



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Auditor-Controller & CEO  
**Department No.:** 061 & 012  
**For Agenda Of:** 5/18/2021  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:** N/A  
**Vote Required:** 4/5

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**TO:** Board of Supervisors

**FROM:** Department Betsy M. Schaffer, CPA, Auditor-Controller  
Director(s) Mona Miyasato, County Executive Officer  
Contact Info: Joel W. Boyer, CPA, Financial Reporting Division Chief  
Nancy Anderson, Budget Director

**SUBJECT: Budget Revisions of Appropriations - GASB 84 Conversion**

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**County Counsel Concurrence**

As to form: N/A

Other Concurrence: N/A

As to form: No

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve budget revisions necessary to transfer resources held in County fiduciary funds to County governmental funds in accordance with Governmental Accounting Standards Board (GASB) Statement No. 84 which require 4/5 approval vote from the Board of Supervisors.
- b) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(c) of the CEQA Guidelines because they consist of the creation of government funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

**Summary Text:**

Prior to the required implementation of GASB Statement No. 84 in fiscal year 2020-21, the County held certain resources in fiduciary funds that were not subject to the same accounting and budgeting requirements as governmental funds. These resources were instead classified as liabilities Due to Others with periodic transfers made to governmental funds to recognize the resources as County revenue and appropriate for use by departments consistent with the restricted or intended use of the resources.

The Auditor-Controller’s Office analyzed all County fiduciary funds and determined that certain resources held by the County in these funds do not meet the fiduciary fund criteria under GASB Statement No. 84. Therefore, the attached budget revisions are necessary to transfer these resources into the County’s governmental funds and record the resources to fund balances for future appropriation by the Board consistent with externally imposed restrictions or Board commitments.

**Background:**

The GASB issued Statement No. 84, *Fiduciary Activities*, to establish standards for state and local governments regarding the identification of fiduciary activities for accounting and financial reporting purposes. In order to be considered a fiduciary activity, an asset must meet all of the following criteria:

- The asset is controlled by the government;
- The asset is not derived exclusively from the government’s own revenues or from transactions that are primarily taxation or grant driven;
- The asset has one or more of the following elements:
  - It is administered through a trust in where the government is not a beneficiary;
  - It is for the benefit of individuals and the government does not have administrative or direct financial involvement with it;
  - It is for the benefit of organizations beyond the government’s reporting entity.

The County Auditor-Controller determined that certain County activities that were previously considered fiduciary no longer meet these newly established criteria. As a result, the assets held related to these activities are being transferred from fiduciary funds to governmental funds.

**Fiscal and Facilities Impacts:**

Budgeted: No. Approval of the attached budget revisions will adjust the County’s fiscal year 2020-21 budget to properly account for these resources in accordance with GASB Statement No. 84. Due to the timing of the County’s implementation of this new accounting standard, budgetary impacts that are not included in the County’s upcoming fiscal year 2021-22 adopted budget will require additional budget revisions in fiscal year 2021-22. Beginning with the fiscal year 2022-23 budget development process, budgetary impacts of GASB Statement No. 84 will be included in the County’s recommended budget.

The following shows the budgeted fund balance impact of the attached budget revisions. Actual amounts may differ due to estimates of additional resources that may be received by June 30, 2021.

<u>Fund Balance</u>	<u>General Fund</u>	<u>Capital Outlay</u>	<u>Special Revenue</u>	<u>Permanent Fund</u>	<u>Total</u>
Committed	\$ 12,100	\$ -	\$ 120,000	\$ -	\$ 132,100
Restricted	5,000	4,205,557	13,715,646	75,213	18,001,416
Nonspendable	-	-	-	700,000	700,000
<b>Total</b>	<b>\$ 17,100</b>	<b>\$ 4,205,557</b>	<b>\$13,835,646</b>	<b>\$ 775,213</b>	<b>\$18,833,516</b>

**Attachments:**

Attachment A: GASB 84 Budget Revision Requests - Board of Supervisor 4/5 Approval Required

**Authored by:**

Joel W. Boyer, CPA, Financial Reporting Division Chief