

# County of Santa Barbara Comprehensive Annual Financial Report (CAFR)

Fiscal Year Ended June 30, 2016



# CAFR Fiscal Year Ended 6/30/16

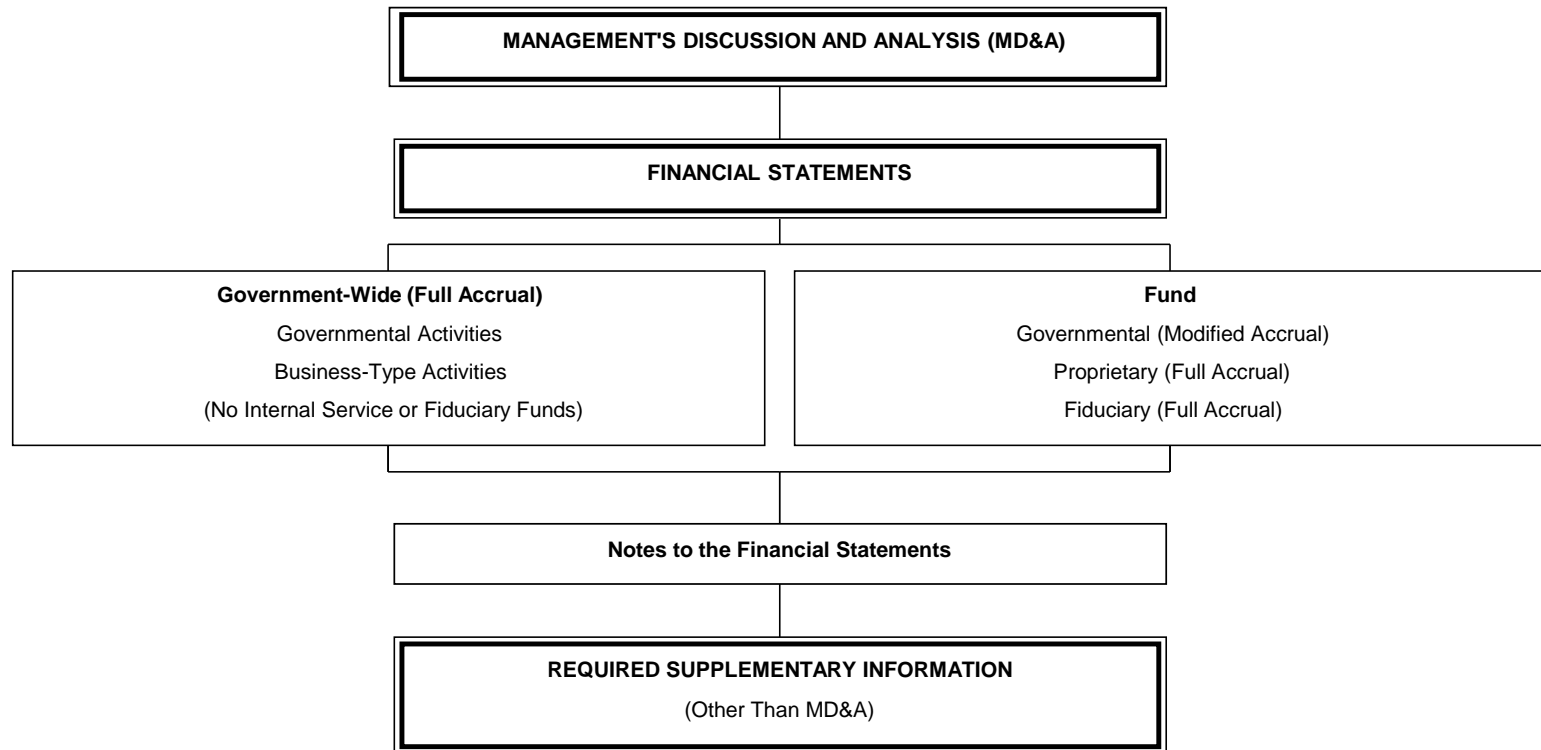
## Agenda

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

# CAFR Background

- ❧ Annual audit required
- ❧ Contract with independent CPA firm
- ❧ Dual Purpose Financial Statements:
  - ❧ Entitywide Financial Statements (Long-Term Focus)
  - ❧ Fund Financial Statements (Near-Term Focus)
- ❧ Received an unmodified (“clean”) opinion for FY 15-16
- ❧ Prepared, audited, and issued within sixty days of year end.  
Provides timely, accurate reporting.

# CAFR Reporting Model



# CAFR Highlights

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☞ Introductory Section - Letter of Transmittal	1-7
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# Summary of Net Position

	Governmental Activities		Business-type Activities		Total		Total	
	2015	2016	2015	2016	2015	2016	Dollar Change	Percent Change
<b>Assets:</b>								
Current and other assets	\$ 488,780	\$ 486,341	\$ 55,865	\$ 62,265	\$ 544,645	\$ 548,606	\$ 3,961	1%
Capital assets, net of depreciation	675,558	690,827	86,724	89,422	762,282	780,249	17,967	2%
<b>Total assets</b>	<b>1,164,338</b>	<b>1,177,168</b>	<b>142,589</b>	<b>151,687</b>	<b>1,306,927</b>	<b>1,328,855</b>	<b>21,928</b>	<b>2%</b>
<b>Deferred outflows of resources:</b>								
Deferred social services	514	511	-	-	514	511	(3)	(1%)
Deferred pensions	115,087	146,565	2,069	2,604	117,156	149,169	32,013	27%
<b>Total deferred outflows of resources</b>	<b>115,601</b>	<b>147,076</b>	<b>2,069</b>	<b>2,604</b>	<b>117,670</b>	<b>149,680</b>	<b>32,010</b>	<b>27%</b>
<b>Liabilities:</b>								
Current and other liabilities	88,925	73,739	1,737	1,859	90,662	75,598	(15,064)	(17%)
Long-term liabilities	759,933	869,443	52,712	53,996	812,645	923,439	110,794	14%
<b>Total liabilities</b>	<b>848,858</b>	<b>943,182</b>	<b>54,449</b>	<b>55,855</b>	<b>903,307</b>	<b>999,037</b>	<b>95,730</b>	<b>11%</b>
<b>Deferred inflows of resources:</b>								
Deferred SCAs	33,096	35,135	-	-	33,096	35,135	2,039	6%
Deferred housing loan payments	3,948	3,625	-	-	3,948	3,625	(323)	(8%)
Deferred pensions	120,084	20,299	2,159	360	122,243	20,659	(101,584)	(83%)
<b>Total deferred inflows of resources</b>	<b>157,128</b>	<b>59,059</b>	<b>2,159</b>	<b>360</b>	<b>159,287</b>	<b>59,419</b>	<b>(99,868)</b>	<b>(63%)</b>
<b>Net position:</b>								
Net investment in capital assets	588,989	605,665	73,988	78,188	662,977	683,853	20,876	3%
Restricted	236,552	245,979	-	-	236,552	245,979	9,427	4%
Unrestricted	(551,588)	(529,641)	14,062	19,888	(537,526)	(509,753)	27,773	(5%)
<b>Total net position</b>	<b>\$ 273,953</b>	<b>\$ 322,003</b>	<b>\$ 88,050</b>	<b>\$ 98,076</b>	<b>\$ 362,003</b>	<b>\$ 420,079</b>	<b>\$ 58,076</b>	<b>16%</b>

# Net Position

	Governmental		Business-type		Total		Total	
	Activities		Activities		Total		Dollar	Percent
	2015	2016	2015	2016	2015	2016	Change	Change
<b>Net position:</b>								
Net investment in capital assets	588,989	605,665	73,988	78,188	662,977	683,853	20,876	3%
Restricted	236,552	245,979	-	-	236,552	245,979	9,427	4%
Unrestricted	(551,588)	(529,641)	14,062	19,888	(537,526)	(509,753)	27,773	(5%)
<b>Total net position</b>	<b>\$ 273,953</b>	<b>\$ 322,003</b>	<b>\$ 88,050</b>	<b>\$ 98,076</b>	<b>\$362,003</b>	<b>\$ 420,079</b>	<b>\$ 58,076</b>	<b>16%</b>

*Changes are primarily due to the following --*

- Net Investments in Capital Assets: \$20.9M in infrastructure, building projects, and additions from the County's Service Concession Arrangements.
- Restricted Net Position: (\$3.0M) use of prior year carryover funding for Roads and Water Agency projects, \$3.2M of unanticipated local Medical health plan incentives for future years of use on capital improvements and service expansions, and \$10.3M Fire incident reimbursements and unspent realignment funds in the Probation department.
- Unrestricted Net Position: \$11.8M increase in committed and unassigned governmental fund balance, \$10.1M of changes to governmental pensions and other post employment benefits, and \$5.9M increase in Business Type Activity fund balance.

# CAFR Notes of Note

- ☞ Note 16 – Commitments and Contingencies
  - ☞ Contracts - \$197M, including \$86M for the Northern Branch Jail
  
- ☞ Note 26 – Prior Period Adjustment
  - ☞ The First 5 Children and Families Commission is presented as a discrete component unit which reports the Commission's finances on the entitywide statement separately from the governmental activities and excludes reporting the Commission's finances in the fund financial statements.
  
- ☞ Note 27 – Subsequent Events (occurring after June 30, 2016)
  - ☞ On July 12, 2016, the BOS voted to construct and operate a state of the art resource recovery facility that would extend the life of the Tajiguas landfill by approximately ten years. The cost of the project is approximately \$122M and would be funded with Solid Waste Revenue Certificates Of Participation.



# Upcoming GASBs

Statement No. 74	Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans	The provisions of this statement are effective for fiscal years beginning after June 15, 2016. (16/17)
Statement No. 75	Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions	The provisions of this statement are effective for fiscal years beginning after June 15, 2017. (17/18)
Statement No. 79	Certain External Investment Pools and Pool Participants	The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for some provisions which are effective for reporting periods beginning after December 15, 2015. (16/17)
Statement No. 80	Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14	The requirements of this Statement are effective for reporting periods beginning after June, 15, 2016. (16/17)

# Financial Highlights

Summarizes the County's finances into a more 'reader-friendly' format than the CAFR

FY 15-16 theme: "Continued Moderate Growth"

FY 16-17 theme: "Steady Improvement"

FINANCIAL HIGHLIGHTS | COUNTY OF SANTA BARBARA FISCAL YEAR ENDED JUNE 30, 2016 1



Figueroa Mountain Wildflowers

## Financial Highlights

County of Santa Barbara



AUGUST 16, 2016

FISCAL YEAR ENDED JUNE 30, 2016

### Economic Indicators

The 2016 UCSB Economic Forecast Project stated, "the US economy, as well as California and Santa Barbara County, all continue to improve on most measures. The growth has been slow coming out of the recession, but the recovery is now mature and will likely continue at the current pace over the next year." The real median home value for Santa Barbara County grew at a significantly greater rate than the California average. Total County employment grew and the County unemployment rate fell and is below the California rate.

### Financial Indicators

Growth of Assessed Real Property Value  
20 Year Trend



Source: Auditor-Controller Property Tax Division

County tax revenues experienced steady improvement in FY 15-16 due to continued economic growth. Property tax assessed value will increase 4.0% for FY 16-17, following a 5.0% increase in FY 15-16. Local sales tax increased 11.7% and transient occupancy tax increased 6.1% for FY 15-16. The County's allocation of the Statewide ½ cent sales tax program that funds public safety decreased 1.6% for FY 15-16. Generally due to the Affordable Care Act, federal reimbursement for Medi-Cal eligible clients increased 12.9% for FY 15-16.

**Board of Supervisors**

1st District	Salvi Carbajal
2nd District	Janet Wolf
3rd District	Doreen Farr, Vice Chair
4th District	Peter Adam, Chair
5th District	Steve Lavagnino

**County Executive Officer**  
Mona Miyasato

**County Auditor-Controller**  
Theodore A. Fallati, CPA, CPFO

**Contact Us**

- ✓ Visit the County's web site at [www.countyofsb.org](http://www.countyofsb.org)
- ✓ View these Financial Highlights online at [www.countyofsb.org/auditor](http://www.countyofsb.org/auditor)
- ✓ Email us your comments at [auditor@co.santa-barbara.ca.us](mailto:auditor@co.santa-barbara.ca.us)

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# Certificates of Achievement

- ☞ CAFR and Financial Highlights have been submitted to the Government Finance Officers Association's Certificate of Achievement program
- ☞ CAFR has received award of excellence for 25 consecutive years
- ☞ Financial Highlights has received award of excellence for 21 consecutive years

# Action Items

- ☞ Acting as the Board of Supervisors, receive and file the County's CAFR and Financial Highlights for Fiscal Year 2015-16.

# Questions?

*FIGUEROA MOUNTAIN WILDFLOWERS*

