ -	\$ 452
A	3,020	-	-	3,020
BBB	-	-	-	-
Total Investment Grade	\$ 3,472	\$ -	\$ -	\$ 3,472
Not Rated	-	(59)	3,596	3,537
Total Fair Value	\$ 3,472	\$ (59)	\$ 3,596	\$ 7,009

*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, 2021, 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.

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

Currency	Forwards	Futures
Euro Currency Unit	\$ 2,656	\$ -
Pound Sterling	816	-
Japanese Yen	-	-
Total	\$ 3,472	\$ -

## 4. RESTRICTED CASH AND INVESTMENTS

Cash and investments at June 30, 2022 that are restricted by legal or contractual requirements are comprised of the following:

### Governmental Activities

General Fund		
Property tax loss reserve	\$ 10,411	
Deposits by various developers	457	
RDA bond proceeds	377	
Funds for disaster recovery	<u>238</u>	
Total General Fund		\$ 11,483
Nonmajor Governmental Funds		
Deposits by various developers	15,926	
Debt service reserves	1,333	
Clean water plan check trust	<u>61</u>	
Total nonmajor governmental funds		17,320
Internal Service Funds		
Funds for underground tank clean-up	<u>10</u>	
Total internal service funds		<u>10</u>
Total governmental activities		<u>28,813</u>

### Business-Type Activities

Resource Recovery Fund		
Funds for landfill site closure and maintenance costs (see Note 13)	23,359	
Debt service reserves	14,465	
Financial assurance for landfill corrective action (see Note 13)	<u>2,285</u>	
Total Resource Recovery Fund		40,109
Laguna Sanitation Fund		
Financial assurance for landfill corrective action	<u>617</u>	
Total Laguna Sanitation Fund		<u>617</u>
Total business-type activities		<u>40,726</u>
Total restricted cash and investments*		<u>\$ 69,539</u>

\*Governmental and Business-type Activities do not include \$1,346 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, 2022 is \$8,160 and the amount not expected to be collected within the next fiscal year is \$7,145.

### *Housing Loans Receivable, Net and Loans Interest Receivable, Net*

A total of \$40,922 was recorded as housing loans receivable, net and a total of \$10,033 was recorded as housing loans interest receivable, net at June 30, 2022.

Affordable Housing recorded \$45,476 as loans receivable and \$10,336 as interest receivable. A portion of the principal and interest balance, \$6,964 and \$579 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 \$38,512 as loans receivable, net and \$9,757 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 7.02%. 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 \$55,812 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 \$276 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 \$2,686 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 \$1,889 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.

The County has recorded a total of \$1,001 in other receivables for business-type activities for other operating revenues earned in the current period that are not expected to be received within the next fiscal year.

The County's discrete component unit recorded a total of \$7 in other receivables that are not expected to be received within the next fiscal year.

## 6. CAPITAL AND RIGHT-TO-USE LEASED ASSETS

Capital and right-to-use leased asset activity for the year ended June 30, 2022 includes the following adjusted amounts:

	Balance July 1, 2021	Restatements, Transfers & Adjustments, net	Additions	Deletions	Balance June 30, 2022
<b>Governmental activities:</b>					
Capital assets, non-depreciable:					
Land	\$ 61,651	\$ --	\$ 2,289	\$ --	\$ 63,940
Land easements	53,133	--	--	--	53,133
Service concession arrangements	40,729	--	53	--	40,782
Work in progress	188,914	--	50,918	(128,918)	110,914
Total capital assets, non-depreciable	344,427	--	53,260	(128,918)	268,769
Capital assets, depreciable:					
Land improvements	31,336	--	1,352	--	32,688
Structures and improvements	282,271	(1,485)	119,293	--	400,079
Equipment and software	175,795	--	16,518	(3,385)	188,928
Infrastructure	419,051	--	1,051	--	420,102
Total capital assets, depreciable	908,453	(1,485)	138,214	(3,385)	1,041,797
Less accumulated depreciation for:					
Land improvements	(11,483)	--	(762)	--	(12,245)
Structures and improvements	(140,433)	453	(7,954)	--	(147,934)
Equipment and software	(115,009)	--	(12,281)	3,142	(124,148)
Infrastructure	(142,334)	--	(6,421)	--	(148,755)
Total accumulated depreciation	(409,259)	453	(27,418)	3,142	(433,082)
Total capital assets, depreciable, net	499,194	(1,032)	110,796	(243)	608,715
Right-to-use leased assets, amortizable:					
Structures and improvements	--	16,760	--	--	16,760
Total right-to-use leased assets, amortizable	--	16,760	--	--	16,760
Less accumulated amortization for:					
Structures and improvements	--	--	(2,961)	--	(2,961)
Total accumulated amortization	--	--	(2,961)	--	(2,961)
Total right-to-use leased assets, amortizable net	--	16,760	(2,961)	--	13,799
Sub-total governmental activities	843,621	15,728	161,095	(129,161)	891,283

## Capital and right-to-use leased activity for the year ended June 30, 2022 continued:

	Balance July 1, 2021	Restatements, Transfers & Adjustments, net	Additions	Deletions	Balance June 30, 2022
<b>Business-Type activities:</b>					
Capital assets, non-depreciable:					
Land	15,654	--	--	--	15,654
Work in progress	156,580	--	38,998	(141,712)	53,866
Total capital assets, non-depreciable	172,234	--	38,998	(141,712)	69,520
Capital assets, depreciable					
Land improvements	483	--	--	--	483
Structures and improvements	24,761	--	80,941	--	105,702
Equipment and software	36,653	--	60,242	(3,664)	93,231
Infrastructure	78,016	--	2,482	--	80,498
Total capital assets, depreciable	139,913	--	143,665	(3,664)	279,914
Less accumulated depreciation for:					
Land improvements	(254)	--	(11)	--	(265)
Structures and improvements	(7,219)	29	(2,376)	--	(9,566)
Equipment and software	(21,567)	--	(3,725)	3,071	(22,221)
Infrastructure	(30,947)	(29)	(1,753)	--	(32,729)
Total accumulated depreciation	(59,987)	--	(7,865)	3,071	(64,781)
Total capital assets, depreciable, net	79,926	--	135,800	(593)	215,133
Sub-total business-type activities	252,160	--	174,798	(142,305)	284,653
Total capital and right-to-use lease assets, net	\$ 1,095,781	\$ 15,728	\$ 335,893	\$ (271,466)	\$ 1,175,936
<b>First 5 Santa Barbara County</b>					
<b>Discrete component unit activities:</b>					
Capital assets, depreciable					
Equipment and software	\$ 25	\$ --	\$ --	\$ --	\$ 25
Less accumulated depreciation	(25)	--	--	--	(25)
Total capital assets, net	--	--	--	--	--
Right-to-use leased assets, amortizable:					
Structures and improvements	--	626	--	--	626
Less accumulated amortization	--	--	(93)	--	(93)
Total right-to-use leased assets, amortizable	--	626	(93)	--	533
Total capital and right-to-use lease assets, net	\$ --	\$ 626	\$ (93)	\$ --	\$ 533



Capital assets activity for each major enterprise fund for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Restatements, Transfers & Adjustments, net	Additions	Deletions	Balance June 30, 2022
<b>Resource Recovery:</b>					
Capital assets, non-depreciable:					
Land	\$ 11,965	\$ --	\$ --	\$ --	\$ 11,965
Work in progress	133,506	--	6,066	(139,466)	106
Total capital assets, non-depreciable	145,471	--	6,066	(139,466)	12,071
Capital assets, depreciable:					
Structures and improvements	10,533	--	80,828	--	91,361
Equipment and software	27,654	--	60,191	(3,155)	84,690
Infrastructure	50,138	--	350	--	50,488
Total capital assets, depreciable	88,325	--	141,369	(3,155)	226,539
Less accumulated depreciation for:					
Structures and improvements	(3,278)	29	(1,964)	--	(5,213)
Equipment and software	(16,732)	--	(3,265)	2,641	(17,356)
Infrastructure	(18,491)	(29)	(1,128)	--	(19,648)
Total accumulated depreciation	(38,501)	--	(6,357)	2,641	(42,217)
Total capital assets, depreciable, net	49,824	--	135,012	(514)	184,322
Sub-total Resource Recovery	195,295	--	141,078	(139,980)	196,393
<b>Laguna Sanitation:</b>					
Capital assets, non-depreciable:					
Land	3,689	--	--	--	3,689
Work in progress	23,074	--	32,932	(2,246)	53,760
Total capital assets, non-depreciable	26,763	--	32,932	(2,246)	57,449
Capital assets, depreciable:					
Land improvements	483	--	--	--	483
Structures and improvements	14,228	--	113	--	14,341
Equipment and software	8,999	--	51	(509)	8,541
Infrastructure	27,878	--	2,132	--	30,010
Total capital assets, depreciable	51,588	--	2,296	(509)	53,375
Less accumulated depreciation for:					
Land improvements	(254)	--	(11)	--	(265)
Structures and improvements	(3,941)	--	(412)	--	(4,353)
Equipment and software	(4,835)	--	(460)	430	(4,865)
Infrastructure	(12,456)	--	(625)	--	(13,081)
Total accumulated depreciation	(21,486)	--	(1,508)	430	(22,564)
Total capital assets, depreciable, net	30,102	--	788	(79)	30,811
Sub-total Laguna Sanitation	56,865	--	33,720	(2,325)	88,260
Total capital assets, net - business-type activities	\$ 252,160	\$ --	\$ 174,798	\$ (142,305)	\$ 284,653

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, 2022 was as follows:

	Balance July 1, 2021	Restatements, Transfers & Adjustments, net	Additions	Deletions	Balance June 30, 2022
<b>Internal Service Funds:</b>					
Capital assets, non-depreciable:					
Construction in progress	\$ --	\$ --	\$ 639	\$ --	\$ 639
Total capital assets, non-depreciable	-	-	639	-	639
Capital assets, depreciable:					
Structures and improvements	2,606	-	-	-	2,606
Equipment and software	79,826	--	5,759	(1,852)	83,733
Total capital assets, depreciable	82,432	--	5,759	(1,852)	86,339
Less accumulated depreciation for:					
Structures and improvements	(1,345)	--	(66)	--	(1,411)
Equipment and software	(48,878)	--	(6,029)	1,741	(53,166)
Total accumulated depreciation	(50,223)	--	(6,095)	1,741	(54,577)
Total capital assets, depreciable, net	32,209	--	(336)	(111)	31,762
Total capital assets, net - internal service funds	\$ 32,209	\$ -	\$ 303	\$ (111)	\$ 32,401

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

	Depreciation/ Amortization (excluding ISF)	ISF Depreciation/ Amortization Allocation (1)	Total
<b>Governmental activities:</b>			
Policy & executive	\$ 451	\$ 135	\$ 586
Public safety	5,560	3,189	8,749
Health & public assistance	4,482	1,316	5,798
Community resources & public facilities	8,841	997	9,838
General government & support services	4,877	458	5,335
General county programs	73	--	73
Sub-total governmental activities	24,284	6,095	30,379
<b>Business-Type activities:</b>			
Resource Recovery	6,357	--	6,357
Laguna Sanitation	1,508	--	1,508
Sub-total business-type activities	7,865	--	7,865
Total depreciation expense	\$ 32,149	\$ 6,095	\$ 38,244

(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, 2022 consists of the following projects for the primary government:

**Governmental activities:**

Capital Outlay projects:

Fire Station 27 Replacement	\$	6,147	
Renewable Energy		4,486	
Fire Dispatch Center		718	
Jalama Cabin Project		692	
Santa Claus Beach Access Design		576	
Santa Barbara Courthouse Roof		553	
Other projects (individually less than \$500)		<u>5,330</u>	
	\$		18,502

Flood Control projects:

Mission Creek Corps project		32,357	
Randall Road Debris Basin		20,954	
Cold Springs Debris Basin		1,811	
SMDB Improvement		1,365	
Romero Creek Improvement		1,227	
Maria Ygnacia Basin - Main		836	
Maria Ygnacia Basin - East		780	
Other projects (individually less than \$500)		<u>1,255</u>	
			60,585

Roads projects:

Floridale Avenue bridge		12,093	
Fernald Point bridge		5,343	
Foothill Road Low Water Crossing replacement		5,249	
Bonita School Road Bridge		2,026	
Santa Claus Lane Circulation		1,226	
Hollister and State Improvement		1,040	
Modoc Road Path Improvement		580	
Other projects (individually less than \$500)		<u>946</u>	
			28,503

General Fund projects

1,466

Other Governmental Funds:

Santa Ynez Airport Authority improvement projects		1,073	
Other projects (individually less than \$500)		<u>146</u>	
			1,219

Internal Service Fund project

639

Sub-total governmental activities 110,914

**Business-Type activities:**

Laguna Sanitation projects		53,760	
Other Resource Recovery projects		<u>106</u>	
Sub-total business-type activities		<u>53,866</u>	
Total work in progress	\$	<u>164,780</u>	

## 7. SERVICE CONCESSION ARRANGEMENTS (SCA)

A Service Concession Arrangement is a type of public-private or public-public partnership between a government (the transferor) and an operator in which all of the following criteria are met:

- a. The transferor conveys to the operator the right and related obligation to provide public services through the use and operation of a capital asset (referred to in GASB Statement No. 60 as a “facility”) in exchange for significant consideration, such as an up-front payment, installment payments, a new facility, or improvements to an existing facility.
- b. The operator collects and is compensated by fees from third parties.
- c. The transferor determines or has the ability to modify or approve what 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.
- d. The transferor is entitled to significant residual interest in the service utility of the facility at the end of the arrangement.

The County has determined that the following arrangements meet the criteria set forth above (where the County is the transferor) and therefore included these SCAs in the County’s financial statements.

### ***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.

### ***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. 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.

### ***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. (SeaLegs), under which SeaLegs 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. SeaLegs took over the Beachside Restaurant, which was the former SCA at this location, and is undergoing a remodel. SeaLegs 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 SeaLegs is required to provide. A summary of the important details pertaining to 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 the SCA has exclusive rights to operate and maintain a food and beverage business. Services are to be provided at reasonable rates. The agreement contains a provision that a marketing credit up to \$500 per month, from the date of commencement through March 31, 2022, may be paid by the County to the SCA for certain pre-approved marketing expenses. As of April 1, 2022, the marketing credit is no longer available to the SCA. Additionally, should the SCA 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.

***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. 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.

***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.

***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.

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
Boathouse Restaurant	2/1/2008	10 yrs plus 10 yr extension	12/31/2027	\$ 16	10% of gross sales; 1.47% on income over \$3.8 million
SeaLegs Restaurant	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
Jalama Beach Store	1/1/2008	10 yrs plus 5 yr extension	12/31/2022	3	8.5% of 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
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
Santa Barbara County Bowl	6/1/2011	45 years	5/31/2056	-	\$0.50 per ticket sold up to \$50,000 per concert season
				<u>\$ 33</u>	

Capital assets balances for each SCA for the year ended June 30, 2022 and over the term of the agreement are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<b>Structures &amp; Structure Improvements</b>				
Santa Barbara County Bowl	\$ 37,683	\$ 9	--	\$ 37,692
Boathouse Restaurant	1,704	6	--	1,710
Cachuma Café	99	38	--	137
Jalama Beach Store	55	--	--	55
Sub-total Structures & Structure Improvements	<u>39,541</u>	<u>53</u>	<u>--</u>	<u>39,594</u>
<b>Land</b>				
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>\$ 40,729</u>	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ 40,782</u>

The deferred inflow of resources activity for each SCA for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Amortization Allocation (1)	Balance June 30, 2022
<b>SCA Capital Assets (1)</b>				
Santa Barbara County Bowl	\$ 30,681	\$ 9	\$ (881)	\$ 29,809
Cachuma Café	88	37	(16)	109
Boathouse Restaurant	84	6	(14)	76
Sub-total SCA capital assets	<u>30,853</u>	<u>52</u>	<u>(911)</u>	<u>29,994</u>
<b>Present Value of Installment Payments (2):</b>				
Boathouse Restaurant	1,125	--	(173)	952
Jalama Beach Store	52	--	(34)	18
Cachuma Café	45	--	(6)	39
Mission Rowing	25	--	(2)	23
Sub-total SCA installment payments	<u>1,247</u>	<u>--</u>	<u>(215)</u>	<u>1,032</u>
Total deferred inflows	<u>\$ 32,100</u>	<u>\$ 52</u>	<u>\$ (1,126)</u>	<u>\$ 31,026</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, 2022, the various components of advances from grantors and third parties reported are as follows:

	<u>Advances</u>
General Fund:	
Camping and day use fees	\$ 3,785
CARES funds for Emergency Rental Assistance Program	<u>41,009</u>
Total General Fund	<u>44,794</u>
Roads Fund:	
Transportation for road projects	<u>1,134</u>
Social Services Fund:	
Grant drawdowns prior to meeting eligibility requirements	<u>18,529</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>15,041</u>
Internal Service Funds:	
Self Insurance - Insurance Proceeds	<u>583</u>
Total advances from grantors and third parties	<u><u>\$ 80,308</u></u>



## 9. LEASES

### Leases as Lessee

All leases were recognized as having an inception date as of July 1, 2021. The County has entered into fifteen (15) lease agreements as a lessee for right-to-use buildings and structures.

The leases include a range of options to extend the lease term for a period of 1 to 9 years with the final extension period ending May 31, 2030. The County is required to make annual principal and interest payments between \$44 and \$1,067, subject to annual rent increases ranging from 0-4%. The County is utilizing a range of incremental borrowing rates between 3-5.5%.

All County leases were classified as Governmental activities, for which an initial lease liability was recorded in the amount of \$16,760 as of July 1, 2021. As of June 30, 2022, the value of the lease liability was \$14,281. The difference of \$2,479 represents the reduction of the principal portion of the lease payments made in the current year.

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 (3) options to extend the lease term for a range of periods of 1 to 3 years, with the final extension period ending August 31, 2029. The Commission is required to make monthly principal and interest payments between \$27 and \$74, 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 \$626 as of July 1, 2021. As of June 30, 2022, the value of the lease liability was \$552. The difference of \$74 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
2023	\$ 2,542	\$ 632	\$ 78	\$ 25
2024	1,876	518	85	21
2025	1,789	433	63	18
2026	1,946	344	69	14
2027	2,094	247	75	11
2028-2032	4,034	200	182	11
Total leases	<u>\$ 14,281</u>	<u>\$ 2,374</u>	<u>\$ 552</u>	<u>\$ 100</u>

### Leases as Lessor

The County has entered into four (4) lease agreements as a lessor for right-to-use buildings and structures and one (1) lease agreement as a lessor for a land used by a single entity. For lessor leases, the County is utilizing an incremental borrowing rate between 5-5.5%. The leases include a range of options to extend the lease term for a period of 1 to 7 years with the final extension period ending April 29, 2040.

### Governmental Activities

The County receives annual principal and interest payments between \$95 and \$180, where one lease is subject to annual rent increases of 2%. At the beginning of the measurement period July 1, 2021, the present value of all future lease payments was \$3,495. During the year, the County received current year revenue of \$535, with \$153 attributable to interest income, resulting in a principal reduction of \$382 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. The deferred inflow of resources and the corresponding lease receivable of \$3,113 have been presented on the governmentwide Statement of Net position.

### Business-Type Activities

The County receives \$102 annually and not subject to rent increases. At the beginning of the measurement period July 1, 2021, the present value of all future lease payments was \$326. The current year revenue was \$102, with \$14 attributable to interest income, resulting in a principal reduction of \$88. The deferred inflow of resources and the corresponding lease receivable of \$238 have been presented on the governmentwide Statement of Net position.

## 10. LONG-TERM LIABILITIES

### Changes in Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2022 are as follows:

	Balance July 1, 2021	Restatements / Adjustments	Additions	Deletions	Balance June 30, 2022	Due Within One Year
<b>Governmental activities:</b>						
Compensated absences	\$ 43,439	\$ -	\$ 39,430	\$ (38,047)	\$ 44,822	\$ 37,811
Leases	--	16,760	--	(2,479)	14,281	2,542
Certificates of participation (COP)	23,568	--	--	(1,486)	22,082	1,545
Unamortized discount on COP	(78)	--	--	10	(68)	--
Other long-term obligations	8,724	--	--	(919)	7,805	283
Bonds from direct borrowings	5,928	--	--	(1,447)	4,481	1,472
Liability for self-insurance claims	10,757	--	8,909	(6,707)	12,959	5,313
Sub-total governmental activities	<u>92,338</u>	<u>16,760</u>	<u>48,339</u>	<u>(51,075)</u>	<u>106,362</u>	<u>48,966</u>
<b>Business-Type activities:</b>						
Compensated absences	831	--	885	(814)	902	814
Certificates of participation	173,476	--	--	(3,750)	169,726	4,245
Unamortized premium on COP	17,975	--	--	(1,537)	16,438	--
Bonds and notes from direct borrowings and direct placements	2,674	--	--	(863)	1,811	881
Sub-total business-type activities	<u>194,956</u>	<u>--</u>	<u>885</u>	<u>(6,964)</u>	<u>188,877</u>	<u>5,940</u>
Total long-term liabilities	<u>\$ 287,294</u>	<u>--</u>	<u>\$ 49,224</u>	<u>\$ (58,039)</u>	<u>\$ 295,239</u>	<u>\$ 54,906</u>
<b>First 5 Santa Barbara County</b>						
<b>Component unit activities:</b>						
Compensated absences	\$ 68	--	\$ 76	\$ (62)	\$ 82	\$ 62
Leases	--	626	--	(74)	552	78
Total long-term liabilities	<u>\$ 68</u>	<u>\$ 626</u>	<u>\$ 76</u>	<u>\$ (136)</u>	<u>\$ 634</u>	<u>\$ 140</u>

Changes in long-term liabilities for each major enterprise fund for the year ended June 30, 2022 are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
<b>Resource Recovery:</b>					
Compensated absences	\$ 670	\$ 693	\$ (640)	\$ 723	\$ 640
Certificates of participation	148,966	--	(2,970)	145,996	3,425
Unamortized premium on COP	14,414	--	(1,162)	13,252	--
Sub-total Resource Recovery	<u>164,050</u>	<u>693</u>	<u>(4,772)</u>	<u>159,971</u>	<u>4,065</u>
<b>Laguna Sanitation:</b>					
Compensated absences	161	192	(174)	179	174
Certificates of participation	24,510	--	(780)	23,730	820
Unamortized premium on COP	3,561	--	(375)	3,186	--
Bonds and notes from direct borrowings and direct placements	2,674	--	(863)	1,811	881
Sub-total Laguna Sanitation	<u>30,906</u>	<u>192</u>	<u>(2,192)</u>	<u>28,906</u>	<u>1,875</u>
Total long-term liabilities - business-type activities	<u>\$ 194,956</u>	<u>\$ 885</u>	<u>\$ (6,964)</u>	<u>\$ 188,877</u>	<u>\$ 5,940</u>

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, 2022 are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
<b>Internal Service Funds:</b>					
Compensated absences	\$ 902	\$ 807	\$ (758)	\$ 951	\$ 737
Bonds from direct borrowings	2,798	--	(427)	2,371	432
Liability for self-insurance claims	10,757	8,909	(6,707)	12,959	5,313
Total long-term liabilities - Internal Service Funds	<u>\$ 14,457</u>	<u>\$ 9,716</u>	<u>\$ (7,892)</u>	<u>\$ 16,281</u>	<u>\$ 6,482</u>

The following is a schedule of total debt service requirements on long-term debt as of June 30, 2022:

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
2023	\$ 1,545	\$ 1,209	\$ 1,472	\$ 113	\$ 4,245	\$ 7,966	\$ 881	\$ 74
2024	1,610	1,129	1,508	79	4,755	7,791	305	44
2025	1,680	1,045	438	38	4,715	7,595	310	28
2026	1,750	956	443	23	5,295	7,359	315	12
2027	1,825	863	436	8	5,930	7,079	--	--
2028-2032	5,967	3,073	184	--	41,261	29,908	--	--
2033-2037	3,990	1,802	--	--	65,560	16,880	--	--
2038-2042	3,715	474	--	--	37,965	1,872	--	--
Sub-total	22,082	10,551	4,481	261	169,726	86,450	1,811	158
Unamortized premium	--	--	--	--	16,438	--	--	--
Unamortized discount	(68)	--	--	--	--	--	--	--
Total, net	\$ 22,014	\$ 10,551	\$ 4,481	\$ 261	\$ 186,164	\$ 86,450	\$ 1,811	\$ 158

## Bonds and Notes Payable

### **Governmental Activities (Excluding Internal Service Funds)**

#### 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, 2022 is \$2,110.

### **Internal Service Funds**

#### Photovoltaic 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, 2022 is \$1,830.

#### 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, 2022 is \$541.

### **Business-Type Activities**

#### Laguna 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 will continue through July 2023. Note payments are due on July 1 of each year; as such, these payments are regularly made in June of the prior fiscal year. The interest rate on the note is 2.40% per annum. The note contains a provision that, in the event of termination resulting from non-compliance by the County, the outstanding principal balance, accrued interest, and penalty assessments are due and payable immediately. Note payments are secured by revenues on fees and charges collected by Laguna Sanitation from the wastewater treatment plant. The notes payable outstanding at June 30, 2022 is \$581.

### 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, the District 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, 2022 is \$1,230.

### 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 \$561 as of June 30, 2022.

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 \$376 during the year ended June 30, 2022.

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, 2022, the remaining principal and interest requirements totaled \$224,099 with a current fiscal year pledged revenue amount of \$48,033. Pursuant to the trust agreement, a debt service reserve fund was established with a fund requirement in the amount of \$14,768 as of June 30, 2022.

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, 2022, the remaining principal and interest requirements totaled \$30,926 with a current fiscal year pledged revenue amount of \$15,729.

A summary of COP principal outstanding as of June 30, 2022 is as follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of 6/30/2022
<b>Governmental activities:</b>					
2008 Capital Improvements	4.00-4.75	6/25/2008	12/1/2028	\$ 17,000	\$ 8,160
2010 Capital Improvements - RZEDB	6.22-6.25	6/10/2010	12/1/2040	14,935	13,922
Sub-total governmental activities				<u>31,935</u>	<u>22,082</u>
<b>Business-Type activities:</b>					
2008 Capital Improvements	3.00-4.50	6/25/2008	12/1/2023	6,600	1,101
2018 Capital Improvements	3.30-5.25	11/28/2018	12/1/2038	149,000	144,895
2020 Capital Improvements	2.00-5.00	9/16/2020	12/1/2040	24,510	23,730
Sub-total business-type activities				<u>180,110</u>	<u>169,726</u>
Total COP principal outstanding				<u>\$ 212,045</u>	<u>\$ 191,808</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, 2022.

**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, 2022, was \$28,863. PRISM issues its own audited Annual Comprehensive Financial Report which can be obtained from the Authority 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, 2021	June 30, 2022
Unpaid claims, beginning of year	\$ 10,631	\$ 10,757
Incurred claims	8,058	8,909
Claim payments	(8,953)	(7,727)
Ceded premiums	1,021	1,020
Unpaid claims, end of year	<u>\$ 10,757</u>	<u>\$ 12,959</u>

In FY 2019-20, the Risk fund entered into a reinsurance agreement with PRISM to reduce its exposure to large losses on the worker’s compensation tail claims related to the County’s remaining worker’s compensation self-insurance liability. The reinsurance agreement discharged the entire worker’s compensation self-insurance liability of the fund as direct insurer of the risks insured. As of June 30, 2022, \$1,020 has been paid to PRISM for the reinsurance with a remaining payable balance of \$283 to be paid over the next year.

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 \$5 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 \$200, 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.



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. These lawsuits are seeking damages in excess of \$5,514. 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.

Plaintiff alleges the County's Department of Behavioral Wellness made false claims for Medi-Cal reimbursements, and retaliated against her for reporting them. Behavioral Wellness denies the allegations. The County's excess insurance generally covers liability for retaliatory employment practices, but generally does not cover liability for false claims (Note 21).

The County of Santa Barbara and other public entities have filed suit against Southern California Edison Company (Edison) and Edison International to recover damages from the Thomas Fire and resulting debris flow. Edison has filed a cross-complaint seeking to shift liability to the County and other public entities should Edison be held liable. The County and its related public entities deny Edison's allegations. The County's excess insurance generally covers liability for negligence or trespass, but generally does not cover "inverse condemnation" or "subsidence." During FY 2021-22, the County reached a settlement with Southern California Edison Company. The gross amount of the settlement was \$64,823 and the net amount was \$50,714 which exclude attorney's fees and litigation costs. The net amount also excludes a 1% Common Benefits Costs (\$649) and 2% Trailing Costs (\$1,297), a portion of which may be disbursed back to the County at a later time. In addition, the interest the County received from the settlement being held in escrow was \$112.

Plaintiffs, owners of commercial space, allege the signature by a County official on an Estoppel Certificate extended the County's lease for the space. The County contends the Certificate—which Plaintiffs prepared—incorrectly stated the expiration date of the lease, and was signed by the County without knowledge of the error. The County's excess insurance generally covers liability for errors and omissions by public officials, but generally does not cover liability for breach of contract. County Counsel does not believe the potential loss can be estimated (Note 21).

The Deputy Sheriffs' Association claims that some of its members have not been paid for all hours worked in violation of the Fair Labor Standards Act (FSLA). The County's excess insurance generally covers liability for employment tort claims, but generally does not cover liability for the type of damages recoverable under the FSLA.

## 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 \$1,061 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 (7 years).

### Contracts

The County has entered into contracts to purchase goods and services from various vendors. Approximately \$289,918 will be payable upon future performance under these contracts, including \$729 in contracts for the Resource Center and \$94 for the Northern Branch Jail.

### 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 FY 2020-21 and FY 2021-22, the County received \$380 and \$41, respectively, of State and Federal disaster aid payments. While an estimated \$17,587 of additional costs may be eligible for State and Federal assistance, no additional awards were 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, 2022.

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. As of June 30, 2022, \$6,971 of eligible costs have been submitted to Federal Emergency Management Agency (FEMA) for disaster assistance and \$4,277 in funds have been obligated.

### 13. LANDFILL CLOSURE AND POSTCLOSURE CARE

The County owns and operates three landfill sites: Tajiguas, Foxen Canyon, and New Cuyama as well as operates a hazardous waste collection site. Located on the UCSB Campus, the Community Household Waste Collection Center (UCSB HHW Center) accepts a variety of hazardous waste from South Coast communities. Two of the three landfill 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 \$35,822 reported as landfill closure and postclosure care liability at June 30, 2022, represents the cumulative amount reported to date based on the estimated percentages of used capacity of the landfills as follows:

Landfill	Capacity Used	Remaining Years	Remaining Postclosure Years
Tajiguas	94%	4	Open
Foxen Canyon	95%	closed	17
New Cuyama	100%	closed	7

The County will recognize the remaining estimated cost of closure and postclosure care of \$2,173 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 2022. 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 22-23.

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, 2022, restricted cash and investments of \$25,644 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, 2022 is comprised of the following:

Landfill/Collection Facility	Closure Cost	Postclosure Care Cost	Corrective Action Cost	Total Restricted Cash
Tajiguas	\$ 18,580	\$ 3,863	\$ 1,107	\$ 23,550
Foxen Canyon	--	786	327	1,113
New Cuyama	--	130	789	919
UCSB HHW Center	--	-	62	62
<b>Total</b>	<b>\$ 18,580</b>	<b>\$ 4,779</b>	<b>\$ 2,285</b>	<b>\$ 25,644</b>

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 postclosure 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, 2022 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
<b>Nonspendable - legally or contractually required to be maintained intact:</b>											
Endowment	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 700	\$ 700
<b>Nonspendable in form:</b>											
Prepays/Deposits	50	--	--	--	--	--	--	--	--	--	50
Receivables	6	--	--	--	--	4	--	--	--	--	10
Total nonspendable fund balance	56	--	--	--	--	4	--	--	--	700	760
<b>Restricted for:</b>											
Purpose of Fund	11,296	34,942	854	6,725	42,621	56,967	9,788	12,300	1,297	34,897	211,687
Allocated for Capital Outlay	1	--	--	--	--	14,389	--	11,894	1,532	584	28,400
Health Care Programs	--	--	27,883	--	--	--	--	--	--	--	27,883
Local Realignment 2011	26,699	--	--	--	566	--	--	--	--	--	27,265
Public Safety Prop 172	16,181	--	--	--	--	--	--	--	--	--	16,181
Measure A Roads Funds	--	6,565	--	--	--	--	--	--	--	--	6,565
Probation YOBG	5,380	28	--	--	--	--	--	--	--	--	5,408
Sheriff Categorical Grants	3,518	--	--	--	--	--	--	--	--	--	3,518
Parks Projects	--	--	--	--	--	--	--	--	2,899	239	3,138
Probation LESF/COPS	2,648	--	--	--	--	--	--	--	--	--	2,648
DMV/Livescan	--	--	--	--	--	--	--	--	2,047	--	2,047
MHSA Prudent Reserve	--	--	--	--	2,023	--	--	--	--	--	2,023
Recorder Operations	--	--	--	--	--	--	--	--	--	1,991	1,991
Consumer/Environmental	1,979	--	--	--	--	--	--	--	--	--	1,979
Recorder Modernization	--	--	--	--	--	--	--	--	--	1,967	1,967
Housing Trust Funds	--	--	--	--	--	--	1,901	--	--	--	1,901
GATV Infrastructure	1,631	--	--	--	--	--	--	--	--	--	1,631
Debt Service	--	--	--	--	--	--	--	--	--	1,413	1,413
Civil Funds GC 26731 & 26746	1,399	--	--	--	--	--	--	--	--	--	1,399
P&D Offsite Mitigation	--	--	--	--	--	--	--	--	--	1,356	1,356
Alcoholism Programs	--	--	--	--	1,225	--	--	--	--	--	1,225
PHD Special Projects	--	--	1,183	--	--	--	--	--	--	--	1,183
Sheriff Asset Forfeiture-State	1,054	--	--	--	--	--	--	--	--	--	1,054
PRC Performance Security	--	--	--	--	--	1,043	--	--	--	--	1,043
Sustainability Programs	1,005	--	--	--	--	--	--	--	--	--	1,005
Hollister Ranch Public Access	--	--	--	--	--	--	--	--	--	1,000	1,000
Maintenance-Casa Nueva Bldg	791	--	--	--	--	--	--	--	--	--	791
Local Innovation Sub-Account	739	--	--	--	--	--	--	--	--	--	739
DA Asset Forfeiture-State	705	--	--	--	--	--	--	--	--	--	705
Los Prietos Donation	640	--	--	--	--	--	--	--	--	--	640
Animal Control Programs	202	--	390	--	--	--	--	--	--	--	592
Real Estate Fraud	569	--	--	--	--	--	--	--	--	--	569
Public Arts Program	520	--	--	--	--	--	--	--	--	--	520
Assessor AB818	504	--	--	--	--	--	--	--	--	--	504
Recorder Micrographics	--	--	--	--	--	--	--	--	--	401	401
Survey Monument	367	--	--	--	--	--	--	--	--	--	367
FY 12/13,13/14 Operating Plans	--	--	--	--	67	201	--	--	--	88	356
Dispute Resolution	--	--	--	--	--	--	--	--	--	346	346
Gaviota Bikeway	--	--	--	--	--	--	--	--	--	331	331
District Attorney Programs	307	--	--	--	--	--	--	--	--	--	307
Probation Programs	282	--	--	--	--	--	--	--	--	--	282
DSS Childrens Trust	--	--	--	256	--	--	--	--	--	--	256
EMS Programs	--	--	255	--	--	--	--	--	--	--	255
Recorder ERDS	--	--	--	--	--	--	--	--	--	245	245
Drug Abuse Programs	--	--	--	--	231	--	--	--	--	--	231
Donations	191	--	--	32	--	--	--	--	--	--	223
Vital Records	--	--	--	--	--	--	--	--	--	217	217
CalVet Subvention Program	203	--	--	--	--	--	--	--	--	--	203
DSA Surplus Health Allocations	189	--	--	--	--	--	--	--	--	--	189
Sheriff Asset Forfeiture-Fed	151	--	--	--	--	--	--	--	--	--	151
State Off Hwy Fee	147	--	--	--	--	--	--	--	--	--	147
Weights and Measures	80	--	--	--	--	--	--	--	--	--	80
Recorder Redaction	--	--	--	--	--	--	--	--	--	54	54
DARE	40	--	--	--	--	--	--	--	--	--	40
Imprest Cash	10	--	3	15	4	--	--	--	--	1	33
COP Proceeds	--	--	--	--	--	--	--	--	--	12	12
DA-Special Fund	5	--	--	--	--	--	--	--	--	--	5
	79,433	41,535	30,568	7,028	46,737	72,600	11,689	24,194	7,775	45,142	366,701

A detailed schedule of fund balances at June 30, 2022 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
<b>Committed to:</b>											
Accumulated Capital Outlay	18,792	--	--	--	--	--	--	--	1	--	18,793
Strategic Reserve	38,785	--	--	--	--	--	--	--	--	--	38,785
Props 215/64 - Cannabis	13,568	--	--	--	--	--	--	--	--	--	13,568
General Services Projects	3,028	--	--	--	--	--	--	--	9,380	--	12,408
New Jail Operations	11,753	--	--	--	--	--	--	--	--	--	11,753
Litigation	13,796	--	--	--	--	--	--	--	--	--	13,796
Tech Replacement & Investment	9,180	--	--	--	--	--	--	--	--	--	9,180
Disaster Recovery	9,098	--	--	--	--	--	--	--	--	--	9,098
Program Stabilization	9,048	--	--	--	--	--	--	--	--	--	9,048
Health Care Programs	--	--	--	--	--	--	--	--	--	9,017	9,017
Advance Construction Reserve	8,957	--	--	--	--	--	--	--	--	--	8,957
Emerging Issues	8,600	--	--	--	--	--	--	--	--	--	8,600
Purpose of Fund	841	--	--	2,656	--	--	--	--	2,256	1,183	6,936
Mental Health	1,800	--	--	--	--	--	--	--	--	--	1,800
Contingencies	5,355	--	--	--	--	--	--	--	--	--	5,355
Parks Projects	1,440	--	--	--	--	--	--	--	3,022	--	4,462
Facilities Maintenance	3,435	--	--	--	--	--	--	--	--	--	3,435
County Executive Programs	2,480	--	--	--	--	--	--	--	--	--	2,480
Sheriff Projects	335	--	--	--	--	--	--	--	1,471	--	1,806
Clerk Record Assessor Projects	1,720	--	--	--	--	--	--	--	--	--	1,720
Planning/Development Projects	809	--	--	--	--	--	--	--	--	479	1,288
General County Programs	1,267	--	--	--	--	--	--	--	--	--	1,267
Auditor Systems Maint/Develop	1,262	--	--	--	--	--	--	--	--	--	1,262
Elections Voting Equipment	916	--	--	--	--	--	--	--	--	--	916
In-Car Video Equip Replacement	735	--	--	--	--	--	--	--	--	--	735
Tobacco Settlement	634	--	--	--	--	--	--	--	--	4	638
P&D Land Use System	--	--	--	--	--	--	--	--	--	534	534
Human Resources Programs	390	--	--	--	--	--	--	--	--	--	390
Housing Programs	328	--	--	--	--	--	--	--	--	--	328
North County Jail Contingency	302	--	--	--	--	--	--	--	--	--	302
Treas Tax Collector Projects	300	--	--	--	--	--	--	--	--	--	300
Air Support Unit Maintenance	230	--	--	--	--	--	--	--	--	--	230
Rental Maintenance	187	--	--	--	--	--	--	--	--	--	187
Ag Commissioner Projects	134	--	--	--	--	--	--	--	--	--	134
District Attorney Programs	129	--	--	--	--	--	--	--	--	--	129
Probation Programs	49	--	--	--	--	--	--	--	--	--	49
Building & Safety Permitting	--	--	--	--	--	--	--	--	--	40	40
Imprest Cash	26	--	--	--	--	--	--	--	--	3	29
PAPG Revolving Fund	5	--	--	--	--	--	--	--	--	--	5
	<u>169,714</u>	<u>--</u>	<u>--</u>	<u>2,656</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>16,130</u>	<u>11,260</u>	<u>199,760</u>
<b>Unassigned fund balance:</b>	<u>13,518</u>	<u>(1,220)</u>	<u>(727)</u>	<u>(485)</u>	<u>(1,636)</u>	<u>(2,397)</u>	<u>(875)</u>	<u>(275)</u>	<u>(621)</u>	<u>(1,935)</u>	<u>3,347</u>
Total fund balances	<u>\$ 262,721</u>	<u>\$ 40,315</u>	<u>\$ 29,841</u>	<u>\$ 9,199</u>	<u>\$ 45,101</u>	<u>\$ 70,207</u>	<u>\$ 10,814</u>	<u>\$ 23,919</u>	<u>\$ 23,284</u>	<u>\$ 55,167</u>	<u>\$ 570,568</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, 2022 for governmental activities is as follows:

Restricted for Policy and Executive:		
County Executive Office	\$ 1,641	
		\$ 1,641
Restricted for Public Safety:		
Probation	36,167	
Fire Protection District	24,973	
Sheriff	12,485	
District Attorney	3,602	
Trial Courts	346	
		77,573
Restricted for Health & Human Services:		
Public Health	30,877	
Behavioral Wellness	49,423	
Social Services	7,096	
Child Support Services	738	
		88,134
Restricted for Community Resources & Public Facilities:		
Flood Control District	72,604	
Housing	59,958	
Roads	41,535	
Water Agency	14,366	
Planning and Development	12,386	
County Service Areas	4,883	
Parks	3,074	
		208,806
Restricted for General Government & Support Services:		
Clerk-Recorder-Assessor	5,379	
General Services	2,141	
Other	203	
		7,723
Restricted for General County Programs:		
Other	6,137	
Courthouse Construction	4,841	
		10,978
Total restricted component of net position - governmental activities		<u>\$ 394,855</u>

Included in governmental activities restricted net position at June 30, 2022 is net position restricted by enabling legislation of \$1,985.

## 16. INTERFUND TRANSACTIONS

### Interfund Receivables / Payables

Amounts due to/from other funds at June 30, 2022 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Behavioral Wellness	\$ 3,556
General Fund	Capital Projects	2,072
Social Services	IHSS Public Authority	1,807
Planning and Development	General Fund	778
Court Operations	General Fund	476
General Fund	Affordable Housing	383
General Fund	Public Health	202
Water Agencies	General Fund	155
General Fund	Planning and Development	151
General Fund	Water Agencies	74
General Fund	Special Aviation	64
Water Agencies	Flood Control Districts	37
Behavioral Wellness	Social Services	31
Flood Control Districts	Water Agencies	9
Flood Control Districts	Roads Fund	3
Total due to/from other funds		\$ 9,798

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, 2022 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, 2022 are as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Affordable Housing Fund	\$ 16,391	CARES Distribution
	Nonmajor Governmental Funds	13,016	General Fund Contribution
	Social Services Fund	8,968	General Fund Contribution
	Roads Fund	8,665	Roads Project
	Public Health Fund	7,803	General Fund Contribution
	Behavioral Wellness Fund	5,885	General Fund Contribution
	Roads Fund	3,410	Other
	Capital Projects Fund	2,827	Capital Projects
	Nonmajor Governmental Funds	2,148	Debt Service
	Roads Fund	1,882	General Fund Contribution
	Capital Projects Fund	1,550	Other
	Nonmajor Governmental Funds	977	Other
	Affordable Housing Fund	739	CARES
	Behavioral Wellness Fund	489	Other
	Fire Protection District Fund	436	Other
	Affordable Housing Fund	414	Other
	Affordable Housing Fund	338	Debt Service
	Capital Projects Fund	252	General Fund Contribution
	Public Health Fund	168	Other
	Internal Service Funds	130	Vehicles
Public Health Fund	25	New Fund Establishment	
Capital Projects Fund	23	General Fund Contribution	
Social Services Fund	15	Other	
		<u>76,551</u>	
Roads Fund	Internal Service Funds	30	Vehicles
		<u>30</u>	
Public Health Fund	General Fund	868	Medicaid
	Capital Projects Fund	353	Capital Projects
	Affordable Housing Fund	50	Program Administration
	Internal Service Funds	12	Vehicles
	Social Services Fund	11	Program Administration
	General Fund	6	Capital Projects
	Affordable Housing Fund	4	Other
		<u>1,304</u>	
Social Services Fund	Behavioral Wellness Fund	171	Other
	General Fund	108	Program Administration
	Capital Projects Fund	40	Other
		<u>319</u>	
Behavioral Wellness Fund	General Fund	915	Other
	Nonmajor Governmental Funds	311	Debt Service
	Social Services Fund	9	Program Administration
	Social Services Fund	9	General Fund Contribution
	General Fund	1	Program Administration
	Social Services Fund	1	Other
		<u>1,246</u>	



Transfers to/from other funds at June 30, 2022 (continued):

Transfer From	Transfer To	Amount	Purpose
Flood Control District Fund	Capital Projects Fund	\$ 25	Capital Projects
		<u>25</u>	
Affordable Housing Fund	General Fund	864	Other
	Behavioral Wellness Fund	756	Other
	General Fund	714	Program Administration
	Capital Projects Fund	274	Capital Projects
	General Fund	64	General Fund Contribution
	Capital Projects Fund	17	Other
		<u>2,689</u>	
Fire Protection District	Capital Projects Fund	4,819	Capital Projects
	General Fund	1,849	Dispatch Services
	Internal Service Funds	1,179	Vehicles
	General Fund	605	Other
	Nonmajor Governmental Funds	237	Debt Service
	Public Health Fund	12	Other
		<u>8,701</u>	
Capital Projects Fund	Fire Protection District Fund	626	Other
	General Fund	25	Other
	Public Health Fund	8	Other
		<u>659</u>	
Nonmajor Governmental Funds	Public Health Fund	2,113	Other
	General Fund	1,942	Program Administration
	Capital Projects Fund	726	Capital Projects
	Public Health Fund	326	Program Administration
	Fire Protection District Fund	294	Other
	Capital Projects Fund	231	Other
	General Fund	190	Other
	Roads Fund	168	Roads Project
	Behavioral Wellness Fund	156	Other
	Behavioral Wellness Fund	78	CARES Distribution
	Behavioral Wellness Fund	78	Program Administration
	Flood Control Districts Fund	39	Other
	Roads Fund	39	
		<u>6,380</u>	
	Total transfers	<u>\$ 97,904</u>	

## 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 onetime 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, 2022, the Agricultural Preserve Program tax abatements were \$5,530.

## 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://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, 2022 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 \$149,818 for the year ended June 30, 2022. Active members are plan members who are currently accruing benefits and/or paying contributions into the applicable plan.

For the measurement date June 30, 2021, employer and employee contribution rates and active members for each plan are as follows:

	<u>Employer</u> Contribution Rates	<u>Employee</u> Contribution Rates	<u>Active Members</u>
General Plan 2	28.19%	Non-contributory	5
General Plan 5A	39.28%	3.01 - 6.12%	236
General Plan 5B	39.33%	6.03 - 12.23%	197
General Plan 5C	41.05%	2.92 - 6.09%	1028
General Plan 7	40.13%	2.43 - 5.08%	109
General Plan 8	32.95%	8.36%	1504
Safety Plan 4A	61.63%	5.58 - 9.65%	15
Safety Plan 4B	63.29%	11.15 - 19.30%	8
Safety Plan 4C	60.39%	5.38 - 9.52%	274
Safety Plan 6A	69.34%	5.58 - 9.65%	15
Safety Plan 6B	68.46%	5.38 - 9.52%	226
Safety Plan 8	49.35%	15.14%	393

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, 2022, the County, including its discretely presented component unit, reported a liability of \$439,562 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, updated to June 30, 2021. 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 93.0976%, which was an increase of 0.1762% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County and its discretely presented component unit recognized pension expense of \$54,416 and \$91, 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, 2022, 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	\$ 53,680	\$ 1,997	\$ 90	\$ 3
Changes in assumptions	14,220	9,685	24	16
Net difference between projected and actual earnings on retirement plan investments	--	346,698	--	583
Changes in proportion and differences between County contributions and proportionate share of contributions	3,380	1,611	6	3
County and Commission contributions subsequent to the measurement date	149,567	--	251	--
	<u>\$ 220,847</u>	<u>\$ 359,991</u>	<u>\$ 371</u>	<u>\$ 605</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 \$149,818 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, 2022.

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
2023	\$ (70,627)	\$ (119)
2024	(57,570)	(97)
2025	(58,580)	(98)
2026	(101,934)	(171)
	<u>\$ (288,711)</u>	<u>\$ (485)</u>

**Actuarial Assumptions**

The total pension liability, measured as of June 30, 2021, 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 \$5.5 million for the FYE June 30, 2021 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	<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 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, 2020 valuation, updated to June 30, 2021, 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, 2021, 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%	4.05%
Developed market non-U.S. equity	11%	5.50%
Emerging markets equity	7%	8.00%
Core fixed income	17%	0.00%
Custom non-core fixed income	11%	3.20%
Custom real return	15%	4.00%
Custom real estate	10%	4.55%
Private equity	10%	6.75%
Cash	0%	-0.50%
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	\$ 1,019,614	\$ 438,825	\$ (36,195)
First 5 Children and Families Commission	\$ 1,714	\$ 738	\$ (61)

**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://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, 2021, the following County employees were covered by the benefit terms:

Active employees	2,239
Inactive employees entitled to but not yet receiving benefit payments	801
Inactive employees or beneficiaries currently receiving benefit payments	4,324
	<u>7,364</u>

**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, 2022, the County and its discretely presented component unit reported a net OPEB liability of \$84,449 and \$245, respectively. The net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020, updated to June 30, 2021.

**Actuarial Assumptions**

The total OPEB liability measured as of June 30, 2021 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	<p><u>Non-Medicare-Eligible Retirees:</u> 40% - monthly subsidy of \$15 per year of service; 60% - \$4 cash benefit option</p> <p><u>Medicare-Eligible Retirees:</u> 55% - monthly subsidy of \$15 per year of service; 45% - \$4 cash benefit option</p>
Mortality rates	<p><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.</p> <p>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.</p> <p>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.</p> <p>Mortality rates for Safety annuitants are based upon the sex distinct Public Safety Retiree Mortality Table, with generational improvements projected from 2010 using Projection Scale MP-2019.</p> <p><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.</p>

The actuarial assumptions used in the valuation as of June 30, 2020, updated to June 30, 2021, 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, 2021, 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%	4.05%
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, 2021 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 6/30/2020	\$ 128,017	\$ 29,530	\$ 98,487	\$ 98,172	\$ 315
Changes for the year:					
Service cost	1,439	-	1,439	1,435	4
Interest	8,718	-	8,718	8,693	25
Differences between expected and actual experience	(2,874)	-	(2,874)	(2,866)	(8)
Changes of assumptions	-	-	-	-	-
Contributions - employer	-	14,331	(14,331)	(14,290)	(41)
Net investment income	-	7,128	(7,128)	(7,107)	(21)
Benefit payments	(8,508)	(8,508)	-	-	-
Administrative expense	-	(383)	383	382	1
Allocation basis adjustment*	-	-	-	30	(30)
Net changes	(1,225)	12,568	(13,793)	(13,723)	(70)
Balances at 6/30/2021	\$ 126,792	\$ 42,098	\$ 84,694	\$ 84,449	\$ 245

\*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 20-21 to FY 21-22.

**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 6.0%	Discount Rate 7.0%	1% Increase 8.0%
County of Santa Barbara	\$ 98,172	\$ 84,449	\$ 72,839
First 5 Children and Families Commission	\$ 284	\$ 245	\$ 211

**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, 2022, the County and its discretely presented component unit recognized OPEB expense of \$2,650 and \$8, 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, 2022, 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	\$ -	\$ 3,714	\$ -	\$ 10
Changes in assumptions	-	961	-	3
Net difference between projected and actual earnings on retirement plan investments	-	4,033	-	12
County and Commission contributions subsequent to the measurement date	14,773	-	43	-
	<u>\$ 14,773</u>	<u>\$ 8,708</u>	<u>\$ 43</u>	<u>\$ 25</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 \$14,816 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, 2022.

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
2023	\$ (4,754)	\$ (14)
2024	(2,005)	(6)
2025	(977)	(3)
2026	(972)	(2)
	<u>\$ (8,708)</u>	<u>\$ (25)</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>
6/30/2020	\$ 232
6/30/2021	253
6/30/2022	262

### 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 \$19,500 (in whole dollars) during 2021 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>
6/30/2020	\$ 156
6/30/2021	191
6/30/2022	190

## 21. SUBSEQUENT EVENTS

The County evaluated subsequent events from July 1, 2022 through December 2, 2022, the date the financial statements were available to be issued. The following subsequent events were noted:

### Litigation Settlements

The litigation case regarding the plaintiff’s allegation that County’s Department of Behavioral Wellness made false claims for Medi-Cal Reimbursements and retaliated against the plaintiff for reporting them has reached a settlement as of October 11, 2022. The settlement is with the United States Department of Justice for reimbursement of Specialty Mental Services through California’s Medi-cal program. Under the settlement agreement, the County will pay \$28 million in FY 2022-23. The settlement was approved by the Department of Justice and the County Board of Supervisors.

The litigation case regarding the allegation that a County official on an Estoppel Certificate extended the County’s lease for space mentioned in the Litigation section (note 12) has reached a settlement as of July 8, 2022. The County did not pay any amount in the settlement. The matter was dismissed on July 11, 2022 and therefore no longer a pending case.

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# Required Supplementary Information

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**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 For use in	6/30/2021 FY 2022	6/30/2020 FY 2021	6/30/2019 FY 2020	6/30/2018 FY 2019	6/30/2017 FY 2018	6/30/2016 FY 2017	6/30/2015 FY 2016	6/30/2014 FY 2015
County's proportion of the net pension liability	93.0976%	92.9214%	92.5287%	92.8477%	93.1085%	92.7824%	92.8017%	92.6470%
County's proportionate share of the net pension liability	\$ 439,563	\$ 439,563	\$ 789,465	\$ 802,341	\$ 875,937	\$ 780,034	\$ 675,252	\$ 565,460
County's covered payroll	\$ 360,865	\$ 346,073	\$ 328,862	\$ 319,452	\$ 316,948	\$ 304,480	\$ 295,365	\$ 283,430
County's proportionate share of the net pension liability as a percentage of its covered payroll	121.81%	127.01%	240.06%	251.16%	276.40%	256.20%	228.60%	199.50%
Plan fiduciary net position as a percentage of the total pension liability	89.40%	75.20%	78.90%	77.60%	74.90%	75.20%	77.70%	80.46%

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

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

Schedule of the County's Contributions

Last 10 Fiscal Years\*

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

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

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 293,290	\$ 293,290	\$ 297,812	\$ 4,522
Licenses, permits, and franchises	5,632	5,632	5,939	307
Fines, forfeitures, and penalties	6,720	7,688	9,322	1,634
Use of money and property	3,531	(8,708)	(9,504)	(796)
Intergovernmental	142,543	178,836	137,662	(41,174)
Charges for services	71,768	71,308	68,628	(2,680)
Other	2,817	3,077	4,484	1,407
Total revenues	<u>526,301</u>	<u>551,123</u>	<u>514,343</u>	<u>(36,780)</u>
<b>Expenditures</b>				
Current:				
Policy & executive	48,661	43,816	22,040	21,776
Public safety	262,220	264,584	256,965	7,619
Health & human services	5,403	5,476	4,883	593
Community resources & public facilities	37,422	37,477	31,487	5,990
General government & support services	64,191	65,398	60,106	5,292
General county programs	60,204	64,444	46,293	18,151
Debt service:				
Principal	--	367	367	--
Interest	--	131	131	--
Total expenditures	<u>478,101</u>	<u>481,693</u>	<u>422,272</u>	<u>59,421</u>
Excess of revenues over expenditures	<u>48,200</u>	<u>69,430</u>	<u>92,071</u>	<u>22,641</u>
<b>Other financing sources (uses)</b>				
Transfers in	15,736	21,049	16,880	(4,169)
Transfers out	(80,608)	(122,107)	(85,280)	36,827
Sale of capital assets	--	--	58	58
Leases issued	--	3,419	3,419	--
Total other financing uses, net	<u>(64,872)</u>	<u>(97,639)</u>	<u>(64,923)</u>	<u>32,716</u>
Net change in fund balances before special item	(16,672)	(28,209)	27,148	55,357
<b>Special item</b>				
Litigation settlement (Note 21)	--	--	(28,000)	(28,000)
Total special items	<u>--</u>	<u>--</u>	<u>(28,000)</u>	<u>(28,000)</u>
Net change in fund balances	(16,672)	(28,209)	(852)	27,357
Fund balances - beginning	263,573	263,573	263,573	--
Fund balances - ending	<u>\$ 246,901</u>	<u>\$ 235,364</u>	<u>\$ 262,721</u>	<u>\$ 27,357</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 Sources, Net	\$ (64,923)
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(8,729)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	8,729
Total other financing uses, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ (64,923)</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 7,216	\$ 7,346	\$ 10,322	\$ 2,976
Licenses, permits, and franchises	342	342	559	217
Use of money and property	239	(989)	(1,081)	(92)
Intergovernmental	32,922	40,536	38,495	(2,041)
Charges for services	6,933	7,063	7,117	54
Other	378	378	74	(304)
Total revenues	<u>48,030</u>	<u>54,676</u>	<u>55,486</u>	<u>810</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	72,009	76,804	61,103	15,701
Debt service:				
Principal	--	66	66	--
Interest	--	38	38	--
Total expenditures	<u>72,009</u>	<u>76,908</u>	<u>61,207</u>	<u>15,701</u>
Deficiency of revenues under expenditures	<u>(23,979)</u>	<u>(22,232)</u>	<u>(5,721)</u>	<u>16,511</u>
<b>Other financing sources (uses)</b>				
Transfers in	18,808	27,213	15,052	(12,161)
Transfers out	(897)	(7,158)	(918)	6,240
Sale of capital assets	40	40	18	(22)
Leases issued	--	873	873	--
Total other financing sources, net	<u>17,951</u>	<u>20,968</u>	<u>15,025</u>	<u>(5,943)</u>
Net change in fund balances	(6,028)	(1,264)	9,304	10,568
Fund balances - beginning	31,011	31,011	31,011	--
Fund balances - ending	<u>\$ 24,983</u>	<u>\$ 29,747</u>	<u>\$ 40,315</u>	<u>\$ 10,568</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	\$ 55,486
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(5,961)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 49,525</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 61,207
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(5,961)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 55,246</u>
Actual amounts (budgetary basis) Total Other Financing Sources, Net	\$ 15,025
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(888)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	888
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 15,025</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses, permits, and franchises	\$ 807	\$ 786	\$ 668	\$ (118)
Fines, forfeitures, and penalties	312	637	489	(148)
Use of money and property	163	(594)	(690)	(96)
Intergovernmental	28,960	33,449	34,097	648
Charges for services	51,218	51,548	49,807	(1,741)
Other	133	650	512	(138)
Total revenues	<u>81,593</u>	<u>86,476</u>	<u>84,883</u>	<u>(1,593)</u>
<b>Expenditures</b>				
Current:				
Health & human services	95,560	99,089	92,369	6,720
Debt service:				
Principal	--	43	43	--
Interest	--	2	2	--
Total expenditures	<u>95,560</u>	<u>99,134</u>	<u>92,414</u>	<u>6,720</u>
Deficiency of revenues under expenditures	<u>(13,967)</u>	<u>(12,658)</u>	<u>(7,531)</u>	<u>5,127</u>
<b>Other financing sources (uses)</b>				
Transfers in	10,439	11,237	10,802	(435)
Transfers out	(1,840)	(3,020)	(1,651)	1,369
Leases issued	--	54	54	--
Total other financing sources, net	<u>8,599</u>	<u>8,271</u>	<u>9,205</u>	<u>934</u>
Net change in fund balances	(5,368)	(4,387)	1,674	6,061
Fund balances - beginning	28,167	28,167	28,167	--
Fund balances - ending	<u>\$ 22,799</u>	<u>\$ 23,780</u>	<u>\$ 29,841</u>	<u>\$ 6,061</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	\$ 84,883
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(151)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 84,732</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 92,414
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(151)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 92,263</u>
Actual amounts (budgetary basis) Total Other Financing Sources, Net	\$ 9,205
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(347)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	347
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 9,205</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses, permits, and franchises	\$ 49	\$ 49	\$ 118	\$ 69
Fines, forfeitures, and penalties	13	13	21	8
Use of money and property	218	(280)	(257)	23
Intergovernmental	165,196	166,348	160,984	(5,364)
Charges for services	215	195	193	(2)
Other	386	386	655	269
Total revenues	<u>166,077</u>	<u>166,711</u>	<u>161,714</u>	<u>(4,997)</u>
<b>Expenditures</b>				
Current:				
Health & human services	179,565	187,989	175,616	12,373
Debt service:			--	
Principal	--	1,559	1,559	--
Interest	--	384	384	--
Total expenditures	<u>179,565</u>	<u>189,932</u>	<u>177,559</u>	<u>12,373</u>
Deficiency of revenues under expenditures	<u>(13,488)</u>	<u>(23,221)</u>	<u>(15,845)</u>	<u>7,376</u>
<b>Other financing sources (uses)</b>				
Transfers in	9,013	9,113	9,013	(100)
Transfers out	(344)	(403)	(319)	84
Leases issued	--	9,193	9,193	--
Total other financing sources, net	<u>8,669</u>	<u>17,903</u>	<u>17,887</u>	<u>(16)</u>
Net change in fund balances	(4,819)	(5,318)	2,042	7,360
Fund balances - beginning	<u>7,157</u>	<u>7,157</u>	<u>7,157</u>	<u>--</u>
Fund balances - ending	<u>\$ 2,338</u>	<u>\$ 1,839</u>	<u>\$ 9,199</u>	<u>\$ 7,360</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 23	\$ 120	\$ 45	\$ (75)
Use of money and property	674	(704)	(1,079)	(375)
Intergovernmental	63,266	85,591	83,471	(2,120)
Charges for services	74,691	74,036	69,878	(4,158)
Other	39	265	(34)	(299)
Total revenues	<u>138,693</u>	<u>159,308</u>	<u>152,281</u>	<u>(7,027)</u>
<b>Expenditures</b>				
Current:				
Health & human services	150,632	153,327	141,353	11,974
Debt service:				
Principal	--	298	298	--
Interest	--	127	127	--
Total expenditures	<u>150,632</u>	<u>153,752</u>	<u>141,778</u>	<u>11,974</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,939)</u>	<u>5,556</u>	<u>10,503</u>	<u>4,947</u>
<b>Other financing sources (uses)</b>				
Transfers in	15,836	15,845	11,334	(4,511)
Transfers out	(5,159)	(5,308)	(4,967)	341
Sale of capital assets	--	--	--	--
Long-term debt issued	--	--	--	--
Leases issued	--	2,973	2,973	--
Total other financing sources, net	<u>10,677</u>	<u>13,510</u>	<u>9,340</u>	<u>(4,170)</u>
Net change in fund balances	(1,262)	19,066	19,843	777
Fund balances - beginning	25,258	25,258	25,258	--
Fund balances - ending	<u>\$ 23,996</u>	<u>\$ 44,324</u>	<u>\$ 45,101</u>	<u>\$ 777</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	\$ 152,281
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(14,095)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 138,186</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 141,778
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(14,095)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 127,683</u>
Actual amounts (budgetary basis) Total Other Financing Sources, Net	\$ 9,340
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(3,721)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	3,721
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 9,340</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 12,489	\$ 12,489	\$ 14,009	\$ 1,520
Licenses, permits, and franchises	5	5	16	11
Use of money and property	770	(1,649)	(2,061)	(412)
Intergovernmental	19,394	19,394	10,093	(9,301)
Charges for services	4,005	4,005	4,454	449
Other	2	2	2	--
Total revenues	<u>36,665</u>	<u>34,246</u>	<u>26,513</u>	<u>(7,733)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	59,371	59,919	26,693	33,226
Total expenditures	<u>59,371</u>	<u>59,919</u>	<u>26,693</u>	<u>33,226</u>
Deficiency of revenues under expenditures	<u>(22,706)</u>	<u>(25,673)</u>	<u>(180)</u>	<u>25,493</u>
<b>Other financing sources (uses)</b>				
Transfers in	25	25	39	14
Transfers out	--	(32)	(25)	7
Sale of capital assets	20	20	4	(16)
Total other financing sources, net	<u>45</u>	<u>13</u>	<u>18</u>	<u>5</u>
Net change in fund balances	(22,661)	(25,660)	(162)	25,498
Fund balances - beginning	70,369	70,369	70,369	--
Fund balances - ending	<u>\$ 47,708</u>	<u>\$ 44,709</u>	<u>\$ 70,207</u>	<u>\$ 25,498</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	\$ 26,513
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(3,282)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 23,231</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 26,693
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(3,282)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 23,411</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 20	\$ (859)	\$ (813)	\$ 46
Intergovernmental	34,146	38,737	17,146	(21,591)
Charges for services	50	50	161	111
Other	532	532	1,670	1,138
Total revenues	<u>34,748</u>	<u>38,460</u>	<u>18,164</u>	<u>(20,296)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	29,290	55,590	31,192	24,398
Total expenditures	<u>29,290</u>	<u>55,590</u>	<u>31,192</u>	<u>24,398</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,458</u>	<u>(17,130)</u>	<u>(13,028)</u>	<u>4,102</u>
<b>Other financing sources (uses)</b>				
Transfers in	--	24,550	17,936	(6,614)
Transfers out	(6,828)	(6,331)	(2,689)	3,642
Total other financing sources (uses)	<u>(6,828)</u>	<u>18,219</u>	<u>15,247</u>	<u>(2,972)</u>
Net change in fund balances	(1,370)	1,089	2,219	1,130
Fund balances - beginning	8,595	8,595	8,595	--
Fund balances - ending	<u>\$ 7,225</u>	<u>\$ 9,684</u>	<u>\$ 10,814</u>	<u>\$ 1,130</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 63,829	\$ 63,829	\$ 64,665	\$ 836
Licenses, permits, and franchises	24	24	29	5
Fines, forfeitures, and penalties	--	--	2	2
Use of money and property	12	(626)	(537)	89
Intergovernmental	2,180	2,180	2,019	(161)
Charges for services	28,064	32,503	33,079	576
Other	43	95	98	3
Total revenues	<u>94,152</u>	<u>98,005</u>	<u>99,355</u>	<u>1,350</u>
<b>Expenditures</b>				
Current:				
Public safety	97,634	102,310	98,239	4,071
Total expenditures	<u>97,634</u>	<u>102,310</u>	<u>98,239</u>	<u>4,071</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,482)</u>	<u>(4,305)</u>	<u>1,116</u>	<u>5,421</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,419	2,832	2,046	(786)
Transfers out	(10,353)	(11,058)	(9,391)	1,667
Sale of capital assets	--	--	41	41
Total other financing uses, net	<u>(7,934)</u>	<u>(8,226)</u>	<u>(7,304)</u>	<u>922</u>
Net change in fund balances	(11,416)	(12,531)	(6,188)	6,343
Fund balances - beginning	30,107	30,107	30,107	--
Fund balances - ending	<u>\$ 18,691</u>	<u>\$ 17,576</u>	<u>\$ 23,919</u>	<u>\$ 6,343</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 from the budgetary comparison schedule	\$ (7,304)
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(690)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	690
Total other financing uses, net as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ (7,304)</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 Final Budget 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/407/Budget-Related>, or can be obtained from the Auditor-Controller's office.

For the year ended June 30, 2022, 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.





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# Other Supplementary Information

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## **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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 12	\$ (668)	\$ (655)	\$ 13
Intergovernmental	6,062	6,323	4,724	(1,599)
Charges for services	500	588	191	(397)
Other	128	2,332	135	(2,197)
Total revenues	<u>6,702</u>	<u>8,575</u>	<u>4,395</u>	<u>(4,180)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	--	--	--	--
Capital outlay	26,840	49,283	14,716	34,567
Total expenditures	<u>26,840</u>	<u>49,283</u>	<u>14,716</u>	<u>34,567</u>
Deficiency of revenues under expenditures	<u>(20,138)</u>	<u>(40,708)</u>	<u>(10,321)</u>	<u>30,387</u>
<b>Other financing sources (uses)</b>				
Transfers in	22,496	32,515	11,137	(21,378)
Transfers out	(3,708)	(3,382)	(659)	2,723
Long-term debt issued	--	2,274	--	(2,274)
Total other financing sources, net	<u>18,788</u>	<u>31,407</u>	<u>10,478</u>	<u>(20,929)</u>
Net change in fund balances	(1,350)	(9,301)	157	9,458
Fund balances - beginning	23,127	23,127	23,127	--
Fund balances - ending	<u>\$ 21,777</u>	<u>\$ 13,826</u>	<u>\$ 23,284</u>	<u>\$ 9,458</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, 2022 (in thousands)

	Special Revenue					
	Fish and Game	Petroleum	Clerk-Recorder	Special Aviation	IHSS Public Authority	Child Support Services
<b>Assets</b>						
Assets:						
Cash and investments	\$ 795	\$ 942	\$ 4,868	\$ --	\$ 1,378	\$ 906
Accounts receivable, net:						
Licenses, permits, and franchises	--	--	--	--	--	--
Fines, forfeitures, and penalties	--	--	--	--	--	--
Use of money and property	1	2	7	--	1	2
Intergovernmental	--	--	--	273	443	139
Charges for services	--	--	--	--	--	95
Other	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--
Prepaid items	--	--	--	--	6	--
Restricted cash and investments	--	--	--	--	--	--
Total assets	<u>\$ 796</u>	<u>\$ 944</u>	<u>\$ 4,875</u>	<u>\$ 273</u>	<u>\$ 1,828</u>	<u>\$ 1,142</u>
<b>Liabilities and fund balances</b>						
Liabilities:						
Accounts payable	\$ 18	\$ --	\$ 9	\$ 372	\$ --	\$ --
Salaries and benefits payable	--	14	121	--	--	435
Other payables	--	--	35	20	--	--
Due to other funds	--	--	--	64	1,807	--
Customer deposits payable	--	--	--	--	--	--
Total liabilities	<u>18</u>	<u>14</u>	<u>165</u>	<u>456</u>	<u>1,807</u>	<u>435</u>
Fund balances:						
Nonspendable	--	--	--	--	--	--
Restricted	805	963	4,875	(183)	68	738
Committed	--	--	2	--	--	--
Unassigned	(27)	(33)	(167)	--	(47)	(31)
Total fund balances	<u>778</u>	<u>930</u>	<u>4,710</u>	<u>(183)</u>	<u>21</u>	<u>707</u>
Total liabilities and fund balances	<u>\$ 796</u>	<u>\$ 944</u>	<u>\$ 4,875</u>	<u>\$ 273</u>	<u>\$ 1,828</u>	<u>\$ 1,142</u>

Special Revenue						
Fishermen Assistance	Coastal Resources Enhancement	Court Activities	Criminal Justice Construction	Courthouse Construction	Inmate Welfare	
\$ 423	\$ 2,967	\$ 130	\$ 538	\$ 4,628	\$ 2,839	<b>Assets</b>
--	--	--	--	--	--	Assets:
--	--	96	46	46	--	Cash and investments
1	5	(1)	1	7	27	Accounts receivable, net:
--	--	--	--	--	--	Licenses, permits, and franchises
--	--	175	--	--	--	Fines, forfeitures, and penalties
--	--	--	--	--	--	Use of money and property
--	--	--	--	--	673	Intergovernmental
--	--	476	--	--	--	Charges for services
--	--	--	--	--	--	Other
--	--	--	--	--	--	Due from other funds
--	--	--	--	--	--	Prepaid items
--	--	--	--	--	--	Restricted cash and investments
<u>\$ 424</u>	<u>\$ 2,972</u>	<u>\$ 876</u>	<u>\$ 585</u>	<u>\$ 4,681</u>	<u>\$ 3,539</u>	Total assets
						<b>Liabilities and fund balances</b>
\$ --	\$ --	\$ 239	\$ --	\$ --	\$ 367	Liabilities:
--	--	--	--	--	--	Accounts payable
--	--	--	--	--	7	Salaries and benefits payable
--	--	--	--	--	--	Other payables
--	--	--	--	--	--	Due to other funds
--	--	--	--	--	--	Customer deposits payable
--	--	239	--	--	374	Total liabilities
--	--	--	--	--	--	Fund balances:
439	3,074	346	604	4,841	3,263	Nonspendable
--	--	295	--	--	--	Restricted
(15)	(102)	(4)	(19)	(160)	(98)	Committed
<u>424</u>	<u>2,972</u>	<u>637</u>	<u>585</u>	<u>4,681</u>	<u>3,165</u>	Unassigned
						Total fund balances
<u>\$ 424</u>	<u>\$ 2,972</u>	<u>\$ 876</u>	<u>\$ 585</u>	<u>\$ 4,681</u>	<u>\$ 3,539</u>	Total liabilities and fund balances

COUNTY OF SANTA BARBARA, CALIFORNIA  
 COMBINING BALANCE SHEET (Continued)  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2022 (in thousands)

	Special Revenue					
	Planning & Development	Tobacco Settlement	Tidelands	Refugio Environmental	County Service Areas	Community Facilities Districts
<b>Assets</b>						
Assets:						
Cash and investments	\$ 3,178	\$ 8,732	\$ 276	\$ 11	\$ 4,979	\$ 790
Accounts receivable, net:						
Licenses, permits, and franchises	309	--	--	--	--	--
Fines, forfeitures, and penalties	--	--	--	--	--	--
Use of money and property	10	18	--	--	9	1
Intergovernmental	--	--	--	--	--	--
Charges for services	150	--	--	--	--	--
Other	--	--	--	--	--	--
Due from other funds	778	--	--	--	--	--
Prepaid items	--	--	--	--	--	--
Restricted cash and investments	15,926	--	--	--	--	--
Total assets	<u>\$ 20,351</u>	<u>\$ 8,750</u>	<u>\$ 276</u>	<u>\$ 11</u>	<u>\$ 4,988</u>	<u>\$ 791</u>
<b>Liabilities and fund balances</b>						
Liabilities:						
Accounts payable	\$ 163	\$ 31	\$ --	\$ --	\$ 277	\$ --
Salaries and benefits payable	674	--	--	--	--	--
Other payables	--	--	--	--	--	--
Due to other funds	151	--	--	--	--	--
Customer deposits payable	15,468	--	--	--	--	--
Total liabilities	<u>16,456</u>	<u>31</u>	<u>--</u>	<u>--</u>	<u>277</u>	<u>--</u>
Fund balances:						
Nonspendable	--	--	--	--	--	--
Restricted	2,103	--	276	11	4,883	818
Committed	1,943	9,020	--	--	--	--
Unassigned	(151)	(301)	--	--	(172)	(27)
Total fund balances	<u>3,895</u>	<u>8,719</u>	<u>276</u>	<u>11</u>	<u>4,711</u>	<u>791</u>
Total liabilities and fund balances	<u>\$ 20,351</u>	<u>\$ 8,750</u>	<u>\$ 276</u>	<u>\$ 11</u>	<u>\$ 4,988</u>	<u>\$ 791</u>

Lighting Districts	Special Revenue			Permanent  Oak Restoration	Debt Service Santa Barbara County Finance Corporation	Total Nonmajor Governmental Funds	
	Sandyland Maintenance District	Water Agency	Special Revenue Total				
\$ 591	\$ 747	\$ 14,599	\$ 54,317	\$ 741	\$ 108	\$ 55,166	<b>Assets</b>
--	--	--	309	--	--	309	Assets:
--	--	--	188	--	--	188	Cash and investments
1	1	24	117	1	--	118	Accounts receivable, net:
--	--	180	1,035	--	--	1,035	Licenses, permits, and franchises
--	--	--	420	--	--	420	Fines, forfeitures, and penalties
--	--	--	673	--	--	673	Use of money and property
--	--	192	1,446	--	--	1,446	Intergovernmental
--	--	--	6	--	--	6	Charges for services
--	--	61	15,987	--	1,333	17,320	Other
\$ 592	\$ 748	\$ 15,056	\$ 74,498	\$ 742	\$ 1,441	\$ 76,681	Due from other funds
							Prepaid items
							Restricted cash and investments
							Total assets
\$ 44	\$ --	\$ 986	\$ 2,506	\$ --	\$ 2	\$ 2,508	<b>Liabilities and fund balances</b>
--	--	66	1,317	--	--	1,317	Liabilities:
--	--	--	55	--	--	55	Accounts payable
--	--	83	2,105	--	--	2,105	Salaries and benefits payable
--	--	61	15,529	--	--	15,529	Other payables
44	--	1,196	21,512	--	2	21,514	Due to other funds
							Customer deposits payable
							Total liabilities
--	--	--	--	700	--	700	Fund balances:
568	774	14,366	43,632	67	1,443	45,142	Nonspendable
--	--	--	11,260	--	--	11,260	Restricted
(20)	(26)	(506)	(1,906)	(25)	(4)	(1,935)	Committed
548	748	13,860	52,986	742	1,439	55,167	Unassigned
\$ 592	\$ 748	\$ 15,056	\$ 74,498	\$ 742	\$ 1,441	\$ 76,681	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, 2022 (in thousands)

	Special Revenue					
	Fish and Game	Petroleum	Clerk-Recorder	Special Aviation	IHSS Public Authority	Child Support Services
<b>Revenues</b>						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses, permits, and franchises	--	1	408	--	--	--
Fines, forfeitures, and penalties	41	--	10	--	--	--
Use of money and property	(24)	(29)	(148)	--	(45)	(27)
Intergovernmental	--	--	--	808	11,317	9,088
Charges for services	--	578	3,253	--	--	--
Other	--	--	9	--	--	--
Total revenues	<u>17</u>	<u>550</u>	<u>3,532</u>	<u>808</u>	<u>11,272</u>	<u>9,061</u>
<b>Expenditures</b>						
Current:						
Public safety	--	--	--	--	--	--
Health & human services	--	--	--	--	12,067	9,185
Community resources & public facilities	18	368	--	--	--	--
General government & support services	--	--	3,061	1,157	--	--
General county programs	--	--	--	--	--	--
Debt service:						
Principal	--	--	--	--	--	146
Interest	--	--	--	--	--	9
Total expenditures	<u>18</u>	<u>368</u>	<u>3,061</u>	<u>1,157</u>	<u>12,067</u>	<u>9,340</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1)</u>	<u>182</u>	<u>471</u>	<u>(349)</u>	<u>(795)</u>	<u>(279)</u>
<b>Other financing sources (uses)</b>						
Transfers in	--	--	--	--	794	--
Transfers out	--	--	(45)	--	--	--
Leases issued	--	--	--	--	--	248
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(45)</u>	<u>--</u>	<u>794</u>	<u>248</u>
Net change in fund balances	<u>(1)</u>	<u>182</u>	<u>426</u>	<u>(349)</u>	<u>(1)</u>	<u>(31)</u>
Fund balances - beginning	779	748	4,284	166	22	738
Fund balances - ending	<u>\$ 778</u>	<u>\$ 930</u>	<u>\$ 4,710</u>	<u>\$ (183)</u>	<u>\$ 21</u>	<u>\$ 707</u>

Special Revenue						
Fishermen Assistance	Coastal Resources Enhancement	Court Activities	Criminal Justice Construction	Courthouse Construction	Inmate Welfare	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	<b>Revenues</b>
--	--	--	--	--	--	Taxes
--	--	1,503	602	602	--	Licenses, permits, and franchises
(13)	(90)	54	(17)	(141)	238	Fines, forfeitures, and penalties
--	--	--	--	--	--	Use of money and property
--	--	2,325	--	--	--	Intergovernmental
--	449	1,169	--	--	1,610	Charges for services
(13)	359	5,051	585	461	1,848	Other
						Total revenues
						<b>Expenditures</b>
						Current:
--	--	14,783	--	--	1,984	Public safety
--	--	--	--	--	--	Health & human services
4	302	--	--	--	--	Community resources & public facilities
--	--	--	--	--	--	General government & support services
--	--	--	--	--	--	General county programs
						Debt service:
--	--	--	--	--	--	Principal
--	--	--	--	--	--	Interest
4	302	14,783	--	--	1,984	Total expenditures
						Excess (deficiency) of revenues over (under) expenditures
(17)	57	(9,732)	585	461	(136)	
						<b>Other financing sources (uses)</b>
--	--	10,017	--	--	--	Transfers in
--	--	--	--	--	--	Transfers out
--	--	--	--	--	--	Leases issued
--	--	10,017	--	--	--	Total other financing sources (uses)
(17)	57	285	585	461	(136)	Net change in fund balances
441	2,915	352	--	4,220	3,301	Fund balances - beginning
\$ 424	\$ 2,972	\$ 637	\$ 585	\$ 4,681	\$ 3,165	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, 2022 (in thousands)

	Special Revenue					
	Planning & Development	Tobacco Settlement	Tidelands	Refugio Environmental	County Service Areas	Community Facilities Districts
<b>Revenues</b>						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 1,766	\$ 958
Licenses, permits, and franchises	13,270	--	--	--	--	--
Fines, forfeitures, and penalties	30	--	--	--	--	--
Use of money and property	(191)	(263)	--	--	(149)	(24)
Intergovernmental	--	--	--	--	6	--
Charges for services	819	--	--	--	573	--
Other	260	4,820	--	--	--	--
Total revenues	<u>14,188</u>	<u>4,557</u>	<u>--</u>	<u>--</u>	<u>2,196</u>	<u>934</u>
<b>Expenditures</b>						
Current:						
Public safety	--	--	--	--	--	--
Health & human services	--	--	--	--	--	--
Community resources & public facilities	17,437	--	--	--	956	225
General government & support services	--	--	--	--	--	--
General county programs	--	54	--	--	--	--
Debt service:						
Principal	--	--	--	--	--	--
Interest	--	--	--	--	--	--
Total expenditures	<u>17,437</u>	<u>54</u>	<u>--</u>	<u>--</u>	<u>956</u>	<u>225</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,249)</u>	<u>4,503</u>	<u>--</u>	<u>--</u>	<u>1,240</u>	<u>709</u>
<b>Other financing sources (uses)</b>						
Transfers in	2,406	--	--	--	--	--
Transfers out	(192)	(4,055)	--	--	(1,426)	(634)
Leases issued	--	--	--	--	--	--
Total other financing sources (uses)	<u>2,214</u>	<u>(4,055)</u>	<u>--</u>	<u>--</u>	<u>(1,426)</u>	<u>(634)</u>
Net change in fund balances	(1,035)	448	--	--	(186)	75
Fund balances - beginning	4,930	8,271	276	11	4,897	716
Fund balances - ending	<u>\$ 3,895</u>	<u>\$ 8,719</u>	<u>\$ 276</u>	<u>\$ 11</u>	<u>\$ 4,711</u>	<u>\$ 791</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						
\$ 625	\$ --	\$ 3,627	\$ 6,976	\$ --	\$ --	\$ 6,976		<b>Revenues</b>
--	--	2	13,681	--	--	13,681		Taxes
--	--	--	2,788	--	--	2,788		Licenses, permits, and franchises
(18)	(23)	(445)	(1,355)	(22)	(75)	(1,452)		Fines, forfeitures, and penalties
2	--	3,012	24,233	--	1,373	25,606		Use of money and property
--	--	54	7,602	--	--	7,602		Intergovernmental
--	5	1	8,323	--	--	8,323		Charges for services
609	(18)	6,251	62,248	(22)	1,298	63,524		Other
								Total revenues
								<b>Expenditures</b>
--	--	--	16,767	--	--	16,767		Current:
--	--	--	21,252	--	--	21,252		Public safety
571	10	6,787	26,678	(1)	--	26,677		Health & human services
--	--	--	4,218	--	--	4,218		Community resources & public facilities
--	--	--	54	--	10	64		General government & support services
--	--	--	146	--	2,655	2,801		General county programs
--	--	--	9	--	1,407	1,416		Debt service:
571	10	6,787	69,124	(1)	4,072	73,195		Principal
								Interest
								Total expenditures
38	(28)	(536)	(6,876)	(21)	(2,774)	(9,671)		Excess (deficiency) of revenues over (under) expenditures
								<b>Other financing sources (uses)</b>
--	--	777	13,994	--	2,695	16,689		Transfers in
--	--	(28)	(6,380)	--	--	(6,380)		Transfers out
--	--	--	248	--	--	248		Leases issued
--	--	749	7,862	--	2,695	10,557		Total other financing sources (uses)
38	(28)	213	986	(21)	(79)	886		Net change in fund balances
510	776	13,647	52,000	763	1,518	54,281		Fund balances - beginning
\$ 548	\$ 748	\$ 13,860	\$ 52,986	\$ 742	\$ 1,439	\$ 55,167		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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 8	\$ 8	\$ 41	\$ 33
Use of money and property	1	(27)	(24)	3
Total revenues	<u>9</u>	<u>(19)</u>	<u>17</u>	<u>36</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	25	25	18	7
Total expenditures	<u>25</u>	<u>25</u>	<u>18</u>	<u>7</u>
Deficiency of revenues under expenditures	(16)	(44)	(1)	43
Net change in fund balances	(16)	(44)	(1)	43
Fund balances - beginning	779	779	779	--
Fund balances - ending	<u>\$ 763</u>	<u>\$ 735</u>	<u>\$ 778</u>	<u>\$ 43</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses, permits, and franchises	\$ 11	\$ 11	\$ 1	\$ (10)
Fines, forfeitures, and penalties	10	10	--	(10)
Use of money and property	2	(31)	(29)	2
Charges for services	603	603	578	(25)
Total revenues	<u>626</u>	<u>593</u>	<u>550</u>	<u>(43)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	676	676	368	308
Total expenditures	<u>676</u>	<u>676</u>	<u>368</u>	<u>308</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50)</u>	<u>(83)</u>	<u>182</u>	<u>265</u>
Net change in fund balances	(50)	(83)	182	265
Fund balances - beginning	748	748	748	--
Fund balances - ending	<u>\$ 698</u>	<u>\$ 665</u>	<u>\$ 930</u>	<u>\$ 265</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses, permits, and franchises	\$ 298	\$ 393	\$ 408	\$ 15
Fines, forfeitures, and penalties	7	7	10	3
Use of money and property	--	(168)	(148)	20
Charges for services	2,879	3,135	3,253	118
Other	3	3	9	6
Total revenues	<u>3,187</u>	<u>3,370</u>	<u>3,532</u>	<u>162</u>
<b>Expenditures</b>				
Current:				
General government & support services	3,596	3,341	3,061	280
General county programs	--	--	--	--
Total expenditures	<u>3,596</u>	<u>3,341</u>	<u>3,061</u>	<u>280</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(409)</u>	<u>29</u>	<u>471</u>	<u>442</u>
<b>Other financing sources (uses)</b>				
Transfers in	88	88	--	(88)
Transfers out	--	(45)	(45)	--
Total other financing sources (uses)	<u>88</u>	<u>43</u>	<u>(45)</u>	<u>(88)</u>
Net change in fund balances	(321)	72	426	354
Fund balances - beginning	4,284	4,284	4,284	--
Fund balances - ending	<u>\$ 3,963</u>	<u>\$ 4,356</u>	<u>\$ 4,710</u>	<u>\$ 354</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ --	\$ 1	\$ --	\$ (1)
Intergovernmental	1,730	2,651	808	(1,843)
Total revenues	<u>1,730</u>	<u>2,652</u>	<u>808</u>	<u>(1,844)</u>
<b>Expenditures</b>				
Current:				
General government & support services	1,730	2,651	1,157	1,494
Total expenditures	<u>1,730</u>	<u>2,651</u>	<u>1,157</u>	<u>1,494</u>
Excess (deficiency) of revenues over (under) expenditures	--	1	(349)	(350)
Net change in fund balances	--	1	(349)	(350)
Fund balances - beginning	166	166	166	--
Fund balances - ending	<u>\$ 166</u>	<u>\$ 167</u>	<u>\$ (183)</u>	<u>\$ (350)</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ --	\$ (47)	\$ (45)	\$ 2
Intergovernmental	11,141	11,141	11,317	176
Total revenues	<u>11,141</u>	<u>11,094</u>	<u>11,272</u>	<u>178</u>
<b>Expenditures</b>				
Current:				
Health & human services	12,230	12,230	12,067	163
Total expenditures	<u>12,230</u>	<u>12,230</u>	<u>12,067</u>	<u>163</u>
Deficiency of revenues under expenditures	<u>(1,089)</u>	<u>(1,136)</u>	<u>(795)</u>	<u>341</u>
<b>Other financing sources</b>				
Transfers in	1,089	1,089	794	(295)
Total other financing sources	<u>1,089</u>	<u>1,089</u>	<u>794</u>	<u>(295)</u>
Net change in fund balances	--	(47)	(1)	46
Fund balances - beginning	<u>22</u>	<u>22</u>	<u>22</u>	<u>--</u>
Fund balances - ending	<u>\$ 22</u>	<u>\$ (25)</u>	<u>\$ 21</u>	<u>\$ 46</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 3	\$ (28)	\$ (27)	\$ 1
Intergovernmental	9,001	9,696	9,088	(608)
Total revenues	<u>9,004</u>	<u>9,668</u>	<u>9,061</u>	<u>(607)</u>
<b>Expenditures</b>				
Current:				
Health & human services	9,075	9,793	9,185	608
Debt service:				
Principal	--	146	146	--
Interest	--	9	9	--
Total expenditures	<u>9,075</u>	<u>9,948</u>	<u>9,340</u>	<u>608</u>
Deficiency of revenues under expenditures	<u>(71)</u>	<u>(280)</u>	<u>(279)</u>	<u>1</u>
<b>Other financing sources</b>				
Leases issued	--	248	248	--
Total other financing sources	<u>--</u>	<u>248</u>	<u>248</u>	<u>--</u>
Net change in fund balances	(71)	(32)	(31)	1
Fund balances - beginning	738	738	738	--
Fund balances - ending	<u>\$ 667</u>	<u>\$ 706</u>	<u>\$ 707</u>	<u>\$ 1</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 3	\$ (11)	\$ (13)	\$ (2)
Other	12	12	--	(12)
Total revenues	<u>15</u>	<u>1</u>	<u>(13)</u>	<u>(14)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	43	43	4	39
Total expenditures	<u>43</u>	<u>43</u>	<u>4</u>	<u>39</u>
Deficiency of revenues under expenditures	<u>(28)</u>	<u>(42)</u>	<u>(17)</u>	<u>25</u>
Net change in fund balances	(28)	(42)	(17)	25
Fund balances - beginning	441	441	441	--
Fund balances - ending	<u>\$ 413</u>	<u>\$ 399</u>	<u>\$ 424</u>	<u>\$ 25</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 10	\$ (93)	\$ (90)	\$ 3
Other	450	450	449	(1)
Total revenues	<u>460</u>	<u>357</u>	<u>359</u>	<u>2</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	1,647	1,647	302	1,345
Total expenditures	<u>1,647</u>	<u>1,647</u>	<u>302</u>	<u>1,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,187)</u>	<u>(1,290)</u>	<u>57</u>	<u>1,347</u>
Net change in fund balances	(1,187)	(1,290)	57	1,347
Fund balances - beginning	2,915	2,915	2,915	--
Fund balances - ending	<u>\$ 1,728</u>	<u>\$ 1,625</u>	<u>\$ 2,972</u>	<u>\$ 1,347</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 1,280	\$ 1,569	\$ 1,503	\$ (66)
Use of money and property	15	10	54	44
Charges for services	2,478	2,478	2,325	(153)
Other	1,370	1,370	1,169	(201)
Total revenues	<u>5,143</u>	<u>5,427</u>	<u>5,051</u>	<u>(376)</u>
<b>Expenditures</b>				
Current:				
Public safety	<u>15,152</u>	<u>15,152</u>	<u>14,783</u>	<u>369</u>
Total expenditures	<u>15,152</u>	<u>15,152</u>	<u>14,783</u>	<u>369</u>
Deficiency of revenues under expenditures	<u>(10,009)</u>	<u>(9,725)</u>	<u>(9,732)</u>	<u>(7)</u>
<b>Other financing sources</b>				
Transfers in	<u>10,017</u>	<u>10,017</u>	<u>10,017</u>	<u>--</u>
Total other financing sources	<u>10,017</u>	<u>10,017</u>	<u>10,017</u>	<u>--</u>
Net change in fund balances	8	292	285	(7)
Fund balances - beginning	<u>352</u>	<u>352</u>	<u>352</u>	<u>--</u>
Fund balances - ending	<u>\$ 360</u>	<u>\$ 644</u>	<u>\$ 637</u>	<u>\$ (7)</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 450	\$ 610	\$ 602	\$ (8)
Use of money and property	--	(19)	(17)	2
Total revenues	<u>450</u>	<u>591</u>	<u>585</u>	<u>(6)</u>
<b>Expenditures</b>				
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over expenditures	<u>450</u>	<u>591</u>	<u>585</u>	<u>(6)</u>
Net change in fund balances	450	591	585	(6)
Fund balances - beginning	--	--	--	--
Fund balances - ending	<u>\$ 450</u>	<u>\$ 591</u>	<u>\$ 585</u>	<u>\$ (6)</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 450	\$ 595	\$ 602	\$ 7
Use of money and property	30	(131)	(141)	(10)
Total revenues	<u>480</u>	<u>464</u>	<u>461</u>	<u>(3)</u>
<b>Expenditures</b>				
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over expenditures	<u>480</u>	<u>464</u>	<u>461</u>	<u>(3)</u>
Net change in fund balances	480	464	461	(3)
Fund balances - beginning	4,220	4,220	4,220	--
Fund balances - ending	<u>\$ 4,700</u>	<u>\$ 4,684</u>	<u>\$ 4,681</u>	<u>\$ (3)</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 588	\$ 490	\$ 238	\$ (252)
Other	1,427	1,427	1,610	183
Total revenues	<u>2,015</u>	<u>1,917</u>	<u>1,848</u>	<u>(69)</u>
<b>Expenditures</b>				
Current:				
Public safety	2,275	2,515	1,984	531
Total expenditures	<u>2,275</u>	<u>2,515</u>	<u>1,984</u>	<u>531</u>
Deficiency of revenues under expenditures	<u>(260)</u>	<u>(598)</u>	<u>(136)</u>	<u>462</u>
Net change in fund balances	(260)	(598)	(136)	462
Fund balances - beginning	3,301	3,301	3,301	--
Fund balances - ending	<u>\$ 3,041</u>	<u>\$ 2,703</u>	<u>\$ 3,165</u>	<u>\$ 462</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses, permits, and franchises	\$ 14,130	\$ 14,130	\$ 13,270	\$ (860)
Fines, forfeitures, and penalties	20	20	30	10
Use of money and property	--	(115)	(191)	(76)
Charges for services	4,100	4,100	819	(3,281)
Other	407	507	260	(247)
Total revenues	<u>18,657</u>	<u>18,642</u>	<u>14,188</u>	<u>(4,454)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	21,771	22,436	17,437	4,999
Total expenditures	<u>21,771</u>	<u>22,436</u>	<u>17,437</u>	<u>4,999</u>
Deficiency of revenues under expenditures	<u>(3,114)</u>	<u>(3,794)</u>	<u>(3,249)</u>	<u>545</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,779	3,003	2,406	(597)
Transfers out	(905)	(905)	(192)	713
Total other financing sources (uses)	<u>1,874</u>	<u>2,098</u>	<u>2,214</u>	<u>116</u>
Net change in fund balances	(1,240)	(1,696)	(1,035)	661
Fund balances - beginning	4,930	4,930	4,930	--
Fund balances - ending	<u>\$ 3,690</u>	<u>\$ 3,234</u>	<u>\$ 3,895</u>	<u>\$ 661</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 120	\$ (184)	\$ (263)	\$ (79)
Other	4,350	4,372	4,820	448
Total revenues	<u>4,470</u>	<u>4,188</u>	<u>4,557</u>	<u>369</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	--	--	--	--
General county programs	53	53	54	(1)
Total expenditures	<u>53</u>	<u>53</u>	<u>54</u>	<u>(1)</u>
Excess of revenues over expenditures	<u>4,417</u>	<u>4,135</u>	<u>4,503</u>	<u>368</u>
<b>Other financing uses</b>				
Transfers out	(4,228)	(4,249)	(4,055)	194
Total other financing uses	<u>(4,228)</u>	<u>(4,249)</u>	<u>(4,055)</u>	<u>194</u>
Net change in fund balances	189	(114)	448	562
Fund balances - beginning	8,271	8,271	8,271	--
Fund balances - ending	<u>\$ 8,460</u>	<u>\$ 8,157</u>	<u>\$ 8,719</u>	<u>\$ 562</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, 2022 (in thousands)

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	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Total revenues	\$ --	\$ --	\$ --	\$ --
<b>Expenditures</b>				
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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Total revenues	\$ --	\$ --	\$ --	\$ --
<b>Expenditures</b>				
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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,609	\$ 1,623	\$ 1,766	\$ 143
Use of money and property	31	(143)	(149)	(6)
Intergovernmental	2	2	6	4
Charges for services	543	543	573	30
Total revenues	<u>2,185</u>	<u>2,025</u>	<u>2,196</u>	<u>171</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	1,050	1,109	956	153
Total expenditures	<u>1,050</u>	<u>1,109</u>	<u>956</u>	<u>153</u>
Excess of revenues over expenditures	<u>1,135</u>	<u>916</u>	<u>1,240</u>	<u>324</u>
<b>Other financing uses</b>				
Transfers out	(872)	(1,623)	(1,426)	197
Total other financing uses	<u>(872)</u>	<u>(1,623)</u>	<u>(1,426)</u>	<u>197</u>
Net change in fund balances	263	(707)	(186)	521
Fund balances - beginning	4,897	4,897	4,897	--
Fund balances - ending	<u>\$ 5,160</u>	<u>\$ 4,190</u>	<u>\$ 4,711</u>	<u>\$ 521</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 827	\$ 827	\$ 958	\$ 131
Use of money and property	11	(16)	(24)	(8)
Total revenues	<u>838</u>	<u>811</u>	<u>934</u>	<u>123</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	212	254	225	29
Total expenditures	<u>212</u>	<u>254</u>	<u>225</u>	<u>29</u>
Excess of revenues over expenditures	<u>626</u>	<u>557</u>	<u>709</u>	<u>152</u>
<b>Other financing uses</b>				
Transfers out	(638)	(638)	(634)	4
Total other financing uses	<u>(638)</u>	<u>(638)</u>	<u>(634)</u>	<u>4</u>
Net change in fund balances	(12)	(81)	75	156
Fund balances - beginning	<u>716</u>	<u>716</u>	<u>716</u>	<u>--</u>
Fund balances - ending	<u>\$ 704</u>	<u>\$ 635</u>	<u>\$ 791</u>	<u>\$ 156</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 582	\$ 582	\$ 625	\$ 43
Use of money and property	7	(13)	(18)	(5)
Intergovernmental	3	3	2	(1)
Total revenues	<u>592</u>	<u>572</u>	<u>609</u>	<u>37</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	596	596	571	25
Total expenditures	<u>596</u>	<u>596</u>	<u>571</u>	<u>25</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4)</u>	<u>(24)</u>	<u>38</u>	<u>62</u>
Net change in fund balances	(4)	(24)	38	62
Fund balances - beginning	510	510	510	--
Fund balances - ending	<u>\$ 506</u>	<u>\$ 486</u>	<u>\$ 548</u>	<u>\$ 62</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 13	\$ (13)	\$ (23)	\$ (10)
Other	--	--	5	5
Total revenues	<u>13</u>	<u>(13)</u>	<u>(18)</u>	<u>(5)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	175	175	10	165
Total expenditures	<u>175</u>	<u>175</u>	<u>10</u>	<u>165</u>
Deficiency of revenues under expenditures	<u>(162)</u>	<u>(188)</u>	<u>(28)</u>	<u>160</u>
Net change in fund balances	(162)	(188)	(28)	160
Fund balances - beginning	776	776	776	--
Fund balances - ending	<u>\$ 614</u>	<u>\$ 588</u>	<u>\$ 748</u>	<u>\$ 160</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 3,267	\$ 3,267	\$ 3,627	\$ 360
Licenses, permits, and franchises	1	1	2	1
Use of money and property	110	(400)	(445)	(45)
Intergovernmental	4,108	4,108	3,012	(1,096)
Charges for services	30	30	54	24
Other	--	--	1	1
Total revenues	<u>7,516</u>	<u>7,006</u>	<u>6,251</u>	<u>(755)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	9,073	10,920	6,787	4,133
Total expenditures	<u>9,073</u>	<u>10,920</u>	<u>6,787</u>	<u>4,133</u>
Deficiency of revenues under expenditures	<u>(1,557)</u>	<u>(3,914)</u>	<u>(536)</u>	<u>3,378</u>
<b>Other financing sources (uses)</b>				
Transfers in	622	2,003	777	(1,226)
Transfers out	(50)	(50)	(28)	22
Total other financing sources, net	<u>572</u>	<u>1,953</u>	<u>749</u>	<u>(1,204)</u>
Net change in fund balances	(985)	(1,961)	213	2,174
Fund balances - beginning	13,647	13,647	13,647	--
Fund balances - ending	<u>\$ 12,662</u>	<u>\$ 11,686</u>	<u>\$ 13,860</u>	<u>\$ 2,174</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ --	\$ (6)	\$ (22)	\$ (16)
Total revenues	<u>    --</u>	<u>    (6)</u>	<u>    (22)</u>	<u>    (16)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	--	--	(1)	1
Total expenditures	<u>    --</u>	<u>    --</u>	<u>    (1)</u>	<u>    1</u>
Deficiency of revenues under expenditures	<u>    --</u>	<u>    (6)</u>	<u>    (21)</u>	<u>    (15)</u>
Net change in fund balances	--	(6)	(21)	(15)
Fund balances - beginning	763	763	763	--
Fund balances - ending	<u>\$ 763</u>	<u>\$ 757</u>	<u>\$ 742</u>	<u>\$ (15)</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, 2022 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 30	\$ --	\$ (75)	\$ (75)
Intergovernmental	1,374	1,374	1,373	(1)
Total revenues	<u>1,404</u>	<u>1,374</u>	<u>1,298</u>	<u>(76)</u>
<b>Expenditures</b>				
Current:				
General county programs	61	61	10	51
Debt service:				
Principal	2,655	2,655	2,655	--
Interest	1,408	1,408	1,407	1
Total expenditures	<u>4,124</u>	<u>4,124</u>	<u>4,072</u>	<u>52</u>
Deficiency of revenues under expenditures	<u>(2,720)</u>	<u>(2,750)</u>	<u>(2,774)</u>	<u>(24)</u>
<b>Other financing sources</b>				
Transfers in	2,700	2,700	2,695	(5)
Total other financing sources	<u>2,700</u>	<u>2,700</u>	<u>2,695</u>	<u>(5)</u>
Net change in fund balances	(20)	(50)	(79)	(29)
Fund balances - beginning	1,518	1,518	1,518	--
Fund balances - ending	<u>\$ 1,498</u>	<u>\$ 1,468</u>	<u>\$ 1,439</u>	<u>\$ (29)</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, 2022 (in thousands)

	Information Technology Services	Vehicle Operations and Maintenance	Risk Management and Insurance	Communi- cations Services	Utilities	Total
<b>Assets</b>						
Current assets:						
Cash and investments (Note 3)	\$ 8,781	\$ 25,236	\$ 18,100	\$ 11,825	\$ 1,352	\$ 65,294
Accounts receivable, net:						
Use of money and property	15	39	30	20	2	106
Charges for services	8	(1)	75	--	14	96
Inventories	--	246	--	110	--	356
Prepaid items	--	--	92	--	--	92
Total current assets	<u>8,804</u>	<u>25,520</u>	<u>18,297</u>	<u>11,955</u>	<u>1,368</u>	<u>65,944</u>
Noncurrent assets:						
Other receivables	--	--	273	--	107	380
Restricted cash and investments (Note 4)	--	10	--	--	--	10
Capital assets, not being depreciated/amortized	--	--	--	639	--	639
Capital assets, net of accumulated depreciation/amortization (Note 6)	3,694	21,871	3	3,963	2,231	31,762
Total noncurrent assets	<u>3,694</u>	<u>21,881</u>	<u>276</u>	<u>4,602</u>	<u>2,338</u>	<u>32,791</u>
Total assets	<u>12,498</u>	<u>47,401</u>	<u>18,573</u>	<u>16,557</u>	<u>3,706</u>	<u>98,735</u>
<b>Deferred outflows of resources</b>						
Deferred pensions (Note 18)	1,722	787	339	453	64	3,365
Deferred OPEB (Note 19)	153	51	25	45	6	280
Total deferred outflows of resources	<u>1,875</u>	<u>838</u>	<u>364</u>	<u>498</u>	<u>70</u>	<u>3,645</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	292	132	1,206	28	3	1,661
Salaries and benefits payable	320	141	46	66	--	573
Advances from grantors and third parties (Note 8)	--	--	583	--	--	583
Compensated absences (Note 10)	345	148	126	100	18	737
Other short - term liabilities	--	--	283	--	--	283
Bonds and notes payable (Note 10)	--	--	--	--	432	432
Liability for self-insurance claims (Note 11)	--	--	5,313	--	--	5,313
Total current liabilities	<u>957</u>	<u>421</u>	<u>7,557</u>	<u>194</u>	<u>453</u>	<u>9,582</u>
Noncurrent liabilities:						
Compensated absences (Note 10)	128	49	13	24	--	214
Bonds and notes payable (Note 10)	--	--	--	--	1,939	1,939
Liability for self-insurance claims (Note 11)	--	--	7,646	--	--	7,646
Net pension liability (Note 18)	3,422	1,564	673	901	128	6,688
Net OPEB liability (Note 19)	876	291	144	257	37	1,605
Total noncurrent liabilities	<u>4,426</u>	<u>1,904</u>	<u>8,476</u>	<u>1,182</u>	<u>2,104</u>	<u>18,092</u>
Total liabilities	<u>5,383</u>	<u>2,325</u>	<u>16,033</u>	<u>1,376</u>	<u>2,557</u>	<u>27,674</u>
<b>Deferred inflows of resources</b>						
Deferred pensions (Note 18)	2,807	1,283	552	739	105	5,486
Deferred OPEB (Note 19)	90	30	15	27	4	166
Total deferred inflows of resources	<u>2,897</u>	<u>1,313</u>	<u>567</u>	<u>766</u>	<u>109</u>	<u>5,652</u>
<b>Net position</b>						
Net investment in capital assets	3,694	21,871	3	4,602	(140)	30,030
Unrestricted	2,399	22,730	2,334	10,311	1,250	39,024
Total net position	<u>\$ 6,093</u>	<u>\$ 44,601</u>	<u>\$ 2,337</u>	<u>\$ 14,913</u>	<u>\$ 1,110</u>	<u>\$ 69,054</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, 2022 (in thousands)

	Information Technology Services	Vehicle Operations and Maintenance	Risk Management and Insurance	Communi- cations Services	Utilities	Total
<b>Operating revenues</b>						
Charges for services	\$ 13,144	\$ 13,145	\$ 40,032	\$ 6,218	\$ 7,213	\$ 79,752
Self-insurance recovery	--	--	1,926	--	--	1,926
Other operating revenues	318	80	--	15	51	464
Total operating revenues	<u>13,462</u>	<u>13,225</u>	<u>41,958</u>	<u>6,233</u>	<u>7,264</u>	<u>82,142</u>
<b>Operating expenses</b>						
Salaries and benefits	4,844	2,064	717	697	175	8,497
Services and supplies	6,148	6,735	29,023	2,446	6,723	51,075
Self-insurance claims	--	--	8,909	--	--	8,909
Contractual services	270	16	312	235	12	845
Depreciation and amortization	1,436	3,309	--	974	376	6,095
County overhead allocation	339	261	2,810	130	2	3,542
Total operating expenses	<u>13,037</u>	<u>12,385</u>	<u>41,771</u>	<u>4,482</u>	<u>7,288</u>	<u>78,963</u>
Operating income (loss)	<u>425</u>	<u>840</u>	<u>187</u>	<u>1,751</u>	<u>(24)</u>	<u>3,179</u>
<b>Non-operating revenues (expenses)</b>						
Use of money and property	(267)	(771)	(542)	(203)	(42)	(1,825)
Interest expense	--	--	--	--	(82)	(82)
Gain on sale of capital assets	--	269	--	5	--	274
Other non-operating revenues (expenses)	70	9	99	8	351	537
Total non-operating revenues (expenses)	<u>(197)</u>	<u>(493)</u>	<u>(443)</u>	<u>(190)</u>	<u>227</u>	<u>(1,096)</u>
Income (loss) before transfers	<u>228</u>	<u>347</u>	<u>(256)</u>	<u>1,561</u>	<u>203</u>	<u>2,083</u>
Transfers in	--	1,351	--	--	--	1,351
Total transfers in, net	<u>--</u>	<u>1,351</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,351</u>
Change in net position	<u>228</u>	<u>1,698</u>	<u>(256)</u>	<u>1,561</u>	<u>203</u>	<u>3,434</u>
Total net position - beginning	5,865	42,903	2,593	13,352	907	65,620
Total net position - ending	<u>\$ 6,093</u>	<u>\$ 44,601</u>	<u>\$ 2,337</u>	<u>\$ 14,913</u>	<u>\$ 1,110</u>	<u>\$ 69,054</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED June 30, 2022 (in thousands)

	Information Technology Services	Vehicle Operations and Maintenance	Risk Management and Insurance	Communi- cations Services	Utilities	Total
<b>Cash flows from operating activities</b>						
Receipts from interfund services provided	\$ 13,453	\$ 13,228	\$ 40,030	\$ 6,232	\$ 7,264	\$ 80,207
Receipts from self-insurance recovery	--	--	1,926	--	--	1,926
Payments to employees	(5,364)	(2,442)	(527)	(1,465)	(221)	(10,019)
Payments to suppliers	(6,571)	(6,930)	(29,338)	(2,820)	(6,782)	(52,441)
Payments for self-insurance claims	--	--	(7,727)	--	--	(7,727)
County overhead allocation						
payments (to) from the General Fund	(339)	(261)	(2,810)	(130)	(2)	(3,542)
Other receipts	70	9	99	8	351	537
Net cash provided by operating activities	<u>1,249</u>	<u>3,604</u>	<u>1,653</u>	<u>1,825</u>	<u>610</u>	<u>8,941</u>
<b>Cash flows from noncapital financing activities</b>						
Transfers from other funds	--	1,351	--	--	--	1,351
Net cash provided by noncapital financing activities	<u>--</u>	<u>1,351</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,351</u>
<b>Cash flows from capital and related financing activities</b>						
Purchase of capital assets	(107)	(5,500)	--	(792)	--	(6,399)
Proceeds from sale of capital assets	--	382	--	5	--	387
Principal paid on bonds and notes payable	--	--	--	--	(427)	(427)
Interest paid on bonds and notes payable	--	--	--	--	(82)	(82)
Net cash used by capital and related financing activities	<u>(107)</u>	<u>(5,118)</u>	<u>--</u>	<u>(787)</u>	<u>(509)</u>	<u>(6,521)</u>
<b>Cash flows from investing activities</b>						
Use of money and property received	28	93	67	199	5	392
Changes in fair value of investments	(304)	(879)	(624)	(411)	(47)	(2,265)
Net cash used by investing activities	<u>(276)</u>	<u>(786)</u>	<u>(557)</u>	<u>(212)</u>	<u>(42)</u>	<u>(1,873)</u>
Net change in cash and cash equivalents	866	(949)	1,096	826	59	1,898
Cash and cash equivalents - beginning	7,915	26,195	17,004	10,999	1,293	63,406
Cash and cash equivalents - ending	<u>\$ 8,781</u>	<u>\$ 25,246</u>	<u>\$ 18,100</u>	<u>\$ 11,825</u>	<u>\$ 1,352</u>	<u>\$ 65,304</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position</b>						
Cash and investments per Statement of Net Position	\$ 8,781	\$ 25,236	\$ 18,100	\$ 11,825	\$ 1,352	\$ 65,294
Restricted cash and investments per Statement of Net Position	--	10	--	--	--	10
Total cash and cash equivalents per Statement of Net Position	<u>\$ 8,781</u>	<u>\$ 25,246</u>	<u>\$ 18,100</u>	<u>\$ 11,825</u>	<u>\$ 1,352</u>	<u>\$ 65,304</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>						
Operating income (loss)	\$ 425	\$ 840	\$ 187	\$ 1,751	\$ (24)	\$ 3,179
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	1,436	3,309	--	974	376	6,095
Other non-operating revenue	70	9	99	8	351	537
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:						
Accounts and other receivables	(8)	3	(2)	--	--	(7)
Inventories	--	(130)	--	--	--	(130)
Prepaid items	--	--	(92)	--	--	(92)
Accounts payable	(153)	(49)	89	(139)	(47)	(299)
Salaries and benefits payable	(521)	(378)	190	(769)	(46)	(1,524)
Liability for self-insurance claims	--	--	1,182	--	--	1,182
Net cash provided by operating activities	<u>\$ 1,249</u>	<u>\$ 3,604</u>	<u>\$ 1,653</u>	<u>\$ 1,825</u>	<u>\$ 610</u>	<u>\$ 8,941</u>
<b>Noncash investing, capital, and financing activities</b>	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --



# 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, 2022 (in thousands)**

	Other Postemployment Pension Trust Fund (1)	Other Postemployment Benefits Trust Fund (1)	Total Pension and Other Postemployment Employee Benefits Trust Funds (1)
<b>Assets</b>			
Other cash and cash equivalents (Note 3)	\$ 19,177	\$ --	\$ 19,177
Collateral held for securities lent	13,609	--	13,609
Short-term investments	49,391	4,100	53,491
Total other cash and cash equivalents	<u>82,177</u>	<u>4,100</u>	<u>86,277</u>
Investments:			
Private equity	493,546	--	493,546
Domestic equity	761,791	27,687	789,478
Core fixed income	592,979	18,171	611,150
Developed markets non-US equity	406,768	--	406,768
Emerging market equity	318,037	--	318,037
Non-core fixed income	287,020	--	287,020
Private credit	90,111	--	90,111
Real assets/real return	604,896	--	604,896
Real estate	348,687	--	348,687
Total Investments	<u>3,903,835</u>	<u>45,858</u>	<u>3,949,693</u>
Prepays and receivables			
Prepaid assets	3,402	--	3,402
Contributions	8,980	650	9,630
Accrued interest	2,151	11	2,162
Dividends	3,812	--	3,812
Security sales	24,097	--	24,097
Total prepaids and receivables	<u>42,442</u>	<u>661</u>	<u>43,103</u>
Total assets	<u>4,028,454</u>	<u>50,619</u>	<u>4,079,073</u>
<b>Liabilities</b>			
Accounts payable	686	50	736
Collateral held for securities lent	13,609	--	13,609
Benefits payable	14,083	--	14,083
Security purchases	9,177	4,100	13,277
Total liabilities	<u>37,555</u>	<u>4,150</u>	<u>41,705</u>
<b>Net position</b>			
Restricted for:			
Pensions	3,990,899	--	3,990,899
Postemployment benefits other than pensions	--	46,469	46,469
Total net position	<u>\$ 3,990,899</u>	<u>\$ 46,469</u>	<u>\$ 4,037,368</u>

(1) The June 30, 2022 information was not readily available at the time of issuance so that June 30, 2021 information has been presented.

**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, 2022 (in thousands)**

Other Postemployment	SBCERS Pension Trust Fund (1)	Other Postemployment Benefits Trust Fund (1)	Total Pension and Other Postemployment Employee Benefits Trust Funds (1)
<b>Additions</b>			
Contributions			
Employers	\$ 150,093	\$ 14,668	\$ 164,761
Plan members	35,520	--	35,520
Total Contributions	<u>185,613</u>	<u>14,668</u>	<u>200,281</u>
Investment income			
Net increase in the fair value of investments	801,308	7,975	809,283
Interest	9,885	48	9,933
Dividends	26,586	--	26,586
Total investment income	<u>837,779</u>	<u>8,023</u>	<u>845,802</u>
Less investment expense	<u>(15,434)</u>	<u>--</u>	<u>(15,434)</u>
Net investment income	<u>822,345</u>	<u>8,023</u>	<u>830,368</u>
Securities lent income	97	--	97
Securities lent expense			
Borrower rebates	141	--	141
Management fees	(59)	--	(59)
Net securities income	<u>179</u>	<u>--</u>	<u>179</u>
Class action settlements	16	--	16
Commission recapture	3	--	3
Miscellaneous income	165	416	581
Total miscellaneous income	<u>184</u>	<u>416</u>	<u>600</u>
Total additions	<u>1,008,321</u>	<u>23,107</u>	<u>1,031,428</u>
<b>Deductions</b>			
Benefits	204,081	9,250	213,331
Member withdrawals	1,578	--	1,578
Administrative expense	5,695	224	5,919
Total deductions	<u>211,354</u>	<u>9,474</u>	<u>220,828</u>
Net increase in fiduciary net position	796,967	13,633	810,600
Net position - beginning	--	--	--
Prior period adjustment (Pension / OPEB only)	3,193,932	32,836	3,226,768
Net position - beginning, as restated	<u>3,193,932</u>	<u>32,836</u>	<u>3,226,768</u>
Net position - ending	<u>\$ 3,990,899</u>	<u>\$ 46,469</u>	<u>\$ 4,037,368</u>

(1) The June 30, 2022 information was not readily available at the time of issuance so that June 30, 2021 information has been presented.

COUNTY OF SANTA BARBARA, CALIFORNIA  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS - CUSTODIAL FUNDS  
 June 30, 2022 (in thousands)

	Other Postemployment Unapportioned Collections	State and City Revenue Funds	Public Administrator/ Public Guardian Funds	Other Custodial Funds	Total Custodial Funds
<b>Assets</b>					
Cash and investments (Note 3)	\$ 25,437	\$ 2,655	\$ 898	\$ 649	\$ 29,639
Other Receivables	155	3	1	--	159
Total assets	<u>25,592</u>	<u>2,658</u>	<u>899</u>	<u>649</u>	<u>29,798</u>
<b>Liabilities</b>					
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net position</b>					
Restricted for:					
Individuals, organizations, and other governments	25,592	2,658	899	649	29,798
Total net position	<u>\$ 25,592</u>	<u>\$ 2,658</u>	<u>\$ 899</u>	<u>\$ 649</u>	<u>\$ 29,798</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, 2022 (in thousands)

Other Postemployment	Unapportioned Collections	State and City Revenue Funds	Public Administrator/ Public Guardian Funds	Other Custodial Funds	Total Custodial Funds
<b>Additions</b>					
Contributions to pooled investments	\$ --	\$ --	\$ 25	\$ 2,357	\$ 2,382
Property tax collections	3,775,351	--	--	--	3,775,351
Other taxes and fees collected for other governments	--	38,210	--	--	38,210
Net investment losses	(197)	(76)	(24)	(3)	(300)
Total additions	<u>3,775,154</u>	<u>38,134</u>	<u>1</u>	<u>2,354</u>	<u>3,815,643</u>
<b>Deductions</b>					
Beneficiary payments	--	--	47	2,872	2,919
Property tax distributions	3,768,775	--	--	--	3,768,775
Payments to other governments	--	38,590	--	--	38,590
Total deductions	<u>3,768,775</u>	<u>38,590</u>	<u>47</u>	<u>2,872</u>	<u>3,810,284</u>
Net increase (decrease) in fiduciary net position	6,379	(456)	(46)	(518)	5,359
Net position - beginning	19,213	3,114	945	1,167	24,439
Net position - ending	<u>\$ 25,592</u>	<u>\$ 2,658</u>	<u>\$ 899</u>	<u>\$ 649</u>	<u>\$ 29,798</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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**Financial Trends** 204

These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.

**Revenue Capacity** 208

These schedules contain trend information to help the reader assess the County’s most significant local revenue source, the property tax.

**Debt Capacity** 212

These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.

**Demographic and Economic Information** 216

These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the County’s financial activities take place.

**Operating Information** 218

These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.

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)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Governmental activities</b>										
Net investment in capital assets	\$ 511,144	\$ 578,314	\$ 588,989	\$ 612,548	\$ 648,420	\$ 692,549	\$ 736,255	\$ 755,491	\$ 782,419	\$ 819,198
Restricted for:										
Policy & executive	--	--	--	--	436	716	972	1,164	1,392	1,641
Public safety	19,594	24,107	28,640	38,927	49,093	54,810	62,243	66,293	77,606	77,573
Health & public assistance	33,734	31,005	37,477	35,910	36,411	36,848	48,951	37,386	61,204	88,134
Community resources & public facilities	97,710	103,497	152,739	149,668	154,523	154,848	163,959	187,676	191,632	208,806
General government & support services	3,886	4,951	4,960	5,242	5,804	5,447	6,164	4,833	8,304	7,723
General county programs	14,959	15,596	12,736	16,232	18,352	18,373	20,052	19,405	24,649	10,978
Unrestricted	30,976	62,497	(551,588)	(529,641)	(532,968)	(562,947)	(534,700)	(537,682)	(504,884)	(402,780)
Total governmental activities net position	\$ 712,003	\$ 819,967	\$ 273,953	\$ 328,886	\$ 380,071	\$ 400,644	\$ 503,896	\$ 534,566	\$ 642,322	\$ 811,273
<b>Business-Type activities</b>										
Net investment in capital assets	\$ 65,806	\$ 70,562	\$ 73,988	\$ 78,188	\$ 80,852	\$ 83,764	\$ 82,723	\$ 88,655	\$ 98,539	\$ 111,953
Unrestricted	21,648	25,191	14,062	19,888	21,326	34,638	45,582	57,723	61,334	60,403
Total business-type activities net position	\$ 87,454	\$ 95,753	\$ 88,050	\$ 98,076	\$ 102,178	\$ 118,402	\$ 128,305	\$ 146,378	\$ 159,873	\$ 172,356
<b>Primary government</b>										
Net investment in capital assets	\$ 576,950	\$ 648,876	\$ 662,977	\$ 690,736	\$ 729,272	\$ 776,313	\$ 818,978	\$ 844,146	\$ 880,958	\$ 931,151
Restricted for:										
Policy & executive	--	--	--	--	436	716	972	1,164	1,392	1,641
Public safety	19,594	24,107	28,640	38,927	49,093	54,810	62,243	66,293	77,606	77,573
Health & public assistance	33,734	31,005	37,477	35,910	36,411	36,848	48,951	37,386	61,204	88,134
Community resources & public facilities	97,710	103,497	152,739	149,668	154,523	154,848	163,959	187,676	191,632	208,806
General government & support services	3,886	4,951	4,960	5,242	5,804	5,447	6,164	4,833	8,304	7,723
General county programs	14,959	15,596	12,736	16,232	18,352	18,373	20,052	19,405	24,649	10,978
Unrestricted	52,624	87,688	(537,526)	(509,753)	(511,642)	(528,309)	(489,118)	(479,959)	(443,550)	(342,377)
Total primary government net position	\$ 799,457	\$ 915,720	\$ 362,003	\$ 426,962	\$ 482,249	\$ 519,046	\$ 632,201	\$ 680,944	\$ 802,195	\$ 983,629

**COUNTY OF SANTA BARBARA, CALIFORNIA**  
**CHANGES IN NET POSITION (UNAUDITED)**  
**LAST TEN FISCAL YEARS (in thousands)**  
**(accrual basis of accounting)**

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Expenses</b>										
Governmental activities:										
Policy & executive	\$ 14,455	\$ 14,057	\$ 10,721	\$ 13,056	\$ 14,315	\$ 18,938	\$ 17,878	\$ 19,074	\$ 19,661	\$ 13,207
Public safety	271,326	282,251	276,688	275,809	314,026	361,703	341,931	376,065	389,249	328,392
Health & public assistance	307,239	319,565	335,132	363,789	364,675	360,185	361,494	397,009	412,050	375,447
Community resources & public facilities	89,382	92,377	88,788	94,254	94,387	110,529	119,654	122,448	147,650	133,562
General government & support services	29,585	33,931	37,766	37,131	37,716	39,023	37,982	46,294	48,950	38,517
General county programs	5,664	3,980	2,462	2,807	2,206	2,514	963	1,819	9,583	46,135
Interest on long-term debt	3,712	3,505	2,651	2,275	2,152	2,024	1,895	1,772	1,619	2,173
Subtotal governmental activities expenses	721,363	749,666	754,208	789,121	829,477	894,916	881,797	964,481	1,028,762	937,433
Business-type activities:										
Resource Recovery	20,529	20,300	26,250	23,017	29,196	24,507	32,819	34,258	34,030	40,528
Laguna Sanitation	6,181	6,176	6,270	5,631	6,822	6,564	7,204	7,356	8,736	8,806
Subtotal business-type activities expenses	26,710	26,476	32,520	28,648	36,018	31,071	40,023	41,614	42,766	49,334
Total expenses	\$ 748,073	\$ 776,142	\$ 786,728	\$ 817,769	\$ 865,495	\$ 925,987	\$ 921,820	\$ 1,006,095	\$ 1,071,528	\$ 986,767
<b>Program revenues</b>										
Governmental activities:										
Charges for services										
Health & public assistance	\$ --	\$ 75,536	\$ 86,215	\$ 93,580	\$ 97,021	\$ 94,589	\$ 108,234	\$ 104,073	\$ 113,940	\$ 109,439
Public safety	--	73,635	44,118	51,704	55,405	59,746	57,201	55,358	61,308	63,061
Other	--	54,704	54,258	54,348	57,559	61,750	66,119	94,762	67,919	71,895
Operating grants & contributions	325,138	332,533	346,620	349,865	364,316	386,829	416,369	380,748	490,869	498,469
Capital grants & contributions	50	52,352	44	85	3,201	200	58	81	523	144
Subtotal governmental activities	325,188	588,760	531,255	549,582	578,402	603,114	647,981	635,022	734,559	743,008
Business-type activities:										
Charges for services										
Resource Recovery	22,381	23,439	23,184	24,617	26,053	30,721	31,060	38,096	37,263	43,516
Laguna Sanitation	8,662	9,907	11,069	12,377	12,644	13,183	14,091	15,228	14,917	15,396
Operating grants & contributions	1,732	1,038	987	1,150	1,155	1,049	2,437	4,253	3,488	7,406
Subtotal business-type activities	32,775	34,384	35,240	38,144	39,852	44,953	47,588	57,577	55,668	66,318
Total program revenues	\$ 357,963	\$ 623,144	\$ 566,495	\$ 587,726	\$ 618,254	\$ 648,067	\$ 695,569	\$ 692,599	\$ 790,227	\$ 809,326
<b>Net (expense) / revenue</b>										
Governmental activities	\$ (396,175)	\$ (160,906)	\$ (222,953)	\$ (239,539)	\$ (251,075)	\$ (291,802)	\$ (233,816)	\$ (329,459)	\$ (294,203)	\$ (194,425)
Business-type activities	6,065	7,908	2,720	9,496	3,834	13,882	7,565	15,963	12,902	16,984
Total net expense	\$ (390,110)	\$ (152,998)	\$ (220,233)	\$ (230,043)	\$ (247,241)	\$ (277,920)	\$ (226,251)	\$ (313,496)	\$ (281,301)	\$ (177,441)
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 227,452	\$ 231,247	\$ 244,139	\$ 254,166	\$ 267,613	\$ 284,284	\$ 290,046	\$ 309,150	\$ 323,795	\$ 343,092
Motor vehicle in-lieu tax	187	155	150	147	167	198	182	--	--	--
Sales taxes	13,527	14,039	15,306	16,332	18,172	18,118	18,995	19,068	21,104	25,664
Transient occupancy tax	6,993	7,539	8,550	9,072	10,068	8,364	10,320	10,182	12,535	16,984
Cannabis tax	--	--	--	--	--	--	6,761	12,182	15,747	8,719
Unrestricted investment earnings	453	1,407	1,661	854	335	753	4,356	3,484	(783)	(9,735)
Transfers	2	(34)	--	(15)	--	36	80	21	(77)	--
Other	8,419	8,100	8,474	9,494	5,905	5,778	5,834	6,042	7,645	6,652
Subtotal governmental activities	257,033	262,453	278,280	290,050	302,260	317,531	336,574	360,129	379,966	391,376
Business-type activities:										
Unrestricted investment earnings	(95)	344	254	416	265	405	2,370	2,109	(185)	(3,933)
Transfers	(2)	13	--	15	--	(36)	(80)	(21)	77	--
Other	38	34	(38)	99	3	--	48	22	701	(568)
Subtotal business-type activities	(59)	391	216	530	268	369	2,338	2,110	593	(4,501)
Total primary government	\$ 256,974	\$ 262,844	\$ 278,496	\$ 290,580	\$ 302,528	\$ 317,900	\$ 338,912	\$ 362,239	\$ 380,559	\$ 386,875
<b>Special Item</b>										
Litigation Settlement	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ (28,000)
<b>Changes in net position</b>										
Governmental activities	\$ 16,309	\$ 71,547	\$ 55,327	\$ 50,511	\$ 51,185	\$ 25,729	\$ 102,758	\$ 30,670	\$ 85,763	\$ 168,951
Business-Type activities	6,006	8,299	2,936	10,026	4,102	14,251	9,903	18,073	13,495	12,483
Total primary government	\$ 22,315	\$ 79,846	\$ 58,263	\$ 60,537	\$ 55,287	\$ 39,980	\$ 112,661	\$ 48,743	\$ 99,258	\$ 181,434

COUNTY OF SANTA BARBARA, CALIFORNIA  
FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)  
LAST TEN FISCAL YEARS (in thousands)  
(modified accrual basis of accounting)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>General Fund</b>										
Nonspendable	\$ 9,618	\$ 10,138	\$ 11,042	\$ 12,130	\$ 13,619	\$ 11,977	\$ 11,407	\$ 2,318	\$ 56	\$ 56
Restricted	19,800	21,245	22,946	27,527	31,529	38,002	44,054	55,068	62,161	79,433
Committed	50,298	58,018	61,887	67,703	60,161	69,305	102,087	131,484	181,517	169,714
Unassigned	8,092	3,405	3,242	7,684	7,761	10,591	18,654	13,029	19,839	13,518
Subtotal General Fund	<u>87,808</u>	<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>
<b>All Other Governmental Funds (1)</b>										
Nonspendable	1,084	791	1,129	1,496	1,942	1,714	--	--	955	704
Restricted	145,842	151,021	162,156	163,656	175,173	175,660	193,207	206,072	248,532	287,268
Committed	18,930	18,630	18,642	19,236	30,864	29,378	20,960	27,212	28,585	30,046
Assigned	1,287	--	--	--	--	--	--	--	--	--
Unassigned	(2,850)	--	--	--	--	--	--	--	--	(10,171)
Subtotal all other governmental funds	<u>164,293</u>	<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>
Total governmental fund balance	<u>\$ 252,101</u>	<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>

**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)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Revenues (by source)</b>										
Taxes	\$ 249,414	\$ 254,177	\$ 269,412	\$ 281,279	\$ 295,066	\$ 309,983	\$ 325,337	\$ 349,820	\$ 372,365	\$ 393,784
Licenses, permits, and franchises	14,011	14,030	13,660	14,282	14,221	16,758	17,281	17,296	19,764	21,010
Fines, forfeitures, and penalties	9,582	10,883	9,581	9,160	9,141	11,281	8,883	12,965	9,468	12,667
Use of money and property	2,321	4,995	4,902	4,809	3,332	4,324	12,047	10,233	1,643	(18,129)
Intergovernmental	321,765	380,785	340,807	345,428	361,392	382,633	402,412	369,325	486,640	511,015
Charges for services	135,625	141,839	161,637	181,022	189,834	189,613	201,067	200,162	217,264	220,903
Other	19,582	20,804	19,033	16,149	16,177	16,255	20,252	48,174	22,775	15,919
<b>Total revenues</b>	<b>752,300</b>	<b>827,513</b>	<b>819,032</b>	<b>852,129</b>	<b>889,163</b>	<b>930,847</b>	<b>987,279</b>	<b>1,007,975</b>	<b>1,129,919</b>	<b>1,157,169</b>
<b>Expenditures (by function)</b>										
Policy & executive	15,349	15,408	15,563	16,484	16,585	21,242	21,707	21,046	23,531	22,040
Public safety	259,968	270,605	281,211	288,174	303,151	329,172	330,711	348,327	363,881	371,971
Health & public assistance	304,982	317,322	343,584	351,911	361,796	353,241	361,345	386,431	402,524	421,227
Community resources & public facilities	100,838	145,572	93,443	106,380	99,463	108,561	122,690	121,468	159,335	167,909
General government & support services	43,691	44,194	47,357	50,104	52,597	53,563	53,640	57,334	61,781	64,324
General county programs	5,091	8,199	3,190	2,679	2,167	1,590	334	2,942	9,378	46,357
Debt service										
Principal	4,133	4,502	15,318	3,764	3,874	3,951	4,026	4,034	4,417	5,134
Interest	3,518	3,308	2,516	2,111	2,002	1,889	1,775	1,666	1,530	2,098
Capital outlay	7,290	7,079	8,353	6,229	24,983	39,756	35,416	16,110	15,309	14,716
<b>Total expenditures</b>	<b>744,860</b>	<b>816,189</b>	<b>810,535</b>	<b>827,836</b>	<b>866,618</b>	<b>912,965</b>	<b>931,644</b>	<b>959,358</b>	<b>1,041,686</b>	<b>1,115,776</b>
Excess (deficiency) of revenues over (under) expenditures	7,440	11,324	8,497	24,293	22,545	17,882	55,635	48,617	88,233	41,393
<b>Other financing sources (uses)</b>										
Transfers in	86,395	49,715	60,305	54,535	68,603	57,082	52,729	96,412	103,100	96,553
Transfers out	(86,338)	(49,965)	(61,278)	(55,935)	(69,673)	(59,669)	(55,282)	(100,328)	(108,609)	(97,904)
Proceeds from sale of capital assets	500	73	347	205	142	283	166	113	1,745	121
Long-term debt issued	--	--	9,925	10	--	--	--	--	--	--
Leases Issued	--	--	--	--	--	--	--	--	--	16,760
<b>Total other financing sources (uses)</b>	<b>557</b>	<b>(177)</b>	<b>9,299</b>	<b>(1,185)</b>	<b>(928)</b>	<b>(2,304)</b>	<b>(2,387)</b>	<b>(3,803)</b>	<b>(3,764)</b>	<b>15,530</b>
<b>Special Item</b>										
Litigation Settlement	--	--	--	--	--	--	--	--	--	(28,000)
<b>Net change in fund balance</b>	<b>\$ 7,997</b>	<b>\$ 11,147</b>	<b>\$ 17,796</b>	<b>\$ 23,108</b>	<b>\$ 21,617</b>	<b>\$ 15,578</b>	<b>\$ 53,248</b>	<b>\$ 44,814</b>	<b>\$ 84,469</b>	<b>\$ 28,923</b>
<b>Debt service as a percentage of noncapital expenditures (1):</b>	1.07%	1.06%	2.27%	0.74%	0.71%	0.68%	0.65%	0.62%	0.60%	0.65%

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Expenditures (2)</b>										
General government	\$ 64,886	\$ 65,289	\$ 64,462	\$ 68,216	\$ 74,054	\$ 74,874	\$ 82,831	\$ 87,194	\$ 117,315	\$ 126,221
Public protection	302,982	316,926	328,238	336,140	353,536	386,355	382,468	403,545	418,481	446,630
Public ways and facilities	29,814	28,226	25,750	30,620	23,720	29,672	37,417	36,655	44,182	42,647
Health and sanitation	155,560	157,460	171,631	173,590	180,615	180,185	186,688	205,917	216,911	217,605
Public assistance	139,800	148,702	159,753	165,569	166,155	158,593	161,040	167,035	173,713	178,965
Education	3,199	3,128	3,132	3,568	3,800	4,097	3,866	4,106	4,494	4,690
Recreational and cultural services	10,504	11,422	12,811	14,237	14,022	16,306	14,776	15,603	16,042	16,912
Debt service	7,651	7,809	17,834	5,875	5,876	5,840	5,801	5,700	5,947	7,230
Capital outlay	30,464	77,227	26,924	30,021	44,840	57,043	56,757	33,603	44,601	74,876
<b>Total expenditures</b>	<b>\$ 744,860</b>	<b>\$ 816,189</b>	<b>\$ 810,535</b>	<b>\$ 827,836</b>	<b>\$ 866,618</b>	<b>\$ 912,965</b>	<b>\$ 931,644</b>	<b>\$ 959,358</b>	<b>\$ 1,041,686</b>	<b>\$ 1,115,776</b>

**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.

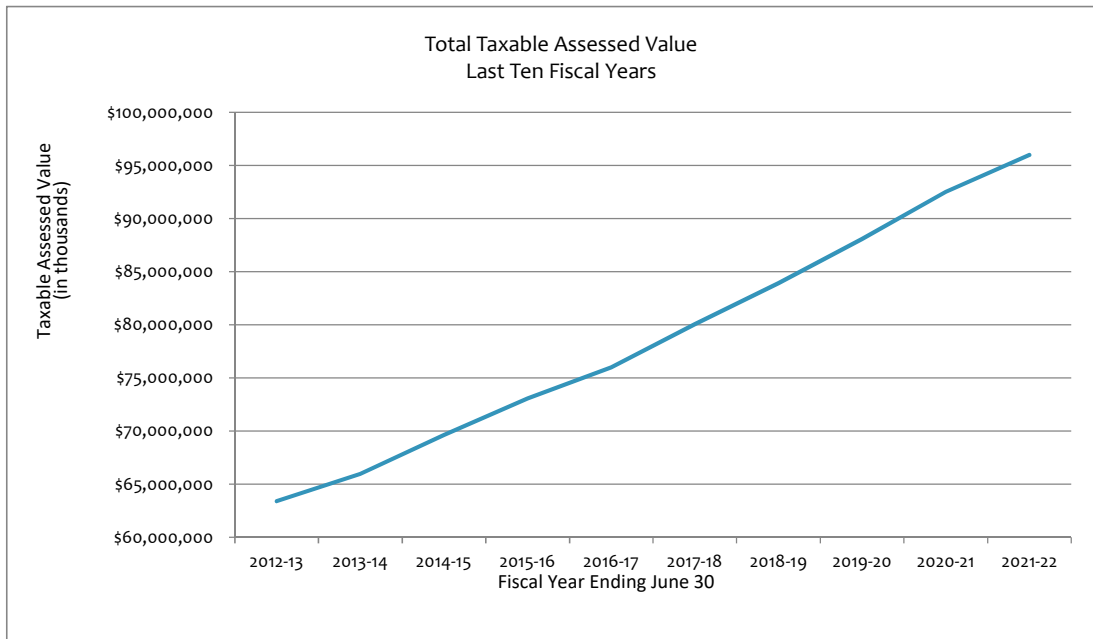
**COUNTY OF SANTA BARBARA, CALIFORNIA**  
**ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF PROPERTY (UNAUDITED)**  
**LAST TEN FISCAL YEARS (in thousands)**

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 (%)
2012 - 2013	\$ 62,696,346	\$ 2,896,396	\$ 883,587	\$ (3,074,290)	\$ 63,402,039	100.00%
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%

**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		Total
	Santa Barbara County General	Cities (1)	Schools (2)	
2012 - 2013	1.00000%	0.00012%	0.01352%	1.01364%
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%

**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, 2022 AND June 30, 2013 (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, 2022 and June 30, 2013

**June 30, 2022:**

<b>Taxpayers</b>	<b>Type of Business</b>	<b>(1) Net Assessed Secured Property Value</b>	<b>Percentage of Total Net Assessed Value</b>	<b>(2) Total Secured Tax Levy Fiscal Year 2021-22</b>	<b>Percentage of Total Secured Tax Levy Fiscal Year 2021-22</b>
Cwi Santa Barbara Hotel Lp (Bacara)	Hotels	\$ 389,332	0.41%	\$ 4,234	0.46%
Southern California Gas Company	Petroleum & Gas	332,859	0.35%	4,419	0.48%
Miramar Acquisition Company Llc	Real Estate Holdings	297,584	0.31%	3,366	0.37%
1260 Bb Property Llc (Biltmore)	Hotels	234,425	0.24%	2,987	0.33%
Windset Farms California Inc	Agriculture	217,673	0.23%	2,381	0.26%
Pacific Gas & Electric Co	Petroleum & Gas	213,136	0.22%	2,829	0.31%
Islay Investments	Real Estate Holdings	200,448	0.21%	2,328	0.25%
Regency Tropicana Llc	Residential Rentals	160,519	0.17%	1,810	0.20%
Celite Corporation	Mining	159,459	0.17%	1,905	0.21%
Fairway Bb Property Llc	Residential Estates	157,642	0.16%	1,632	0.18%
Ten largest taxpayers		2,363,077	2.47%	27,893	3.05%
All other taxpayers		93,625,236	97.53%	890,156	96.95%
Total		\$ 95,988,313	100.00%	\$ 918,049	100.00%

**June 30, 2013:**

<b>Taxpayers</b>	<b>Type of Business</b>	<b>(1) Net Assessed Secured Property Value</b>	<b>Percentage of Total Net Assessed Value</b>	<b>(2) Total Secured Tax Levy Fiscal Year 2012-13</b>	<b>Percentage of Total Secured Tax Levy Fiscal Year 2012-13</b>
Exxon Corporation	Petroleum & Gas	\$ 306,067	0.48%	\$ 3,142	0.52%
Southern California Edison Co	Utilities	260,962	0.41%	3,056	0.51%
Breitbart Energy Companies	Petroleum & Gas	252,805	0.40%	3,106	0.52%
United Launch Alliance Llc	Aerospace	183,236	0.29%	2,161	0.36%
Southern California Gas Company	Petroleum & Gas	181,811	0.29%	2,131	0.36%
1260 Bb Property Llc (Biltmore)	Hotels	160,000	0.25%	1,945	0.32%
Verizon California Inc	Utilities	138,266	0.22%	1,626	0.27%
Pacific Gas & Electric Co	Petroleum & Gas	129,582	0.20%	1,518	0.25%
Venoco Inc	Petroleum & Gas	113,258	0.18%	1,183	0.20%
Sp Maravilla Llc	Residential Rentals	109,748	0.17%	1,247	0.21%
Ten largest taxpayers		1,835,734	2.90%	21,116	3.52%
All other taxpayers		61,566,305	97.10%	578,300	96.48%
Total		\$ 63,402,039	100.00%	\$ 599,416	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
2012 - 2013	\$ 599,416	\$ 593,841	99.07%	\$ 5,567	\$ 599,408	100.00%
2013 - 2014	626,258	621,794	99.29%	4,438	626,232	100.00%
2014 - 2015	658,542	653,778	99.28%	4,703	658,481	99.99%
2015 - 2016	690,326	684,131	99.10%	5,967	690,098	99.97%
2016 - 2017	720,855	714,505	99.12%	6,008	720,513	99.95%
2017 - 2018	759,352	751,947	99.02%	6,675	758,622	99.90%
2018 - 2019	796,449	788,819	99.04%	6,652	795,471	99.88%
2019 - 2020	837,914	827,552	98.76%	8,641	836,193	99.79%
2020 - 2021	880,847	870,620	98.84%	8,012	878,632	99.75%
2021 - 2022	918,049	909,652	99.09%	--	909,652	99.09%

**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	Certificate of Participation (1)	Leases (5)	Long-Term Settlement	Bonds and Notes Payable				
2012 - 2013	\$ 43,161	\$ 3,418	\$ --	\$ 2,222	\$ 19,740	\$ 7,473	\$ --	\$ --	\$ 8,928	\$ 84,942	0.43%	193	
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	

Notes:

- (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 Economic 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.
- (5) GASB Statement 87 was implemented for leases in FY 2021-22. Prior years recognize capital leases pre-GASB 87.

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
2012 - 2013	\$ 63,402,039	\$ 792,525	\$ --	\$ 792,525	1
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

**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, 2022

2021-22 Assessed Valuation: \$ 95,988,313

	Percent	
<b>Overlapping Tax and Assessment Debt:</b>	<b>Applicable (1)</b>	<b>Debt</b>
Allan Hancock Joint Community College District	99.653%	\$ 130,092
Santa Barbara Community College District	100%	53,435
Santa Maria Joint Union High School District	99.998%	174,085
Santa Ynez Valey Union High School District	100%	11,260
Carpenteria Unified School District	100%	90,460
Cuyama Joint Unified School District	67.390%	2,632
Lompoc Unified School District	100%	7,716
Santa Barbara Unified and High School District	100%	188,450
Santa Barbara Unified School District & Elementary School District	100%	79,959
Buellton Union School District	100%	5,074
Cold Spring School District	100%	3,247
College School District	100%	5,135
Goleta Union School District	100%	15,075
Guadalupe Union School District	100%	6,727
Hope Elementary School District	100%	46,033
Los Olivos School District	100%	3,746
Montecito Union School District	100%	1,515
Orcutt Union School District	100%	47,220
Santa Maria-Bonita Joint School District	99.996%	46,183
Solvang School District	100%	8,774
Lompoc Healthcare District	100%	63,660
City and Special District 1915 Act Bonds	62.175%-100%	3,729
Total Overlapping Tax and Assessment Debt		<u>994,206</u>
<b>Direct and Overlapping General Fund Debt</b>		
Santa Maria-Bonita School District Certificates of Participation	99.996%	24,409
Cuyama Joint Unified School District General Fund Obligations	77.255%	667
Santa Ynez Valley Union High School District General Fund Obligations	100%	1,301
Santa Maria Joint Union High School District General Fund Obligations	99.998%	966
College School District General Fund Obligations	100%	1,592
Guadalupe Union School District Certificates of Participation	100%	3,175
City of Goleta General Fund Obligations	100%	9,777
City of Lompoc General Fund Obligations	100%	3,834
City of Santa Barbara General Fund Obligations	98.423%	26,735
Total Gross Overlapping General Fund Obligation Debt		<u>72,456</u>
Less: Less: Santa Barbara County utility supported obligations		(1,830)
Less: City of Santa Barbara revenue bonds supported by airport revenues		<u>(26,735)</u>
Total Net Overlapping General Fund Obligation Debt		<u>43,891</u>
Total Net Overlapping Tax and Assessment and General Fund Obligation Debt		<u>1,038,097</u>
<b>Overlapping Tax Increment Debt:</b>		<u>25,950</u>
<b>Direct General Fund Obligation Debt:</b>		
Governmental Activities Certificates of Participation and Bonds and Notes Payable		26,563
Business-type Activities Certificates of Participation (3)		<u>169,726</u>
Total Direct General Fund Obligation Debt		<u>196,289</u>
Total Net Combined Overlapping and Direct Debt		<u>\$ 1,260,336</u>
Total Gross Combined Overlapping and Direct Debt		<u>\$ 1,288,901 (2)</u>
<b>Ratios to 2021-22 Assessed Valuation:</b>		
Total Overlapping Tax and Assessment Debt	1.04%	
<b>Ratios to Adjusted Assessed Valuation:</b>		
Total Gross Direct Debt	0.03%	
Total Net Direct Debt	0.03%	
Gross Combined Total Debt	1.17%	
Net Combined Total Debt	1.14%	

**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 COP's for Business-type activities are legal obligations of the General Fund. Detailed information can be found at Note-10 Certificates of Participation (COP).

**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	

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	

- 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 Revenues include 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
2013	429,200	\$ 19,303,120,000	\$ 44,975	66,837	6.3%
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%

**Detail of estimated population, as of January 1, 2022:**

(2) Incorporated Cities	
Buellton	5,055
Carpinteria	12,963
Goleta	32,591
Guadalupe	8,544
Lompoc	43,845
Santa Barbara	86,591
Santa Maria	109,910
Solvang	5,709
Total of Incorporated Cities	305,208
Total of Unincorporated Areas	139,956
Total Population	445,164

**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, 2022 AND June 30, 2013**

**June 30, 2022**

<b>Company or Organization</b>	<b>Type of Business</b>	<b>Jobs (1, 2)</b>	<b>Percent of Total County Employment</b>
County of Santa Barbara	Government	4,307	1.93%
UC Santa Barbara	Education	4,250	1.91%
Vandenberg Space Force Base	Defense	2,500	1.12%
Santa Maria-Bonita School District	Education	2,010	0.90%
Chumash Casino Resort	Recreation/Hospitality	2,000	0.90%
Mission Linen Supply	Textiles/Facility Services	2,000	0.90%
Marian Regional Medical Center	Health	1,486	0.67%
Allan Hancock College	Education	1,400	0.63%
AppFolio	Software	1,350	0.61%
Santa Barbara Unified School District	Education	1,350	0.61%
Total ten largest		22,653	10.17%
Total all other		200,157	89.83%
Total companies or organizations		222,810	100.00%

**June 30, 2013**

<b>Company or Organization</b>	<b>Type of Business</b>	<b>Jobs (3)</b>	<b>Percent of Total County Employment</b>
University of California, Santa Barbara	Education	10,063	4.55%
Vandenberg Air Force Base	Defense	6,878	3.11%
County of Santa Barbara	Government	4,383	1.98%
Cottage Health System	Health	2,845	1.29%
Santa Barbara Unified School District	Education	2,531	1.15%
Santa Barbara City College	Education	1,791	0.81%
City of Santa Barbara	Government	1,695	0.77%
Chumash Casino Resort	Recreation/Hospitality	1,650	0.75%
Marian Medical Center	Health	1,457	0.66%
Santa Maria-Bonita School District	Education	1,365	0.62%
Total ten largest		34,658	15.69%
Total all other		186,342	84.31%
Total companies or organizations		221,000	100.00%

**Sources:**

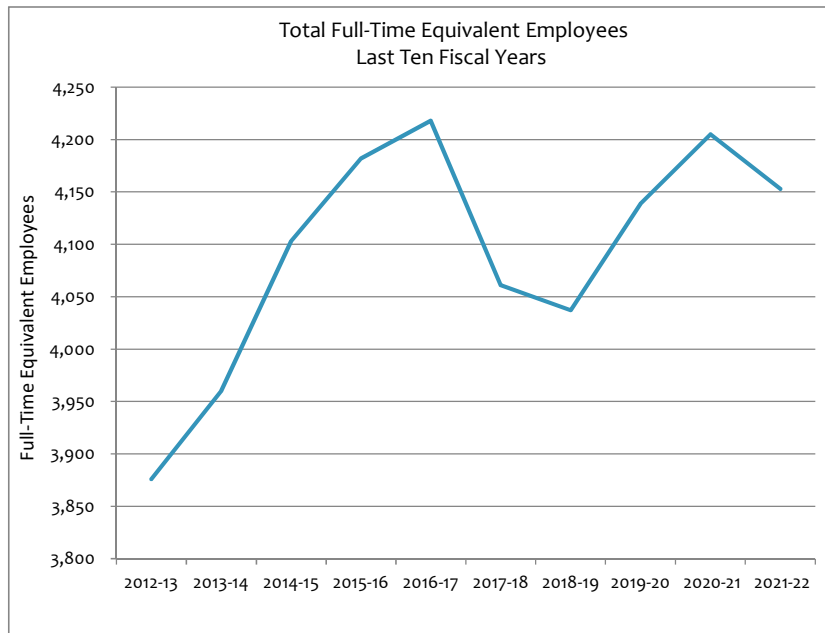
- (1) Pacific Coast Business Times "Book of Lists" - individual company data
- (2) University of California, Santa Barbara "Economic Summit" - total employment data
- (3) County of Santa Barbara CAFR for fiscal year presented

**COUNTY OF SANTA BARBARA, CALIFORNIA**  
**COUNTY EMPLOYEES BY FUNCTION/PROGRAM (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Paid employees (1)</b>										
Policy & executive	94	96	99	105	103	106	109	109	118	111
Public safety	1,467	1,478	1,498	1,521	1,540	1,540	1,550	1,594	1,606	1,619
Health & public assistance	1,732	1,799	1,926	1,973	1,961	1,806	1,751	1,780	1,806	1,740
Community resources & public facilities	419	424	419	424	443	442	453	464	469	459
General government & support services	334	334	350	359	361	348	341	351	359	363
General county programs	6	5	3	6	6	5	5	7	7	9
Resource Recovery	79	83	81	77	80	77	78	82	81	80
Laguna Sanitation	16	16	16	15	16	17	18	18	18	19
<b>Total County employees</b>	<b>4,147</b>	<b>4,235</b>	<b>4,392</b>	<b>4,480</b>	<b>4,510</b>	<b>4,341</b>	<b>4,305</b>	<b>4,405</b>	<b>4,464</b>	<b>4,400</b>
<b>Actual full-time equivalent employees (2)</b>										
Policy & executive	88	88	91	94	93	93	97	97	105	101
Public safety	1,386	1,394	1,415	1,433	1,448	1,452	1,463	1,509	1,533	1,538
Health & public assistance	1,608	1,679	1,796	1,841	1,842	1,697	1,652	1,681	1,707	1,654
Community resources & public facilities	389	392	382	389	402	402	413	426	432	427
General government & support services	315	313	326	335	339	325	320	330	333	338
General county programs	--	--	1	1	1	1	--	--	--	--
Resource Recovery	74	78	77	74	77	74	75	78	77	77
Laguna Sanitation	16	16	15	15	16	17	17	18	18	18
<b>Total County employees</b>	<b>3,876</b>	<b>3,960</b>	<b>4,103</b>	<b>4,182</b>	<b>4,218</b>	<b>4,061</b>	<b>4,037</b>	<b>4,139</b>	<b>4,205</b>	<b>4,153</b>

**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	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Public safety</b>										
Other:										
Filed felonies-District Attorney	2,979	3,176	2,499	2,898	2,835	2,659	2,801	2,582	2,181	2,407
Filed misdemeanors-District Attorney	10,022	9,838	11,347	12,355	12,404	11,124	10,065	8,935	6,534	6,886
Public Defender's total new caseload (1)	18,963	20,973	23,391	24,024	23,414	24,014	12,316	12,247	7,872	18,324
Fire emergency responses	13,989	13,842	13,927	14,307	15,123	15,763	15,634	14,723	14,618	16,239
Sheriff:										
Total miles patrolled	1,230,191	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
Processed and booked adult offenders	16,677	16,780	17,117	17,744	15,623	14,130	13,710	11,108	8,326	10,001
Probation:										
Juvenile referrals processed	3,449	3,070	3,313	3,371	3,150	2,964	2,656	1,987	722	985
Adult and Juvenile cases supervised	8,321	8,331	8,196	8,114	8,112	7,358	6,088	7,318	4,801	4,247
Institutional care for minors	52,268	38,763	34,894	37,372	34,214	26,695	22,147	16,344	6,920	7,397
Submit written reports to courts on Adults	6,582	6,628	6,838	6,856	7,337	6,763	5,238	3,911	2,538	6,234
<b>Health &amp; public assistance</b>										
Behavioral Wellness clients served	12,313	12,647	13,936	14,653	15,344	13,004	14,711	14,052	10,652	11,774
Established orders for child support	12,565	11,922	11,544	11,452	11,317	11,270	11,227	10,964	10,458	10,159
Assistance claims paid to eligible recipients	72,678	70,924	99,513	99,597	97,127	91,623	88,672	85,710	79,809	80,211
Patient encounters at Public Health clinics	120,700	114,000	111,000	107,000	115,000	111,000	118,500	113,500	121,000	112,500
<b>Community resources &amp; public facilities</b>										
Building inspections	20,689	23,752	22,431	22,583	21,804	24,230	26,930	24,952	24,943	24,877
Enhanced or maintained road lanes (miles)	67	82	73	24	23	21	44	64	46	53
<b>General government &amp; support services</b>										
Clerk-Recorder-Assessor										
Recorded documents & vital copies issued	135,053	103,060	102,694	110,846	110,089	95,912	90,740	104,052	140,571	120,479
<b>Resource Recovery</b>										
Waste recycled (tons per month)	7,043	7,244	6,792	5,084	5,241	5,825	7,645	7,882	8,253	7,598
Landfill waste disposal (tons per month)	14,607	14,894	15,163	16,690	17,172	19,050	19,215	17,744	16,245	15,946

**Notes:**

(1) Beginning in FY 18-19 Public Defender does not include cases previously appointed that were reappointed during the fiscal year.

**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	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
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	42	41	41	43	43	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	4
Patrol units	49	49	52	52	60	60	59	63	61	67
Aircrafts	6	6	6	6	6	6	7	6	7	7
Jail and detention facilities	6	6	6	6	6	6	6	6	6	7
Administration buildings	9	9	9	9	9	9	10	10	10	10
Health & public assistance										
Clinics	7	7	7	9	9	9	11	12	12	12
Administration buildings	5	5	5	5	5	5	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	2,122	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	1,671	1,651	1,650	1,650	1,650	1,650	1,657
Bridges	115	115	115	115	115	118	120	120	120	122
Traffic signals	44	44	44	44	44	43	43	43	43	43
Roads heavy equipment	43	43	43	43	43	48	48	49	49	48
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	72	69	57	58	59	71	72	77	84	90
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

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**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.

**CAPITALIZATION POLICY** - The criteria used by a government to determine which outlays should be reported as 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).

**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.

**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.

**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** - Any one of eight categories into which all funds are classified in governmental accounting. The eight fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, trust, and custodial.

**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 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.

**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.

**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).

**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.

**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.

**REAL RATE OF RETURN** - The rate of return on an investment after adjustment to eliminate inflation.

**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.

**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.

**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 retirable 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.

**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.

**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.





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