

# **Attachment A**

**Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021**

**Please see the attached printed publication.**

# Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021  
Santa Barbara County, CA



Betsy M. Schaffer, CPA, CPFO  
Auditor-Controller

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



## THE AUDITOR-CONTROLLER MISSION:

We ensure the County's financial integrity and promote efficient, effective, and accountable government.

## AWARDS AND ACKNOWLEDGMENTS:

We are very proud of the Annual Comprehensive Financial Report (ACFR) and all of the County's award-winning financial reporting publications. Each publication has been prepared with great care and expertise with the goal of meeting the highest level of financial reporting preparation standards.

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.

Additionally, the County received the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its ACFR publication for the fiscal year ended June 30, 2020. This award has been achieved annually since 1995. To receive this prestigious award, a government must publish an Annual Comprehensive Financial Report that conforms to program standards of creativity, presentation, understandability, and reader appeal.

## THEME:

Santa Barbara County is a wonderful place, filled with beauty and grace. The theme for the fiscal year (FY) 2020-21 ACFR, and associated Popular Financial Report (PAFR or Financial highlights) is "the wonders of Santa Barbara County." The theme of wonder came during the COVID-19 pandemic. That in the midst of fear, illness, mortality, masks, social distancing, and social change, the natural beauty of Santa Barbara County has remained a wonder, and wonderful. From the Guadalupe Dunes to the March 2021 snowstorm in downtown Santa Barbara, our spirit is fed through our eyes. The ACFR cover photo collage displays snips of this wonder throughout Santa Barbara County. Many acknowledgments to Mike Eliason who provided the cover photos through his eyes.



Government Finance Officers Association

### Certificate of Achievement for Excellence in Financial Reporting

Presented to

**County of Santa Barbara  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



COUNTY OF SANTA BARBARA  
STATE OF CALIFORNIA

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2021



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 31, 2021

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, 2021, 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. Eide Bailly LLP has issued an unmodified ("clean") opinion on the County's financial statements for the year ended June 30, 2021. 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**

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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 2,735 square miles, one-third of which is located in the Los Padres National Forest. The County has a population of 441,172 and it includes four of the eight Channel Islands: San Miguel, Santa Cruz, Santa Rosa, and Santa Barbara.

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



Policy & Executive



**Das Williams**  
First District  
Supervisor

**Gregg Hart**  
Second District  
Supervisor

**Joan Hartmann**  
Third District Supervisor  
VICE CHAIR

**Bob Nelson**  
Fourth District Supervisor  
CHAIR

**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

- Pam Fisher, PsyD (Interim)**  
Behavioral Wellness
- Joni Maiden, MPA**  
Child Support Services
- Van Do-Reynoso, MPH, PhD**  
Public Health Services
- Daniel Nielson**  
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 4,205 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, Public and Educational Access, 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) (discretely 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 board, 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) 2020-21, due to the effects of COVID-19, the County experienced decreases in employment with a rise in the corresponding unemployment rate and modest wage gains; conversely, housing price growth increased along with a mild rebound in tourism related taxes.

**“... Santa Barbara’s tourism rebound has already officially begun.”**  
 Keyt.com May 27, 2021

### Employment

- The County’s average unemployment rate during FY 2020-21 increased from 5.9% to 7% with peak unemployment rates split between the end of FY 2019-20 and the beginning of FY 2020-21.
- The June 2021 County unemployment rate of 5.9% was below the State unemployment rate of 8% and below the national unemployment rate of 6.1%.
- As of May 2021, Leisure and Hospitality employment increased by 35.8% from last year to 21,600 jobs.

### Income

- The County’s average annual wages increased to \$59,500 in the 2020 calendar year from \$56,540 in 2019.

### Retail Sales

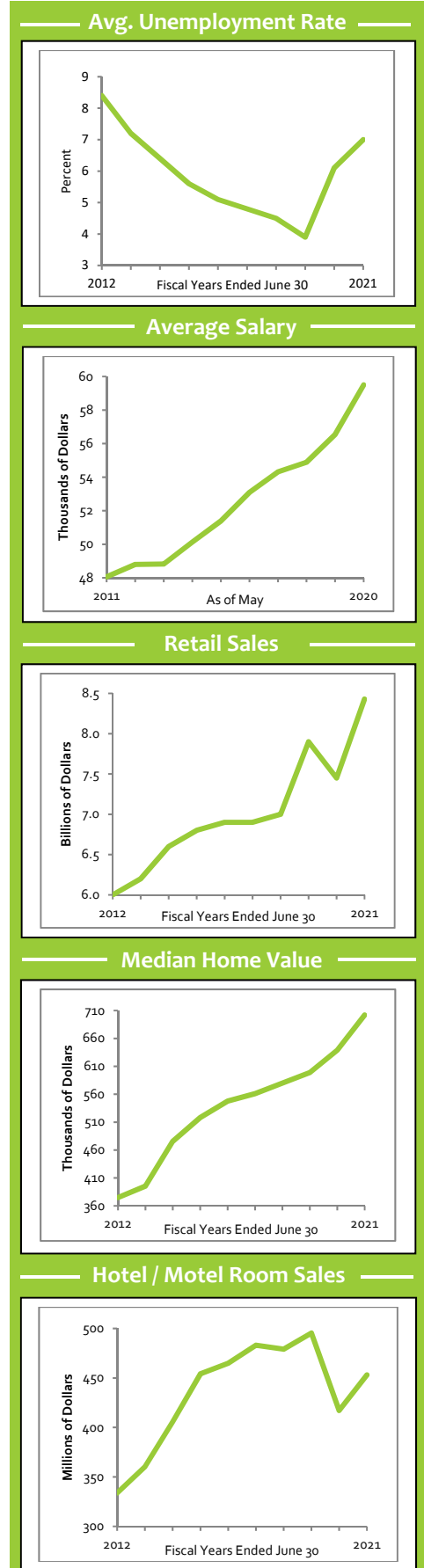
- Countywide estimated retail sales increased 13% to \$8.43 billion during FY 2020-21.
- California retail sales had decreased by 4.63% between January 1 and December 30, 2020.

### Real Estate

- According to the Zillow Home Value Index for Santa Barbara County, the median home value increased 9.8% to \$702,402.
- The real estate market continued its upward trend, but with moderated growth in price increases.

### Tourism

- Countywide estimated room sales increased by 7.4% to \$453 million.
- Countywide estimated Transient Occupancy Tax (TOT) revenue increased by 6.9% to \$53.3 million.
- At the time of this report, Countywide data was not available, however; as of June 2021, Southern Santa Barbara County hotel demand and room rates increased by 2.1% and 19.3% from the previous fiscal year, respectively, with a hotel occupancy rate of 60.2%.



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 State economy came to an abrupt halt in the spring of 2020 due to the COVID-19 pandemic. According to the California Fiscal Outlook, the State began to experience an economic recuperation faster than anticipated during FY 2020-21; however, this recovery has been asymmetric leaving many low-income individuals unemployed while most high-income employment remains intact. The State's unemployment rate reached heights not seen since the Great Depression, cresting at 16% in the spring of 2020 before dropping to a FY 2020-21 average of 7%. In October 2020 spending had risen to within approximately 10% of pre-pandemic levels and by June 2021 retail sales rebounded to show a 13% increase from the prior year.

To ease the issues related to unemployment peaking due to COVID-19, California signed into law the SB-74 Budget Act in late June of 2020. This Act was intended to address the predicted funding shortfalls estimated by the Legislative Analyst's Office and the Department of Finance and to supplement Federal Government stimulus packages aimed at providing monetary relief to business owners to keep employees on their payroll, providing multiple stimulus payments to taxpayers, extending unemployment benefits to the unemployed, and offering tenant relief for rental payments. Some economists were calling for a rapid recovery in the latter half of 2020 believing a "V" shape recovery was already taking place. Others were calling for a weaker bounce producing a "U" shaped recovery. However, as COVID-19 infection rates again began to rise in early 2021, re-opening plans in many areas were paused or reversed and the recovery has been slower than expected.

The SB-74 Budget Act expected that the State would face an unprecedented decline in personal, corporate, and sales tax revenues for FY 2020-21. However, State tax revenues have been better than expected due to the relatively stable economic status of high-income earners and the rebound in stock market investments. Additionally, the anticipated increased use of safety-net programs, such as Medi-Cal and CalFresh, did not actualize.

Leisure/Hospitality and Retail industries struggled through much of 2020 and early 2021 but have begun to show signs of recovery with moderate sales increases in the latter half of 2021. Furthermore, the real estate market continued on an upward trend with inventories dropping and local realtors reporting multiple offers on properties even as the pandemic continues.

The hardships created by the pandemic have been evident; however, based on trends a recovery appears to be underway.

## 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:

- During the ongoing COVID-19 pandemic, the County continued to be proactively engaged in response activities to protect the health and safety of the community and committed to the safe continuity of operations of essential governmental services. Some examples of critical activities lead by the County are provided below:
  - The County's Public Health Department provided timely updates on COVID-19 statuses and community impact to the Board, the media, and to citizen inquiries through press briefings and the Public Health website.
  - Access to the Board was maintained throughout the pandemic via telephone and online platforms.
  - Essential County services were made available safely to the community by maintaining social distancing protocols, teleworking, and alternative contact options.
  - As of May 2021, the County's Public Health Department had conducted contact tracing for 33,736 cases; supported 600+ individuals in isolation & quarantine; implemented mobile vaccine clinics to accommodate hard-to-reach communities; and administered a total of 356,399 vaccine doses countywide for a 33.3% fully vaccinated rate.
  - The County's Emergency Operations Center facilitated emergency operations by providing for multi-agency collaboration for necessary shelters, food supplies, and personal protective equipment to the most at-risk citizens.
  - To support the County workforce, the CEO made limited paid leave options available to County employees to assist with the impacts of COVID-19 care for themselves and their families, as well as to accommodate vaccine appointments and recovery.
  - County Public Health Officials collaborated on a public-private partnership to create a pandemic Community Data Dashboard serving as a tool for the community to minimize the spread of COVID-19.
- Construction on two major capital projects continued throughout FY 2020-21 with major progress being made as they near completion:
  - The Northern Branch Jail is nearing substantial completion (99% complete at June 30, 2021). This grant funded capital project has a total estimated project cost of \$118.9 million.
  - The Tajiguas ReSource Center continued construction (95% complete at June 30, 2021). 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 create renewable energy in the process. The center will divert an additional 60% of waste from the landfill, which will bring the region above an 85% diversion rate. The center will be vital to achieving state-mandated green house gas (GHG) emission reductions, will increase recycling and will divert organic waste. The center is in the commissioning and testing phase with notice to proceed with full operations anticipated in mid FY 2021-22.
- Continued progress on Renew 2022 (Renew '22), the County's multi-year transformational initiative to ensure fiscal sustainability and operational efficiency by 2022 and beyond. The essence of Renew '22 is to fortify the organization to be more resilient and prepared for the next economic downturn or natural emergency. The Renew '22 effort, in its fourth year in FY 2020-21, is designed to ensure the County can withstand these changes and bounce back effectively and quickly. This can be achieved through better systems and technology; improved revenues, augmented reserves and efficient services; responsiveness to clients and customers; and retention and attraction of quality employees. As part of the Renew '22 initiative, the County engaged KPMG consultants to conduct high level assessments of departments to identify strengths and opportunities for improvement. As of June 2021, nine of the twelve contracted reviews have been presented to the Board. The three outstanding reviews are underway and anticipated to be completed by December 2021



- The Board adopted the County’s regional Phase II Community Action Plan to Address Homelessness. In conjunction with many cities throughout the County, Phase II of the Plan aims to develop coordinated goals to reduce homelessness in the region. Phase II of the Plan looks to create a regionally unified response and an urgent, flexible system of care that is driven by data, guided by best practices and seeks to prevent homelessness whenever possible. The overarching goal of the Plan is to end homelessness by 2026 via strategies that include, but are not limited to, increasing housing inventory dedicated to homelessness and affordability; creating a culture of diversion and prevention across the homeless response system; and improving the overall homelessness system performance by decreasing the length of time spent homeless and decreasing returns to homelessness.

## SIGNIFICANT CAPITAL PROJECTS

The County completed \$22.2 million in capital projects in FY 2020-21. Planned Projects in the FY 2021-22 Capital Budget Summary include:

- \$133.9 million for construction of the Tajiguas Resource Center (construction 95% complete through June of 2021)
- \$66.1 million for facility upgrades, improvement, and expansion of the Laguna County Sanitation District with anticipated completion in January 2024;
- Approximately \$42 million for the Bonita School Road Bridge replacement with construction anticipated to begin FY 2023-24;
- Approximately \$8.5 million for the Countywide maintenance and rehabilitation programs for roadway improvements;
- An estimated \$5 million in construction cost for a recycled water distribution project from the Laguna County Sanitation District with anticipated completion in June 2022.

Additional capital and capital maintenance projects, equipment, software, and information systems projects for FY 2021-22 can be found in Section E “Capital Budget Summary” of the County’s Recommended Budget (available at <http://countyofsb.org/ceo/2021.sbc>).

## LONG-TERM FINANCIAL PLANNING

In the FY 2021-22 Recommended Budget the County is projecting modest local property tax revenue growth of 6%, a 21.5% increase in retail sales, and a decrease of 2.3% related to transient occupancy 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 2020-21, the strategic reserve balance reached \$38.8 million, an increase of \$3.1 million from the prior year; as such, no additional amounts were budgeted for 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.

### 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 47% over the next ten years.

### Five-Year Capital Improvement Program

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

### Budgeting Awards

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

## AWARDS AND ACKNOWLEDGMENTS

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

### GFOA Financial Reporting Certificate of Achievement

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the County’s ACFR for the fiscal year ended June 30, 2020. This award has been achieved annually since 1991. To receive this prestigious award, a government must publish an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements.

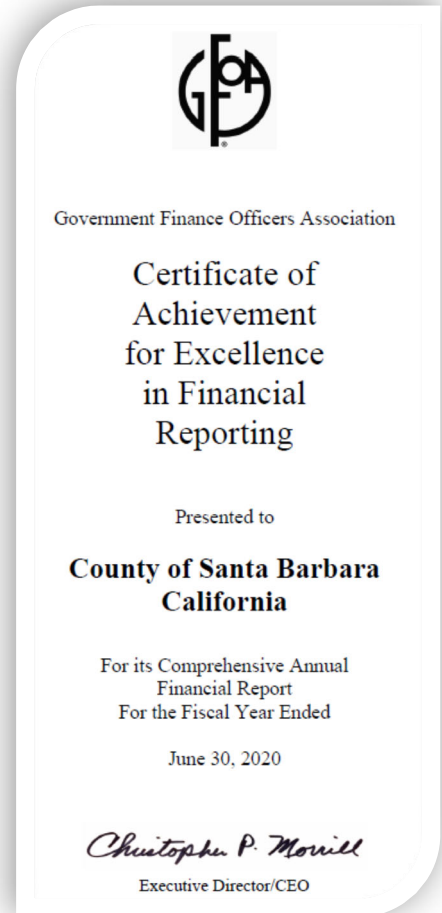
A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### GFOA Budget Presentation Award

The County received the GFOA’s Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2020. This award has been achieved annually since 1998. To receive this prestigious award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

### GFOA Popular Annual Financial Reporting Award

The County received the GFOA’s Award for Outstanding Achievement in Popular Annual Financial Reporting for its Financial Highlights publication for the fiscal year ended June 30, 2020. This award has been achieved annually since 1995. To receive this prestigious award, a government must publish a Popular Annual Financial Report that conforms to program standards of creativity, presentation, understandability, and reader appeal.



### Acknowledgments

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

Respectfully submitted,

Mona Miyasato  
County Executive

Betsy M. Schaffer, CPA, CPFO  
Auditor-Controller



# FINANCIAL SECTION

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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Santa Barbara County Employees' Retirement System (SBCERS), which represent 76 percent, 77 percent, and 10 percent, respectively, of the assets, net position, and revenues/additions of the aggregate remaining fund information.

Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for SBCERS, is based on the report of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, based on our audit and the report of other auditors, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2021, 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.

### **Adoption of New Accounting Standard**

As discussed in Notes 1 and 21 to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules for the Santa Barbara County Employees' Retirement System plan and County of Santa Barbara Other Postemployment Benefits (OPEB) plan, and budgetary comparison information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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.

#### *Other 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 introductory section, combining and individual nonmajor fund financial statements and schedules, the budgetary comparison for the Capital Projects Fund, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2021 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
December 31, 2021





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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, 2021. 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, 2021, 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 \$121,251 (see page 22). The major elements that impacted the financial position during the year are detailed below.

- COVID-19 Pandemic Response (Net impact = +\$33.0M)  
Receipt of Coronavirus Aid, Relief, and Economic Security Act (CARES) funds were used for cost reimbursement and other COVID-19 programs. Overall, the Countywide impact of COVID-19 related funding resulted in the following:  
+ **Increased unrestricted net position** (represents the County's available resources for ongoing obligations without external restrictions on their use.)
- Governmental Accounting Standards Board (GASB) Statement No. 84 (Net impact = +22.0M)  
The County implemented GASB Statement No. 84 – Fiduciary Activities during the fiscal year which resulted in a \$22 million increase to net position. A number of former Agency funds which were included in the Fiduciary statements did not meet the fiduciary criteria under the new standard. As a result, the amounts in these funds are now reported within the primary government in the Governmentwide and Governmental Fund statements.  
+ **Increased restricted net position** (represents the County's available resources for ongoing obligations related to programs with external restrictions of their use)
- Laguna Sanitation District Plant Expansion (Net impact = +16.8M)  
Construction began on the first phase of the \$53 million Laguna Sanitation District upgrade project resulting in an increase in net position as net investment in capital assets. 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 28. The plant upgrade project impact to the Laguna Sanitation fund resulted in the following:  
+ **Increased net investment in capital assets** (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.)
- ReSource Center (Net impact = +\$13.7M)  
During the fiscal year, construction neared completion on the ReSource Center, and will be reflected in net position as an investment in capital assets. The ReSource Center is operational as of July 16, 2021. More information can be found in the work in progress section on page 28. The ReSource Center impact to the Resource Recovery fund resulted in the following:  
+ **Increased net investment in capital assets**

- Increases to Secured Property Tax Revenue (Net impact = +\$10.4M)  
Secured property taxes contributed to the increase in unrestricted net position from moderately increased assessments derived primarily from inflation adjustments and real estate sales under Prop 13. Overall, the Countywide impact of increases to secured property taxes resulted in the following:  
**+ Increased unrestricted net position**
- Collection of Cannabis Tax (Net impact = +\$7.0M)  
Cannabis tax revenues received of \$17.3M during the fiscal year were spent on discretionary programs with the balance of \$7.0M set aside in committed fund balance for use in future years. More information on these revenues can be found in the changes to General Fund balances section on page 32. Overall, the Countywide impact of collections of cannabis taxes resulted in the following:  
**+ Increased unrestricted net position**

Detailed information and analysis of the changes in net position and fund balances 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
- Public and Educational Access
- 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 38-39 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 33 funds for financial reporting purposes. The County segregates from the General Fund a number of significant functions in 8 major funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General; Roads; Public Health; Social Services; Behavioral Wellness; Flood Control District; Affordable Housing; Fire Protection District; and Capital Projects funds, all considered major funds. Data for the other 24 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 40-43 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 44-46 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 GASB Statement No. 14, as amended, and is a fiduciary activity of the County.

*Pages 47-48 of this report display the Fiduciary Funds Financial Statements.*

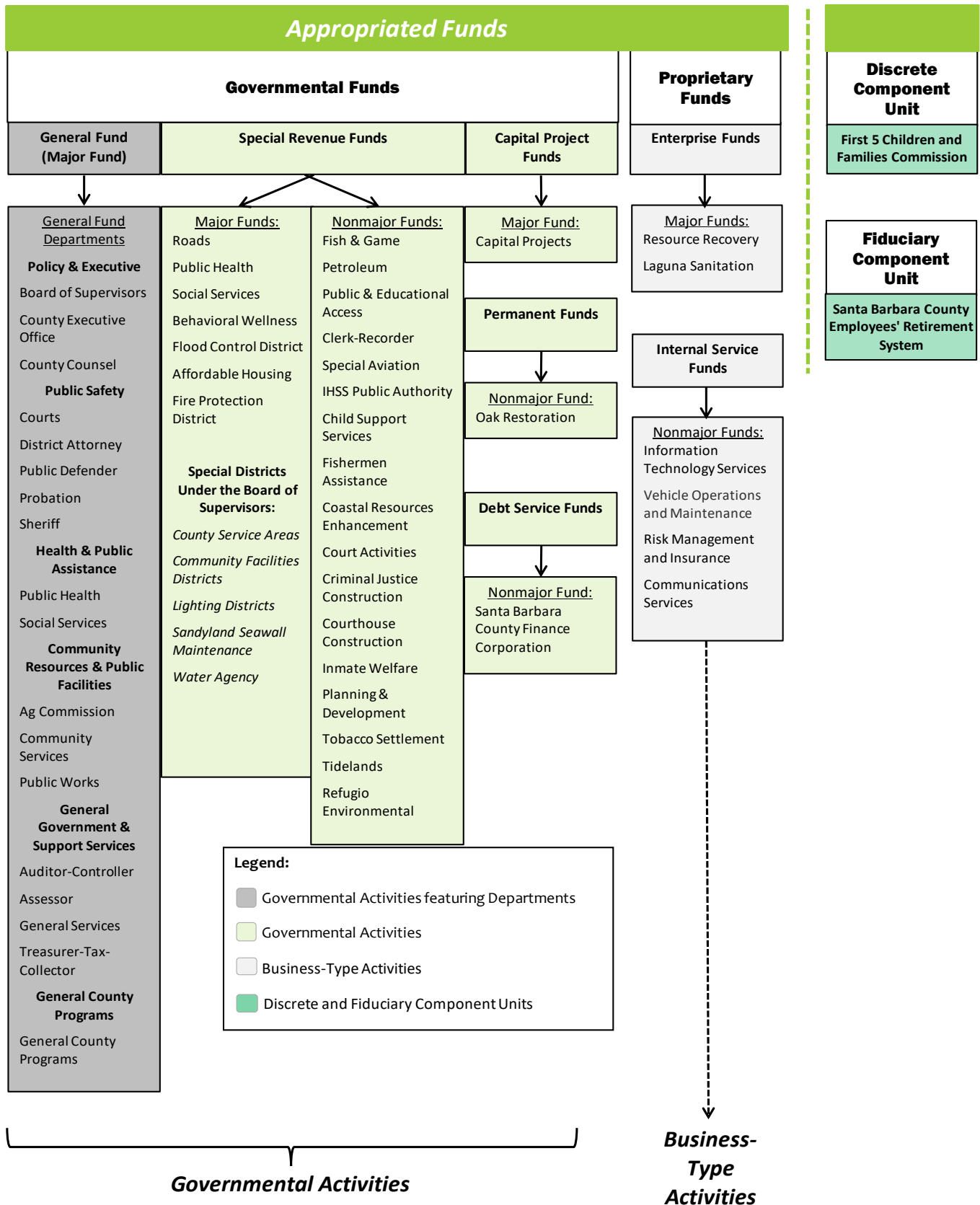
### **Notes to the Financial Statements**

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

- Note 1 provides a general description of the County's Significant Accounting Policies.
- Note 2 provides a Reconciliation for Governmentwide and Fund Financial Statements.
- Notes 3 to 7 provide detailed notes on cash and investments, restricted cash and investments, receivables, capital assets, and 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 information on prior period adjustments.
- Note 22 provides detailed notes on subsequent events.

*Pages 49-130 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	
	2020	2021	2020	2021	2020	2021	Dollar Change	Percent Change
<b>Assets:</b>								
Current and other assets	\$ 675,247	\$ 827,049	\$ 177,787	\$ 169,947	\$ 853,034	\$ 996,996	\$ 143,962	16.9%
Capital assets, net of depreciation	820,321	843,621	202,097	252,160	1,022,418	1,095,781	73,363	7.2%
<b>Total assets</b>	<b>1,495,568</b>	<b>1,670,670</b>	<b>379,884</b>	<b>422,107</b>	<b>1,875,452</b>	<b>2,092,777</b>	<b>217,325</b>	<b>11.6%</b>
<b>Deferred outflows of resources:</b>	<b>205,512</b>	<b>345,899</b>	<b>3,853</b>	<b>6,165</b>	<b>209,365</b>	<b>352,064</b>	<b>142,699</b>	<b>68.2%</b>
<b>Liabilities:</b>								
Current and other liabilities	113,065	152,945	17,007	19,581	130,072	172,526	42,454	32.6%
Long-term liabilities	968,995	1,152,423	219,500	248,146	1,188,495	1,400,569	212,074	17.8%
<b>Total liabilities</b>	<b>1,082,060</b>	<b>1,305,368</b>	<b>236,507</b>	<b>267,727</b>	<b>1,318,567</b>	<b>1,573,095</b>	<b>254,528</b>	<b>19.3%</b>
<b>Deferred inflows of resources:</b>	<b>84,454</b>	<b>68,879</b>	<b>852</b>	<b>672</b>	<b>85,306</b>	<b>69,551</b>	<b>(15,755)</b>	<b>(18.5%)</b>
<b>Net position:</b>								
Net investment in capital assets	755,491	782,419	88,655	98,539	844,146	880,958	36,812	4.4%
Restricted for:								
Policy & executive	1,164	1,392	--	--	1,164	1,392	228	19.6%
Public safety	66,293	77,606	--	--	66,293	77,606	11,313	17.1%
Health & human services	37,386	61,204	--	--	37,386	61,204	23,818	63.7%
Community resources & public facilities	187,676	191,632	--	--	187,676	191,632	3,956	2.1%
General government & support services	4,833	8,304	--	--	4,833	8,304	3,471	71.8%
General county programs	19,405	24,649	--	--	19,405	24,649	5,244	27.0%
Total Restricted	316,757	364,787	--	--	316,757	364,787	48,030	15.2%
Unrestricted	(537,682)	(504,884)	57,723	61,334	(479,959)	(443,550)	36,409	7.6%
<b>Total net position</b>	<b>\$ 534,566</b>	<b>\$ 642,322</b>	<b>\$ 146,378</b>	<b>\$ 159,873</b>	<b>\$ 680,944</b>	<b>\$ 802,195</b>	<b>\$ 121,251</b>	<b>17.8%</b>

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 \$802,195 at the close of the current fiscal year.

### Analysis of Net Position

The County’s total net position increased by \$121,251 or 17.8%, 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 \$62,348, primarily due to the implementation of GASB Statement No. 84 and CARES receipts. Please see Statistical section page 204 for a 10-year trend on changes in net position.

#### Current and Other Assets

Current and other assets increased by \$143,962 or 16.9% due primarily to the implementation of GASB Statement No. 84 and the receipt of CARES funding.

#### Liabilities

Total liabilities increased by \$254,528 or 19.3% due primarily to a \$191,482 or 24.3% increase to the net pension liability and a \$21,685 or 11.5% increase in long-term certificates of participation payables over the prior year.

**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 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 \$36,812, or 4.4%, to \$880,958 at year-end, and consisted of the following:

	2020	2021	Dollar Change	Percentage Change
Investment in Capital Assets (net of accumulated depreciation)	\$ 1,022,418	\$ 1,095,781	\$ 73,363	7.2%
Less:				
Related Debt	146,528	\$ 183,969	37,441	25.6%
Related Deferred Inflows of Resources	31,744	30,854	(890)	(2.8%)
Net Investment in Capital Assets	<u>\$ 844,146</u>	<u>\$ 880,958</u>	<u>\$ 36,812</u>	<u>4.4%</u>

Detailed information on capital can be found under the Capital Assets section on page 27.

**Restricted Net Position**

Restricted net position of \$364,787 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 other post-employment benefits (OPEB) liabilities, the County has significantly more restricted net position dollars than unrestricted net position dollars. Restricted net position is comprised of the following:

- 1) \$137,660 (37.74%) for property taxes dedicated to specific services such as flood control and fire protection,
- 2) \$76,030 (20.84%) for federally imposed restrictions for health and housing programs,
- 3) \$52,301 (14.34%) for federal and State allocations for roads and health services,
- 4) \$51,833 (14.21%) for numerous State imposed restrictions,
- 5) \$27,639 (7.58%) for various other restrictions imposed on the County, and
- 6) \$19,324 (5.30%) for grant, land use, and permit agreements.

Restricted net position increased \$48,030 or 15.2%. Significant changes to restricted net position, by function, include:

- The Health and Human Services function increased \$23,818 due primarily to:
  - \$13,343 of one-time Mental Health Services Act (MHSA) funding restricted for mental health purposes.
  - \$8,983 of intergovernmental transfer options with CenCal Health, a local healthcare partner, which brought additional federal funding to support public health services.
- The Public Safety function increased \$11,313 due primarily to:
  - \$5,289 of unspent Assembly Bill 109 funding which is used for the supervision of non-violent offenders.
  - \$4,399 from the inclusion of balances that were in former agency funds which are now included in governmental funds due to the implementation of GASB Statement No. 84.
- The General County Programs function increased \$5,244 due primarily to the receipt of Proposition 172 sales tax allocation which are to be used for public safety.

**Unrestricted Net Position**

Due primarily to the collection of COVID-19 recovery funds and cannabis revenue (see page 25), unrestricted net position changed favorably by \$36,409, or 7.6% from negative \$479,959 to negative \$443,550. The majority of the balance of negative unrestricted net position is primarily the result of the County’s unfunded net pension (\$979,527) and OPEB liabilities (\$98,226).

**Analysis of Governmental Activities**

The net position of the County’s governmental activities increased by \$107,756 to \$642,322, or 20.2% over the prior year as a result of operating revenues exceeding operating expenditures and prior period adjustments.

<b>Changes in Net Position (in thousands)</b>				
	<b>Governmental Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2021</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 254,193	\$ 243,167	\$ (11,026)	(4.3%)
Operating grants and contributions	380,748	490,869	110,121	28.9%
Capital grants and contributions	81	523	442	545.7%
<b>Total program revenues</b>	<b>635,022</b>	<b>734,559</b>	<b>99,537</b>	<b>15.7%</b>
General revenues:				
Property taxes	309,150	323,795	14,645	4.7%
Sales taxes	19,068	21,104	2,036	10.7%
Transient occupancy tax	10,182	12,535	2,353	23.1%
Cannabis	12,182	15,747	3,565	29.3%
Payments in lieu of taxes	2,037	2,017	(20)	(1.0%)
Franchise fees	3,509	3,323	(186)	(5.3%)
Unrestricted investment earnings	3,484	(783)	(4,267)	(122.5%)
Other	496	2,305	1,809	364.7%
<b>Total general revenues</b>	<b>360,108</b>	<b>380,043</b>	<b>19,935</b>	<b>5.5%</b>
<b>Total revenues</b>	<b>995,130</b>	<b>1,114,602</b>	<b>119,472</b>	<b>12.0%</b>
<b>Expenses</b>				
Policy & executive	19,074	19,661	587	3.1%
Public safety	376,065	389,249	13,184	3.5%
Health & human services	397,009	412,050	15,041	3.8%
Community resources & public facilities	122,448	147,650	25,202	20.6%
General government & support services	46,294	48,950	2,656	5.7%
General county programs	1,819	9,583	7,764	426.8%
Interest on long-term debt	1,772	1,619	(153)	(8.6%)
<b>Total expenses</b>	<b>964,481</b>	<b>1,028,762</b>	<b>64,281</b>	<b>6.7%</b>
<b>Excess (deficiency) of revenues over (under) expenses</b>	<b>30,649</b>	<b>85,840</b>	<b>55,191</b>	<b>180.1%</b>
Transfers	21	(77)	(98)	(466.7%)
<b>Change in net position</b>	<b>30,670</b>	<b>85,763</b>	<b>55,093</b>	<b>179.6%</b>
<b>Net position - beginning</b>	<b>503,896</b>	<b>534,566</b>	<b>30,670</b>	<b>6.1%</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>21,993</b>	<b>21,993</b>	
<b>Net position - beginning, as restated</b>	<b>503,896</b>	<b>556,559</b>	<b>52,663</b>	<b>10.5%</b>
<b>Net position - ending</b>	<b>\$ 534,566</b>	<b>\$ 642,322</b>	<b>\$ 107,756</b>	<b>20.2%</b>

## Revenues

Total revenues for the County's Governmental Activities had an overall increase from the prior year of \$119,472 or 12.0%, to \$1,114,602. 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 \$99,537, or 15.7%, to \$734,559 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 65.9% of the County's funding for governmental activities.

- Charges for services decreased a net \$11,026, or 4.3%, to \$243,167 primarily due to:
  - A one-time receipt collected in the prior year of \$28,123 in Southern California Edison settlement funds for the Thomas Fire and Montecito Debris Flow; and
  - \$6,791 increase in fire incident reimbursements; and
  - \$6,204 increase of one-time Medi-Cal revenue received.
- Operating grants and contributions (intergovernmental revenues) increased a net \$110,121, or 28.9%, to \$490,869 primarily due to:
  - \$46,069 of Coronavirus relief funding; and
  - \$32,362 of one-time Mental Health Services Act funding; and
  - \$11,313 of funding for specialized vector-control programs and partnership programs with a local health group.
- Capital grants and contributions (intergovernmental revenues) increased \$442, or 545.7%, to \$523 primarily due to planned capital maintenance road projects.

**General Revenues** had an overall increase of \$19,935, or 5.5%, to \$380,043. 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 \$14,645, or 4.7%, to \$323,795 primarily from assessed valuation growth, offset by settlement of significant appeals.
- *Cannabis Tax* increased \$3,565, or 29.3%, to \$15,747 primarily due to increased cannabis related operations.
- Unrestricted investment earnings decreased by \$4,267 primarily due to a decrease in the fair value of investments. However, since the Treasury generally holds investments until maturity this loss will not be realized.

**Expenses** had an overall increase for governmental activities of \$64,281, or 6.7%, to \$1,028,762 from the prior year. This change was mainly driven by a \$13,870, or 4.2%, and a \$10,280, or 7.9%, change in salaries and benefits and retirement contributions, respectively. Additional drivers are provided below:

- An increase in the Community Resources & Public Facilities function of \$25,202 primarily due to a \$12,831 increase in emergency rental assistance programs and a \$9,674 increase in roads projects.
- An increase in Health & Human Services of \$15,041 primarily due to increases in assistance and In-Home Supportive Service payments.
- An increase in the General County Programs function of \$7,764 primarily due to increases in contributions to other governments, legal fees, and settlements.

As a service delivery entity, the County's major cost component is salaries and benefits, amounting to 63.0% of the total County expenses. The average full-time equivalent (FTE) count for the County (including business-type activities) had a net increase of 66 FTEs from 4,139 in the prior year to 4,205 at June 30, 2021. 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 \$13,495, or 9.2%, to \$159,873 which indicates these activities generated revenues sufficient to cover the costs of operations.

	Business-Type		Bus Total	
	Activities		Dollar	Percent
	2020	2021	Change	Change
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 53,324	\$ 52,180	\$ (1,144)	(2.1%)
Operating grants and contributions	4,253	3,488	(765)	(18.0%)
Total program revenues	57,577	55,668	(1,909)	(3.3%)
General revenues:				
Unrestricted investment earnings	2,109	(185)	(2,294)	(108.8%)
Other	22	701	679	3,086.4%
Total general revenues	2,131	516	(1,615)	(75.8%)
<b>Total revenues</b>	<b>59,708</b>	<b>56,184</b>	<b>(3,524)</b>	<b>(5.9%)</b>
<b>Expenses</b>				
Resource recovery	34,258	34,030	(228)	(0.7%)
Laguna sanitation	7,356	8,736	1,380	18.8%
<b>Total expenses</b>	<b>41,614</b>	<b>42,766</b>	<b>1,152</b>	<b>2.8%</b>
<b>Excess (deficiency) of revenues over (under) expenses</b>	<b>18,094</b>	<b>13,418</b>	<b>(4,676)</b>	<b>(25.8%)</b>
Transfers	(21)	77	98	(466.7%)
<b>Change in net position</b>	<b>18,073</b>	<b>13,495</b>	<b>(4,578)</b>	<b>(25.3%)</b>
<b>Net position - beginning</b>	<b>128,305</b>	<b>146,378</b>	<b>18,073</b>	<b>14.1%</b>
<b>Net position - ending</b>	<b>\$ 146,378</b>	<b>\$ 159,873</b>	<b>\$ 13,495</b>	<b>9.2%</b>

- Charges for services decreased by \$1,144, or 2.1%, to \$52,180 primarily due to decreases in charges for sanitation services in Resource Recovery due to a decrease in commercial related revenues.
- Operating grants and contributions decreased by \$765, or 18.0%, to \$3,488 primarily due to lower interest income on bond proceeds since the balance of the bond proceeds declines as they are used to fund construction projects.
- Unrestricted investment earnings decreased by \$2,294, or 108.8%, to (\$185) primarily due to lower than expected interest income and unrealized losses on investments in the County treasury.
- Expenses increased by \$1,152, or 2.8%, to \$42,766 primarily due to costs related to the Laguna Sanitation District membrane module replacements.



Capital Assets (net of depreciation, in thousands)								
	Governmental		Business-Type		Total		Total	
	Activities		Activities				Dollar	Percent
	2020	2021	2020	2021	2020	2021	Change	Change
Land	\$ 60,582	\$ 61,651	\$ 15,654	\$ 15,654	\$ 76,236	\$ 77,305	\$ 1,069	1.4%
Land easements	53,133	53,133	--	--	53,133	53,133	--	0.0%
SCA assets	41,183	40,729	--	--	41,183	40,729	(454)	(1.1%)
Work in progress	164,730	188,914	113,246	156,580	277,976	345,494	67,518	24.3%
Capital assets, not being depreciated	319,628	344,427	128,900	172,234	448,528	516,661	68,133	15.2%
Land improvements	19,723	19,853	239	229	19,962	20,082	120	0.6%
Structures and improvements	145,300	141,838	11,549	17,542	156,849	159,380	2,531	1.6%
Equipment and software	62,031	60,786	14,012	15,086	76,043	75,872	(171)	(0.2%)
Infrastructure	273,639	276,717	47,397	47,069	321,036	323,786	2,750	0.9%
Capital assets, net of accumulated depreciation	500,693	499,194	73,197	79,926	573,890	579,120	5,230	0.9%
<b>Total</b>	<b>\$ 820,321</b>	<b>\$ 843,621</b>	<b>\$ 202,097</b>	<b>\$ 252,160</b>	<b>\$1,022,418</b>	<b>\$ 1,095,781</b>	<b>\$ 73,363</b>	<b>7.2%</b>

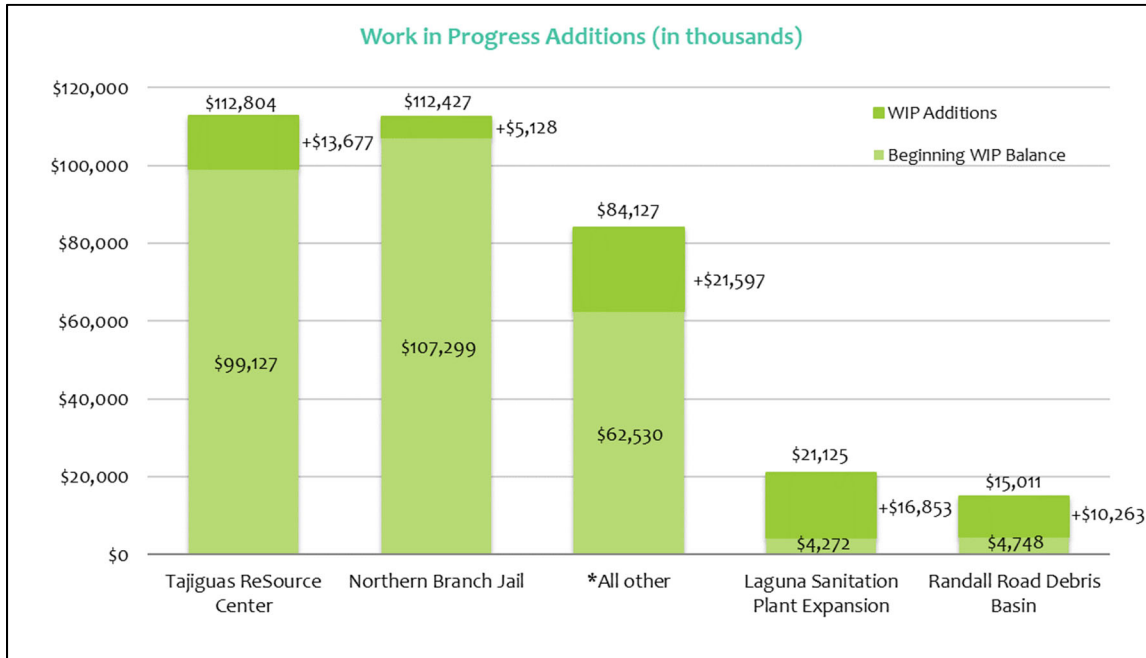
**Analysis of Capital Assets**

During the fiscal year, the County’s investment in capital assets increased by \$73,363, or 7.2%, to \$1,095,781 (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 \$1,069 in land. The significant additions included:
  - \$913 for property in Orcutt to be used for recreational purposes; and
  - \$155 for the Fernald Point Lane bridge permanent easement.
- **SCA Asset:** The County’s net SCA assets decreased by \$454. The significant changes include:
  - Capitalized SCA assets for the former Beachside Restaurant decreased by \$568 since this amount was reclassified to Structures and Improvements; and
  - \$114 for the Lake Cachuma Store, Boathouse Restaurant, and Santa Barbara County Bowl cumulatively.
- **Land Improvements:** The County capitalized \$891 of land improvements for Lookout Park renovations and Calle Real streetlights net of \$771 in related depreciation, for a total increase of \$120 or 0.6%.
- **Structures and Improvements:** The County capitalized \$9,714 of structures and improvements, net of \$7,183 in related depreciation, for a total increase of \$2,531 or 1.6%. Significant increases include:
  - \$4,485 for upgrades to the sludge drying beds at the Laguna Sanitation District; and
  - \$1,469 for flood protection at the Laguna Sanitation District; and
  - \$1,309 for Arroyo Burro beach ranger office improvements.
- **Equipment and Software:** The County capitalized \$14,206 of equipment and software, net of \$14,257 in related depreciation and \$120 of deletions, for a total decrease of \$171 or 0.2%. Significant equipment and software additions include:
  - \$1,343 for a compactor for the Tajiguas landfill; and
  - \$762 for in-car video systems for Sheriff patrol vehicles; and
  - \$587 for a pavement marking truck for roads; and
  - \$11,514 for the acquisition of 111 additional assets all of which were individually under \$520 in value.
- **Infrastructure:** The County capitalized \$10,734 in infrastructure, net of \$7,948 in related depreciation and \$36 of transfers, for a total increase of \$2,750 or 0.9%. Significant projects include:
  - \$4,113 for interchange improvements in Orcutt; and
  - \$1,283 for a bridge at East Mountain Drive; and
  - \$812 for the Baron Ranch trail extension.

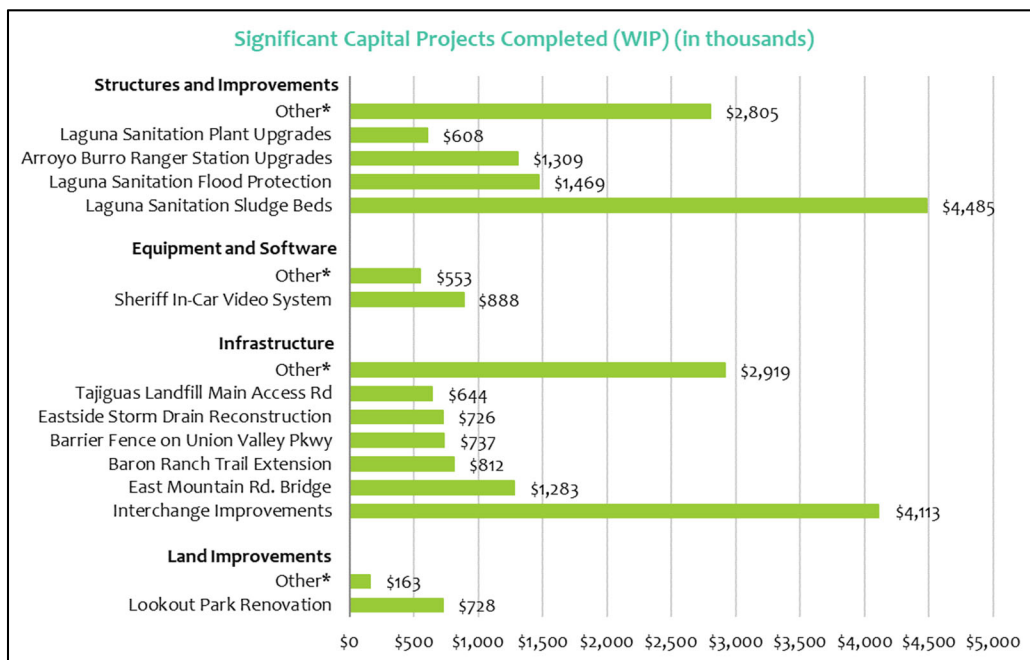
- Work in Progress (WIP):** When a capital project will be completed in a subsequent fiscal year, related project costs are recorded as WIP. In the year of completion, a project’s WIP is allocated to the appropriate capital asset classification(s). In the current fiscal year, WIP had a net increase of \$67,518, or 24.3%. Total WIP increases of \$91,722 were offset by project completions of \$24,204.

Of the \$67,518 net increases to WIP, major project costs include:



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

Of the \$24,204 completions of WIP, major projects include:



\*Other represents individual projects that have total completed WIP balances under \$600.

Additional capital asset information, including depreciation, amortization, and outstanding WIP by project as of June 30, 2021, 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</b>		<b>Business-Type</b>		<b>Total</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Total</b>		<b>Dollar</b>	<b>Percent</b>
	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>Change</b>	<b>Change</b>
Bonds and notes payable	\$ 8,515	\$ 5,928	\$ 3,513	\$ 2,674	\$ 12,028	\$ 8,602	\$ (3,426)	(28.5%)
Certificates of participation	24,910	23,490	165,037	191,451	189,947	214,941	24,994	13.2%
<b>Total</b>	<b>\$ 33,425</b>	<b>\$ 29,418</b>	<b>\$ 168,550</b>	<b>\$ 194,125</b>	<b>\$ 201,975</b>	<b>\$ 223,543</b>	<b>\$ 21,568</b>	<b>10.7%</b>

The County’s total balance of bonds, notes, and COP increased by \$21,568, or 10.7%, during the fiscal year. The net increase was primarily due to \$24,510 of Laguna Sanitation Certificates of Participation (2020 COP) issued at a premium of \$3,833 for the Laguna Sanitation District plant upgrade project in order to meet current and future service needs.

**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)						Total	
	Nonspendable	Restricted	Committed	Unassigned	Total		Dollar	Percent
	2021				2021	2020	Change	Change
<b>General Fund</b>	\$ 56	\$ 62,161	\$ 181,517	\$ 19,839	\$ 263,573	\$ 201,899	\$ 61,674	30.5%
<b>Major Funds</b>								
Roads	--	31,011	--	--	31,011	33,883	(2,872)	(8.5%)
Public Health	--	28,167	-	--	28,167	18,392	9,775	53.1%
Social Services	255	4,246	2,656	--	7,157	4,970	2,187	44.0%
Behavioral Wellness	--	24,913	345	--	25,258	10,342	14,916	144.2%
Flood Control	-	70,369	--	--	70,369	71,540	(1,171)	(1.6%)
Affordable Housing	--	8,595	--	--	8,595	6,863	1,732	25.2%
Fire Projection	-	30,107	--	--	30,107	27,525	2,582	9.4%
Capital Projects	--	8,936	14,191	--	23,127	18,413	4,714	25.6%
<b>Other Governmental Funds</b>	700	42,188	11,393	--	54,281	41,356	12,925	31.3%
<b>Total Fund Balances</b>	\$ 1,011	\$ 310,693	\$ 210,102	\$ 19,839	\$ 541,645	\$ 435,183	\$ 106,462	24.5%

### Governmental Funds

The focus of the County's governmental funds is to provide information on near-term (See Note 1 on page 61) 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.

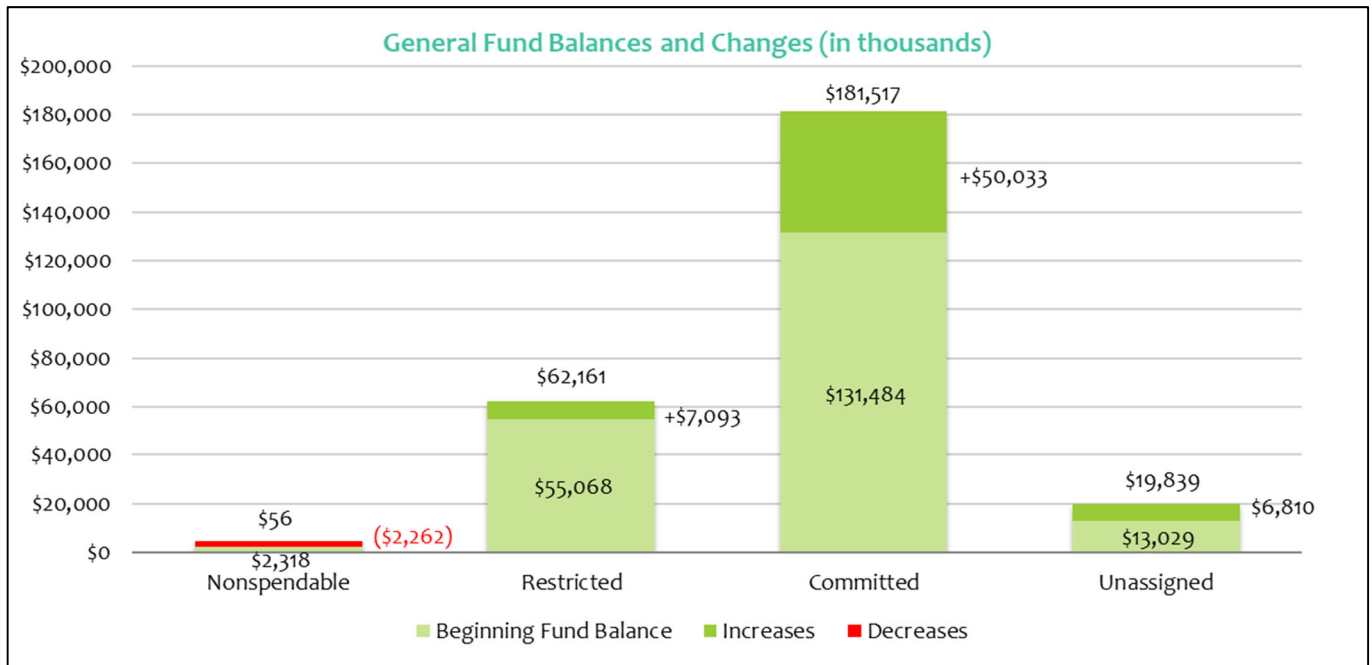
At June 30, 2021, the County's Governmental Funds reported total fund balance of \$541,645, a \$106,462 increase in comparison with the prior year's total ending fund balances. The components of total fund balance are as follows (for more information see Note 14 – Fund Balances):

- *Nonspendable Fund Balance*, \$1,011 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*, \$310,693 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*, \$210,102, 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*, \$19,839 represents the residual balance for the County's General Fund.

Approximately 99.8%, or \$540,634, 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 fund balance, essentially all of which is available in spendable form, equates to 67.4% 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:
  - \$19,739 for Realignment funds for public safety, health, and social programs;
  - \$9,994 for Property Tax Loss Reserves in Purpose of Fund as part of the Teeter program;
  - \$8,452 for Public Safety Proposition 172; and
  - \$4,744 for Probation Youth Offender Block Grant.
- Some significant committed fund balance amounts of the General Fund include:
  - \$39,967 for Accumulated Capital Outlay for future capital projects;
  - \$38,785 Strategic Reserve earmarked for severe economic downturns and emergencies;
  - \$16,234 for Disaster Recovery; and
  - \$15,666 for Cannabis funded projects.
- Unassigned fund balance of \$19,839 is available for future discretionary appropriation by the Board.

The remaining \$90,103 of fund balances for the General Fund are comprised of over 60 components of restricted and committed fund balances (see Note 14 – Fund Balances).

### *Changes to General Fund Balances*

Nonspendable fund balance decreased \$2,262 to \$56 primarily due to the release of impounded taxes associated with the resolution of property tax assessment appeals.

The General Fund's total fund balance increased by 30.5%, or \$61,674 to \$263,573 at June 30, 2021. The spendable fund balances increased \$63,936 to \$263,517 primarily in the following areas:

- Restricted fund balance
  - \$5,923 from public safety Prop 172 sales tax allocation;
  - \$2,757 from local realignment for public safety, health, and social programs;
  - \$1,665 for supplemental law enforcement services.
- Committed fund balance
  - \$36,114 for various County capital projects;
  - \$6,800 from cannabis; and
  - \$3,492 for technology replacement and investments.
- Unassigned fund balance
  - General Fund unassigned fund balance increased \$6,810 from the prior year. The increase is primarily attributable to the receipt of CARES Act funding related to COVID-19 recovery.

### **Major Funds**

As compared with the prior year, the total fund balances of the major funds increased 16.6%, or \$31,863 to \$223,791 with the following significant changes:

- The Behavioral Wellness Fund, with expenditures of \$118,928, had a positive \$14,380 change in fund balance primarily due to one-time MHSA revenues and the implementation of GASB Statement No. 84.
- The Public Health Fund, with expenditures of \$96,459, finished the year with an increase to fund balance of \$9,775, or 53.1%, to \$28,167, primarily due to partnership programs with a local health group and the implementation of GASB Statement No. 84.
- The Capital Projects Fund, with expenditures of \$15,309, finished the year with an increase to fund balance of \$4,714, or 25.6%, to \$23,127, primarily due to the implementation of GASB Statement No. 84.
- The remaining net increases totaled \$2,458 across the other four major funds and were principally related to the receipt of funding for developmental disabilities and the implementation of GASB Statement No. 84.

### **Other Governmental Funds**

The fund balances of nonmajor governmental funds as a whole increased \$12,925, or 31.3%, to \$54,281. The following were significant changes:

- Beginning in FY 2020-21 separate funds were established for Clerk-Recorder operations as well as Planning & Development operations and each had an ending fund balance of \$4,284 and \$4,930, respectively.
- The Water Agency fund balance increased by \$1,231 as a result of expenditure savings in services & supplies and other charges.
- The remaining net increases totaled \$979 across the other 22 nonmajor funds and were principally related to positive results of operations and the implementation of GASB 84.

### 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 entitywide statements as business-type activities. The only difference between what is reported in the proprietary fund financial statements and the entitywide 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 26.

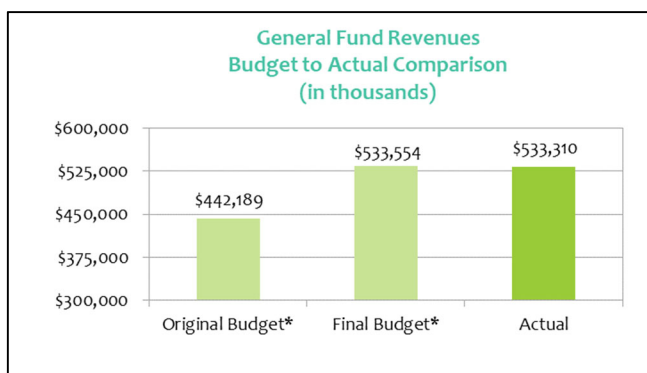
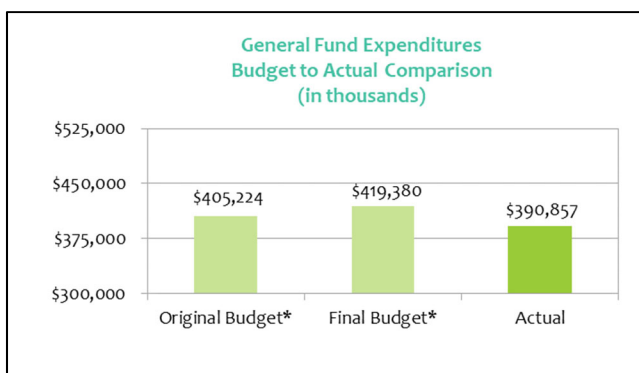
The County has five internal services funds: Information Technology Services, Vehicle Operations and Maintenance, Risk Management and Insurance, Communications Services, and Utilities. The net position and activities of the internal services funds are proportionally allocated between governmental and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

Total internal service funds’ net position increased by \$4,874, or 8.0%, to \$65,620. The total increase in net position is primarily due to lower than expected services and supplies and capital asset expenses.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The variance between General Fund final budget and actual expenditures resulted in \$28,523 of unspent appropriations. Key variances in unspent appropriations are as follows: \$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.



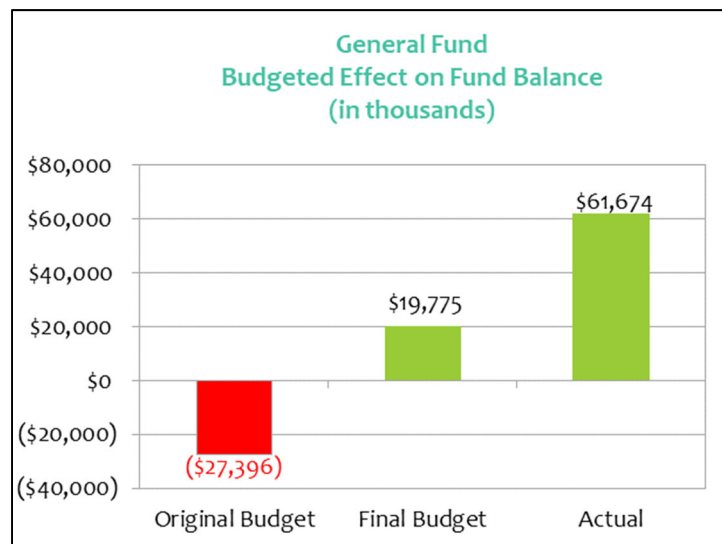
**Expenditures:** The County’s final budget appropriations for the General Fund differed from the original budget by \$14,156, or 3.5%. The major changes were as follows:

- Services and supplies increased \$7,020 primarily due to jail operation related expenditures.
- Other Charges increased \$4,440 primarily due to contributions to other governments for partnership programs as well as litigation judgments.
- Capital Assets increased \$3,332 primarily due to the purchase of land in Orcutt for recreational purposes.

**Revenues:** The County’s General Fund final budgeted revenues were greater than the original budget by \$91,365 or 20.7% due to unanticipated cannabis tax revenue and Prop 172 sales tax allocation.

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

**Fund Balance:** The General Fund’s equity position increased by \$61,674, versus the final budget plan to increase fund equity by \$19,775. By year-end, the increase to fund balance was more than the budget plan as departmental savings and positive operating results exceeded estimates.



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

The following factors were considered in preparing the County’s recommended budget for FY 2021-22:

The goal for the upcoming year is recovery. The County’s budget projects the use of federal and State resources for pandemic relief to cover COVID-19 response efforts. The recommended budget for FY 2021-22 is based on the assumptions that projected revenues will remain stable and that a portion of cannabis tax revenue will be used for ongoing budgetary purposes.

Total Governmental Fund revenues show an increase of 2.17%, or \$25,653 comparing FY 2021-22 budget to FY 2020-21 actual revenues. The FY 2021-22 budget shows an increase in General Fund total revenues of 1.95%, or \$9,219, compared to FY 2020-21 actual revenues.

The adopted budget appropriations for total Governmental Fund expenditures for FY 2021-22 includes a 19.43%, or \$207,239, increase when compared to FY 2020-21 actuals. The primary reason for the increase is that the County's adopted budget includes \$43.3M of new federal American Rescue Plan Act (ARPA) funding that will be passed through from the State to the County for COVID-19 recovery efforts. The focus of the FY 2021-22 budget is to continue to provide mandated and essential services, meet debt service obligations, and address critical deferred maintenance and infrastructure needs. Additionally, the ARPA monies will allow the County to invest in local programs to help homelessness and other allowable improvement initiatives. The budget was also built on the assumption that revenue growth - primarily in property, cannabis, and sales taxes - will remain stable in FY 2021-22.

As of June 30, 2022, the recommended available spendable General Fund balance is projected to be \$193,411. Of this amount, \$41,798 is Restricted and \$145,794 is Committed but remains available for appropriation. The County's General Fund is projected to end with \$5,819 of Unassigned fund balance. The County's Recommended performance-based FY 2021-22 budget and the County's Five-Year Capital Improvement Program can be found at [www.countyofsb.org/ceo](http://www.countyofsb.org/ceo) under the Budget heading.

## 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 <http://www.countyofsb.org/auditor/PublicationsLatest.sbc>.

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/> 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, 2021 (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)	\$ 593,934	\$ 118,998	\$ 712,931	\$ 6,182
Accounts receivable, net:				
Taxes	41,140	--	41,140	--
Licenses, permits, and franchises	767	333	1,100	--
Fines, forfeitures, and penalties	229	--	229	--
Use of money and property	869	138	1,007	6
Intergovernmental	71,034	--	71,034	230
Charges for services	26,435	9,549	35,984	--
Other	2,387	9	2,396	114
Internal balances	653	(653)	--	--
Inventories	226	258	484	--
Prepaid items	305	--	305	--
Notes receivable (Note 5)	9,130	--	9,130	--
Other receivables	2,472	930	3,403	7
Restricted cash and investments (Note 4)	26,608	40,385	66,993	--
Housing loans receivable, net (Note 5)	40,791	--	40,791	--
Housing loans interest receivable, net (Note 5)	10,069	--	10,069	--
Capital assets, not being depreciated/amortized (Note 6)	344,427	172,234	516,661	--
Capital assets, net of accumulated depreciation/amortization (Note 6)	499,194	79,926	579,120	--
Total assets	<u>1,670,670</u>	<u>422,107</u>	<u>2,092,777</u>	<u>6,539</u>
<b>Deferred outflows of resources</b>				
Deferred payables (Note 1)	616	--	616	--
Deferred pensions (Note 18)	331,282	5,872	337,154	510
Deferred OPEB (Note 19)	14,001	293	14,294	38
Total deferred outflows of resources	<u>345,899</u>	<u>6,165</u>	<u>352,064</u>	<u>548</u>
<b>Liabilities</b>				
Accounts payable	38,457	11,689	50,146	392
Salaries and benefits payable	31,006	595	31,601	48
Interest payable	142	696	838	--
Other payables	23,083	6,579	29,662	--
Advances from grantors and third parties (Note 8)	44,246	--	44,246	--
Unearned revenue	1,582	--	1,582	--
Customer deposits payable	14,429	22	14,451	--
Long-term liabilities (Note 10):				
Portion due within one year:				
Compensated absences (Note 10)	33,094	687	33,781	57
Capital lease obligations (Note 9)	150	--	150	--
Certificates of participation, net (Note 10)	1,485	3,750	5,235	--
Other short-term obligations (Note 10)	1,303	--	1,303	--
Bonds and notes payable (Note 10)	1,447	863	2,310	--
Liability for self-insurance claims (Notes 10 and 11)	4,588	--	4,588	--
Landfill closure/postclosure care costs (Note 13)	--	813	813	--
Portion due in more than one year:				
Compensated absences (Note 10)	10,345	144	10,489	11
Capital lease obligations (Note 9)	782	--	782	--
Certificates of participation, net (Note 10)	22,005	187,701	209,706	--
Other long-term obligations (Note 10)	7,421	--	7,421	--
Bonds and notes payable (Note 10)	4,481	1,811	6,292	--
Liability for self-insurance claims (Notes 10 and 11)	6,169	--	6,169	--
Estimated litigation liability (Note 12)	474	--	474	--
Landfill closure/postclosure care costs (Note 13)	--	33,303	33,303	--
Net pension liability (Note 18)	962,466	17,061	979,527	1,481
Net OPEB liability (Note 19)	96,213	2,013	98,226	261
Total liabilities	<u>1,305,368</u>	<u>267,727</u>	<u>1,573,095</u>	<u>2,250</u>
<b>Deferred inflows of resources</b>				
Deferred service concession arrangements (Note 7)	32,100	--	32,100	--
Deferred pensions (Note 19)	30,320	537	30,857	47
Deferred OPEB (Note 19)	6,459	135	6,594	17
Total deferred inflows of resources	<u>68,879</u>	<u>672</u>	<u>69,551</u>	<u>64</u>
<b>Net position</b>				
Net investment in capital assets	782,419	98,539	880,958	--
Restricted for (Note 14):				
Policy & executive	1,392	--	1,392	--
Public safety	77,606	--	77,606	--
Health & human services	61,204	--	61,204	--
Community resources & public facilities	191,632	--	191,632	--
General government & support services	8,304	--	8,304	--
General county programs	24,649	--	24,649	--
Unrestricted	(504,884)	61,334	(443,550)	4,773
Total net position	<u>\$ 642,322</u>	<u>\$ 159,873</u>	<u>\$ 802,195</u>	<u>\$ 4,773</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, 2021 (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	\$ 25,469	\$ (5,808)	\$ 19,661	\$ 785	\$ 60,444	\$ --	\$ 41,568	\$ --	\$ 41,568	
Public safety	380,173	9,076	389,249	61,308	88,873	--	(239,068)	--	(239,068)	
Health & human services	403,323	8,727	412,050	113,940	277,105	--	(21,005)	--	(21,005)	
Community resources & public facilities	143,086	4,564	147,650	36,410	48,754	343	(62,143)	--	(62,143)	
General government & support services	66,219	(17,269)	48,950	14,949	4,472	180	(29,349)	--	(29,349)	
General county programs	9,593	(10)	9,583	15,775	11,221	--	17,413	--	17,413	
Interest on long-term debt	1,619	--	1,619	--	--	--	(1,619)	--	(1,619)	
Total governmental activities	1,029,482	(720)	1,028,762	243,167	490,869	523	(294,203)	--	(294,203)	
Business-type activities:										
Resource Recovery	33,518	512	34,030	37,263	3,283	--	--	6,516	6,516	
Laguna Sanitation	8,528	208	8,736	14,917	205	--	--	6,386	6,386	
Total business-type activities	42,046	720	42,766	52,180	3,488	--	--	12,902	12,902	
Total primary government	\$ 1,071,528	\$ --	\$ 1,071,528	\$ 295,347	\$ 494,357	\$ 523	\$ (294,203)	\$ 12,902	\$ (281,301)	
Component unit:										
First 5 Children and Families Comm.	\$ 3,280	\$ --	\$ 3,280	\$ 102	\$ 4,015	\$ --	--	--	--	\$ 837
General Revenues:										
Taxes:										
Property							232,276	--	232,276	--
Sales							14,801	--	14,801	--
Transient occupancy							12,535	--	12,535	--
Cannabis							15,747	--	15,747	--
Payments in-lieu of taxes							2,017	--	2,017	--
Franchise fees							3,323	--	3,323	--
Other general revenues							470	--	470	--
Restricted for community resources and public facilities:										--
Sales tax, allocated to roads							6,303	--	6,303	--
Property tax, levied for flood control districts							12,228	--	12,228	--
Property tax, levied for county service areas							1,599	--	1,599	--
Property tax, levied for water agency							3,186	--	3,186	--
Property tax, levied for lighting districts							577	--	577	--
Property tax, levied for community facilities districts							883	--	883	--
Property tax, residual distribution from the redevelopment property tax trust fund							15,016	--	15,016	--
Restricted for public safety:										--
Property tax, levied for fire district							58,030	--	58,030	--
Unrestricted investment earnings							(783)	(185)	(968)	(7)
Gain on sale of capital assets							1,835	701	2,536	--
Transfers							(77)	77	--	--
Total general revenues and transfers							379,966	593	380,559	(7)
Change in net position							85,763	13,495	99,258	830
Net position - beginning							534,566	146,378	680,944	3,943
Prior period adjustment (Note 21)							21,993	--	21,993	--
Net position - beginning, as restated							556,559	146,378	702,937	3,943
Net position - ending							\$ 642,322	\$ 159,873	\$ 802,195	\$ 4,773

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

COUNTY OF SANTA BARBARA, CALIFORNIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2021 (in thousands)

	General	Roads	Public Health	Social Services	Behavioral Wellness
<b>Assets and deferred outflows of resources</b>					
Assets:					
Cash and investments (Note 3)	\$ 237,853	\$ 28,376	\$ 23,407	\$ 16,153	\$ 35,265
Accounts receivable, net:					
Taxes	41,140	--	--	--	--
Licenses, permits, and franchises	503	--	2	--	--
Fines, forfeitures, and penalties	4	--	--	--	--
Use of money and property	334	23	14	23	249
Intergovernmental	15,903	5,822	9,619	23,057	8,921
Charges for services	1,211	253	2,406	--	11,921
Other	1,354	--	--	139	326
Due from other funds (Note 16)	7,092	--	--	1,201	--
Prepaid items	50	--	--	255	--
Other receivables	--	--	--	--	887
Advances to other funds (Note 16)	6	--	--	--	--
Restricted cash and investments (Note 4)	10,966	--	--	--	--
Housing loans receivable	--	--	--	--	2,410
Housing loans interest receivable	--	--	--	--	204
Total assets	<u>316,416</u>	<u>34,474</u>	<u>35,448</u>	<u>40,828</u>	<u>60,183</u>
Deferred outflows of resources:					
Deferred payables (Note 1)	--	--	--	616	--
Total deferred outflows of resources	--	--	--	616	--
Total assets and deferred outflows of resources	<u>\$ 316,416</u>	<u>\$ 34,474</u>	<u>\$ 35,448</u>	<u>\$ 41,444</u>	<u>\$ 60,183</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>					
Liabilities:					
Accounts payable	\$ 14,125	\$ 1,510	\$ 1,404	\$ 2,157	\$ 8,444
Salaries and benefits payable	14,582	761	3,381	4,019	2,510
Other payables	11,323	30	259	316	17,660
Advances from grantors and third parties (Note 8)	9,486	1,109	2,071	27,790	227
Unearned revenue	1,582	--	--	--	--
Due to other funds (Note 16)	1,141	--	166	--	3,470
Customer deposits payable	604	53	--	--	--
Advances payable (Note 16)	--	--	--	5	--
Total liabilities	<u>52,843</u>	<u>3,463</u>	<u>7,281</u>	<u>34,287</u>	<u>32,311</u>
Deferred inflows of resources:					
Deferred housing loan payments (Note 5)	--	--	--	--	2,614
Deferred miscellaneous unavailable revenue (Note 1)	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	2,614
Fund balances (Note 14):					
Nonspendable	56	--	--	255	--
Restricted	62,161	31,011	28,167	4,246	24,913
Committed	181,517	--	--	2,656	345
Unassigned	19,839	--	--	--	--
Total fund balances	<u>263,573</u>	<u>31,011</u>	<u>28,167</u>	<u>7,157</u>	<u>25,258</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 316,416</u>	<u>\$ 34,474</u>	<u>\$ 35,448</u>	<u>\$ 41,444</u>	<u>\$ 60,183</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>
\$ 72,216	\$ 14,212	\$ 23,812	\$ 26,113	\$ 53,130	\$ 530,537	Assets:
--	--	--	--	--	41,140	Cash and investments (Note 3)
--	--	--	--	262	767	Accounts receivable, net:
--	--	--	--	225	229	Taxes
68	6	22	20	53	812	Licenses, permits, and franchises
--	2,653	730	2,821	1,508	71,034	Fines, forfeitures, and penalties
9	--	10,138	1	407	26,346	Use of money and property
--	--	4	--	564	2,387	Intergovernmental
9	--	--	--	1,005	9,307	Charges for services
--	--	--	--	--	305	Other
--	--	--	--	--	887	Due from other funds (Note 16)
--	--	--	--	--	6	Prepaid items
--	--	--	--	15,632	26,598	Other receivables
--	38,381	--	--	--	40,791	Advances to other funds (Note 16)
--	9,865	--	--	--	10,069	Restricted cash and investments (Note 4)
<u>72,302</u>	<u>65,117</u>	<u>34,706</u>	<u>28,955</u>	<u>72,786</u>	<u>761,215</u>	Housing loans receivable
						Housing loans interest receivable
						Total assets
--	--	--	--	--	616	Deferred outflows of resources:
--	--	--	--	--	616	Deferred payables (Note 1)
<u>\$ 72,302</u>	<u>\$ 65,117</u>	<u>\$ 34,706</u>	<u>\$ 28,955</u>	<u>\$ 72,786</u>	<u>\$ 761,831</u>	Total deferred outflows of resources
						Total assets and deferred outflows of resources
						<b>Liabilities, deferred inflows of resources, and fund balances</b>
						Liabilities:
\$ 1,493	\$ 3,780	\$ 919	\$ 1,231	\$ 1,348	\$ 36,411	Accounts payable
282	--	3,676	--	1,272	30,483	Salaries and benefits payable
158	--	2	652	103	30,503	Other payables
--	3,608	--	--	(45)	44,246	Advances from grantors and third parties (Note 8)
--	--	--	--	--	1,582	Unearned revenue
--	888	--	1,721	2,057	9,443	Due to other funds (Note 16)
--	--	2	--	13,770	14,429	Customer deposits payable
--	--	--	--	--	5	Advances payable (Note 16)
<u>1,933</u>	<u>8,276</u>	<u>4,599</u>	<u>3,604</u>	<u>18,505</u>	<u>167,102</u>	Total liabilities
						Deferred inflows of resources:
--	48,246	--	--	--	50,860	Deferred housing loan payments (Note 5)
--	--	--	2,224	--	2,224	Deferred miscellaneous unavailable revenue (Note 1)
--	<u>48,246</u>	--	<u>2,224</u>	--	<u>53,084</u>	Total deferred inflows of resources
						Fund balances (Note 14):
--	--	--	--	700	1,011	Nonspendable
70,369	8,595	30,107	8,936	42,188	310,693	Restricted
--	--	--	14,191	11,393	210,102	Committed
--	--	--	--	--	19,839	Unassigned
<u>70,369</u>	<u>8,595</u>	<u>30,107</u>	<u>23,127</u>	<u>54,281</u>	<u>541,645</u>	Total fund balances
						Total liabilities, deferred inflows of resources, and fund balances
<u>\$ 72,302</u>	<u>\$ 65,117</u>	<u>\$ 34,706</u>	<u>\$ 28,955</u>	<u>\$ 72,786</u>	<u>\$ 761,831</u>	

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

Total fund balances - governmental funds	\$ 541,645
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance Sheet.	811,412
Note receivable for governmental activities from the RDA Successor Agency private-purpose trust fund.	9,130
Other receivable not due in the current period is not a current financial resource, therefore, it is not reported in the Balance Sheet.	1,247
Deferred outflows of resources reported in the Statement of Net Position.	339,620
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet.	(1,111,689)
Accrued interest on long-term debt.	(142)
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.	53,084
Deferred inflows of resources reported in the Statement of Net Position.	(68,257)
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.	65,620
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.	652
Net position of governmental activities	<u>\$ 642,322</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED June 30, 2021 (in thousands)

	General	Roads	Public Health	Social Services	Behavioral Wellness
<b>Revenues</b>					
Taxes	\$ 283,834	\$ 8,559	\$ --	\$ --	\$ --
Licenses, permits, and franchises	4,928	492	686	88	--
Fines, forfeitures, and penalties	6,432	--	413	11	24
Use of money and property	1,016	(77)	(21)	184	454
Intergovernmental	162,349	23,406	36,073	153,260	67,388
Charges for services	65,347	959	52,182	85	53,172
Other	6,233	376	335	1,213	3,842
Total revenues	<u>530,139</u>	<u>33,715</u>	<u>89,668</u>	<u>154,841</u>	<u>124,880</u>
<b>Expenditures</b>					
Current:					
Policy & executive	23,531	--	--	--	--
Public safety	256,339	--	--	--	--
Health & human services	4,767	--	96,459	161,486	118,928
Community resources & public facilities	38,960	49,984	--	--	--
General government & support services	58,257	--	--	--	--
General county programs	9,003	--	--	--	--
Debt service:					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Capital outlay	--	--	--	--	--
Total expenditures	<u>390,857</u>	<u>49,984</u>	<u>96,459</u>	<u>161,486</u>	<u>118,928</u>
Excess (deficiency) of revenues over (under) expenditures	<u>139,282</u>	<u>(16,269)</u>	<u>(6,791)</u>	<u>(6,645)</u>	<u>5,952</u>
<b>Other financing sources (uses)</b>					
Transfers in (Note 16)	9,488	7,918	17,378	9,197	8,262
Transfers out (Note 16)	(90,306)	(234)	(1,672)	(365)	(1,430)
Sale of capital assets	39	42	--	--	1,596
Total other financing sources (uses)	<u>(80,779)</u>	<u>7,726</u>	<u>15,706</u>	<u>8,832</u>	<u>8,428</u>
Net change in fund balances	58,503	(8,543)	8,915	2,187	14,380
Fund balances - beginning	201,899	33,883	18,392	4,970	10,342
Prior period adjustment (Note 21)	3,171	5,671	860	--	536
Fund balances - beginning, as restated	<u>205,070</u>	<u>39,554</u>	<u>19,252</u>	<u>4,970</u>	<u>10,878</u>
Fund balances - ending	<u>\$ 263,573</u>	<u>\$ 31,011</u>	<u>\$ 28,167</u>	<u>\$ 7,157</u>	<u>\$ 25,258</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	
\$ 13,092	\$ --	\$ 60,375	\$ --	\$ 6,505	\$ 372,365	<b>Revenues</b>
20	--	22	--	13,528	19,764	Taxes
1	--	3	--	2,584	9,468	Licenses, permits, and franchises
(116)	(45)	(133)	(36)	417	1,643	Fines, forfeitures, and penalties
7,878	10,854	2,174	1,042	22,216	486,640	Use of money and property
4,011	255	32,396	357	8,500	217,264	Intergovernmental
6	2,232	321	452	7,765	22,775	Charges for services
24,892	13,296	95,158	1,815	61,515	1,129,919	Other
						Total revenues
						<b>Expenditures</b>
						Current:
--	--	--	--	--	23,531	Policy & executive
--	--	91,795	--	15,747	363,881	Public safety
--	--	--	--	20,884	402,524	Health & human services
26,065	23,088	--	--	21,238	159,335	Community resources & public facilities
--	--	--	--	3,524	61,781	General government & support services
--	--	--	--	375	9,378	General county programs
						Debt service:
--	--	--	--	4,417	4,417	Principal
--	--	--	--	1,530	1,530	Interest
--	--	--	15,309	--	15,309	Capital outlay
26,065	23,088	91,795	15,309	67,715	1,041,686	Total expenditures
						Excess (deficiency) of revenues over (under) expenditures
(1,173)	(9,792)	3,363	(13,494)	(6,200)	88,233	
						<b>Other financing sources (uses)</b>
74	14,230	615	10,570	25,368	103,100	Transfers in (Note 16)
(108)	(2,706)	(3,668)	(376)	(7,744)	(108,609)	Transfers out (Note 16)
36	--	32	--	--	1,745	Sale of capital assets
2	11,524	(3,021)	10,194	17,624	(3,764)	Total other financing sources (uses)
(1,171)	1,732	342	(3,300)	11,424	84,469	Net change in fund balances
71,540	6,863	27,525	18,413	41,356	435,183	Fund balances - beginning
--	--	2,240	8,014	1,501	21,993	Prior period adjustment (Note 21)
71,540	6,863	29,765	26,427	42,857	457,176	Fund balances - beginning, as restated
\$ 70,369	\$ 8,595	\$ 30,107	\$ 23,127	\$ 54,281	\$ 541,645	Fund balances - ending

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

Net change in fund balances - governmental funds	\$ 84,469
<b>Capital assets:</b>	
The acquisition of capital assets uses current financial resources but has no effect on net position.	43,145
The cost of capital assets is allocated over their estimated useful lives and reported as depreciation/amortization expense in the Statement of Activities.	(19,259)
Proceeds from the sale of capital assets provide current financial resources but have no effect on net position.	(1,745)
Net gain on the disposal of capital assets does not affect current financial resources but increases net position.	1,745
<b>Long-term debt:</b>	
Principal payments on long-term debt use current financial resources but have no effect on net position.	4,417
<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.	(369)
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	18
Change in compensated absences liability	(3,369)
Change in estimated litigation liability	(143)
Change in accrued net OPEB liability	8,589
Change in accrued net pension liability	(36,590)
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.	4,865
Change in net position of governmental activities	\$ 85,763

COUNTY OF SANTA BARBARA, CALIFORNIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2021 (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)	\$ 49,184	\$ 69,814	\$ 118,998	\$ 63,396
Accounts receivable, net:				
Licenses, permits, and franchises	333	--	333	--
Use of money and property	63	75	138	57
Charges for services	9,501	48	9,549	89
Other	--	9	9	--
Due from other funds	--	--	--	136
Inventories	224	34	258	226
Total current assets	<u>59,305</u>	<u>69,980</u>	<u>129,285</u>	<u>63,904</u>
Noncurrent assets:				
Other receivables (Note 5)	917	13	930	339
Restricted cash and investments (Note 4)	39,770	615	40,385	10
Capital assets, not being depreciated/amortized (Note 6)	145,471	26,763	172,234	--
Capital assets, net of accumulated depreciation/amortization (Note 6)	<u>49,824</u>	<u>30,102</u>	<u>79,926</u>	<u>32,209</u>
Total noncurrent assets	<u>235,982</u>	<u>57,493</u>	<u>293,475</u>	<u>32,558</u>
Total assets	<u>295,287</u>	<u>127,473</u>	<u>422,760</u>	<u>96,462</u>
<b>Deferred outflows of resources</b>				
Deferred pensions (Note 18)	4,704	1,168	5,872	5,384
Deferred OPEB (Note 19)	241	52	293	279
Total deferred outflows of resources	<u>4,945</u>	<u>1,220</u>	<u>6,165</u>	<u>5,663</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	4,075	7,614	11,689	2,046
Salaries and benefits payable	481	114	595	523
Interest payable	610	86	696	--
Other payables	6,579	--	6,579	--
Customer deposits payable	--	22	22	--
Compensated absences (Note 10)	526	161	687	647
Certificates of participation payable (Note 10)	2,970	780	3,750	--
Other short - term liabilities	--	--	--	1,303
Bonds and notes payable (Note 10)	--	863	863	427
Liability for self-insurance claims (Note 11)	--	--	--	4,588
Landfill closure/postclosure care costs (Note 13)	813	--	813	--
Total current liabilities	<u>16,054</u>	<u>9,640</u>	<u>25,694</u>	<u>9,534</u>
Noncurrent liabilities:				
Compensated absences (Note 10)	144	--	144	255
Certificates of participation payable, net (Note 10)	160,410	27,291	187,701	--
Bonds and notes payable (Note 10)	--	1,811	1,811	2,371
Liability for self-insurance claims (Note 11)	--	--	--	6,169
Landfill closure/postclosure care costs (Note 13)	33,303	--	33,303	--
Net pension liability (Note 18)	13,667	3,394	17,061	15,643
Net OPEB liability (Note 19)	<u>1,654</u>	<u>359</u>	<u>2,013</u>	<u>1,911</u>
Total noncurrent liabilities	<u>209,178</u>	<u>32,855</u>	<u>242,033</u>	<u>26,349</u>
Total liabilities	<u>225,232</u>	<u>42,495</u>	<u>267,727</u>	<u>35,883</u>
<b>Deferred inflows of resources</b>				
Deferred pensions (Note 19)	430	107	537	492
Deferred OPEB (Note 19)	111	24	135	130
Total deferred inflows of resources	<u>541</u>	<u>131</u>	<u>672</u>	<u>622</u>
<b>Net position</b>				
Net investment in capital assets	53,429	45,110	98,539	29,411
Unrestricted	21,030	40,957	61,987	36,209
Total net position	<u>\$ 74,459</u>	<u>\$ 86,067</u>	<u>160,526</u>	<u>\$ 65,620</u>
Adjustment to reflect the allocation of the internal service funds' cumulative net loss			(653)	
Net position of business-type activities			<u>\$ 159,873</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, 2021 (in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Resource Recovery	Laguna Sanitation	Total	
<b>Operating revenues</b>				
Charges for services	\$ 32,919	\$ 14,891	\$ 47,810	\$ 72,379
Sale of scrap and recyclables	60	--	60	--
Self-insurance recovery	--	--	--	1,177
Other operating revenues	4,284	26	4,310	587
Total operating revenues	<u>37,263</u>	<u>14,917</u>	<u>52,180</u>	<u>74,143</u>
<b>Operating expenses</b>				
Salaries and benefits	9,837	2,218	12,055	12,271
Services and supplies	7,935	4,080	12,015	44,421
Self-insurance claims	--	--	--	8,058
Contractual services	5,598	386	5,984	880
Depreciation and amortization	3,072	1,352	4,424	6,476
County overhead allocation	512	208	720	3,256
Closure/postclosure care costs	813	--	813	--
Total operating expenses	<u>27,767</u>	<u>8,244</u>	<u>36,011</u>	<u>75,362</u>
Operating income (loss)	<u>9,496</u>	<u>6,673</u>	<u>16,169</u>	<u>(1,219)</u>
<b>Non-operating revenues (expenses)</b>				
Use of money and property	195	21	216	73
Interest expense	(6,203)	(505)	(6,708)	(96)
Gain on sale of assets	667	33	700	116
Settlements and damages	(55)	--	(55)	--
State and federal aid	32	--	32	--
Other non-operating revenues	2,958	97	3,055	568
Total non-operating revenues (expenses), net	<u>(2,406)</u>	<u>(354)</u>	<u>(2,760)</u>	<u>661</u>
Income (loss) before transfers	<u>7,090</u>	<u>6,319</u>	<u>13,409</u>	<u>(558)</u>
Transfers in (Note 16)	110	11	121	6,288
Transfers out (Note 16)	(44)	--	(44)	(856)
Total transfers, net	<u>66</u>	<u>11</u>	<u>77</u>	<u>5,432</u>
Change in net position	<u>7,156</u>	<u>6,330</u>	<u>13,486</u>	<u>4,874</u>
Total net position - beginning	67,303	79,737	147,040	60,746
Total net position - ending	<u>\$ 74,459</u>	<u>\$ 86,067</u>	<u>\$ 160,526</u>	<u>\$ 65,620</u>
Change in net position - total enterprise funds			\$ 13,486	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			9	
Change in net position of business-type activities			<u>\$ 13,495</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, 2021 (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	\$ --	\$ --	\$ --	\$ 72,967
Receipts from self-insurance recovery	--	--	--	1,177
Receipts from customers and users	32,331	14,892	47,223	--
Payments to employees	(9,726)	(2,385)	(12,111)	(10,862)
Payments to suppliers	(19,031)	(221)	(19,252)	(44,937)
Payments for self-insurance claims	--	--	--	(8,953)
County overhead allocation payments to the General Fund	(512)	(208)	(720)	(3,256)
Other receipts	5,982	40	6,022	568
Net cash provided by operating activities	9,044	12,118	21,162	6,704
<b>Cash flows from noncapital financing activities</b>				
Transfers from other funds	110	11	121	6,288
Transfers to other funds	(44)	--	(44)	(856)
Payment on landfill settlement	(55)	--	(55)	--
Negative cash balance implicitly financed	(127)	--	(127)	--
State and federal aid	32	--	32	--
Net cash provided (used) by noncapital financing activities	(84)	11	(73)	5,432
<b>Cash flows from capital and related financing activities</b>				
Purchase of capital assets	(34,142)	(19,706)	(53,848)	(5,892)
Proceeds from sale of capital assets	667	34	701	206
Principal paid on certificates of participation	(495)	--	(495)	--
Interest and fees paid on certificates of participation	(7,335)	--	(7,335)	--
Principal paid on bonds and notes payable	--	(839)	(839)	(355)
Interest and fees paid on bonds and notes payable	--	--	--	(96)
Proceeds from certificates of participation premiums	--	3,126	3,126	--
Proceeds of long-term debt	--	24,510	24,510	614
Federal interest subsidy on bonds payable	--	57	57	--
Net cash provided (used) by capital and related financing activities	(41,305)	7,182	(34,123)	(5,523)
<b>Cash flows from investing activities</b>				
Use of money and property received	1,023	465	1,488	558
Changes in fair value of investments	(707)	(337)	(1,044)	(373)
Net cash provided by investing activities	316	128	444	185
Net change in cash and cash equivalents	(32,029)	19,439	(12,590)	6,798
Cash and cash equivalents - beginning	120,983	50,990	171,973	56,608
Cash and cash equivalents - ending	\$ 88,954	\$ 70,429	\$ 159,383	\$ 63,406
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position</b>				
Cash and investments per Statement of Net Position	\$ 49,184	\$ 69,814	\$ 118,998	\$ 63,396
Restricted cash and investments per Statement of Net Position	39,770	615	40,385	10
Total cash and cash equivalents per Statement of Net Position	\$ 88,954	\$ 70,429	\$ 159,383	\$ 63,406
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 9,496	\$ 6,673	\$ 16,169	\$ (1,219)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	3,072	1,352	4,424	6,476
Other non-operating revenue	5,982	40	6,022	568
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:				
Accounts and other receivables	(4,935)	(26)	(4,961)	4
Inventories	(13)	2	(11)	12
Accounts payable	(5,485)	4,243	(1,242)	352
Salaries and benefits payable	112	(167)	(55)	1,406
Customer deposits	--	1	1	--
Liability for self-insurance claims	--	--	--	(895)
Landfill closure/postclosure care cost liability	815	--	815	--
Net cash provided by operating activities	\$ 9,044	\$ 12,118	\$ 21,162	\$ 6,704

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, 2021 (in thousands)

	Pension (and Other Employee Benefits) Trust Funds	Investment Trust Fund	Private-purpose Trust Fund	Other Custodial Funds
<b>Assets</b>				
Cash and investments (Note 3)	\$ --	\$ 1,091,129	\$ 1,489	\$ 24,644
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	86,277	--	--	--
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	--	--	--
Prepays	3,402	--	--	--
Receivables:				
Contributions	9,630	--	--	--
Accrued interest	2,162	--	--	--
Dividends	3,812	--	--	--
Security sales	24,097	--	--	--
Other receivables	--	1,053	1	104
Restricted cash and investments (Note 4)	--	--	1,423	--
Total assets	4,079,073	1,092,182	2,913	24,748
<b>Liabilities</b>				
Accounts payable	736	18,077	--	309
Collateral held for securities lent	13,609	--	--	--
Benefits payable	14,083	--	--	--
Security purchases	13,277	--	--	--
Long-term debt:				
Due in more than one year	--	--	9,130	--
Total liabilities	41,705	18,077	9,130	309
<b>Net position</b>				
Restricted for:				
Pensions	3,990,899	--	--	--
Postemployment benefits other than pensions	46,469	--	--	--
Pool participants	--	1,074,105	--	--
Redevelopment agency dissolution	--	--	(6,217)	--
Individuals, organizations, and other governments	--	--	--	24,439
Total net position (deficit)	\$ 4,037,368	\$ 1,074,105	\$ (6,217)	\$ 24,439

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, 2021 (in thousands)

	Pension (and Other Employee Benefits) Trust Funds	Investment Trust Fund	Private-purpose Trust Fund	Other Custodial Funds
<b>Additions</b>				
Property tax collections	\$ --	\$ --	\$ 1,406	\$ 3,659,255
Other taxes and fees collected for other governments	--	--	--	34,195
Contributions:				
Employer	164,761	--	--	--
Plan members	35,520	--	--	--
Private contributions	--	5,163,416	--	3,524
Total contributions	200,281	5,163,416	--	3,524
Investment earnings:				
Net increase (decrease) in the fair value of investments	809,283	(6,867)	(9)	(154)
Interest	9,933	5,135	5	433
Dividends	26,586	--	--	--
Total net investment earnings	845,802	(1,732)	(4)	279
Less investment expense	(15,434)	--	--	--
Net investment earnings	830,368	(1,732)	(4)	279
Net securities income	179	--	--	--
Total miscellaneous income	600	--	--	--
Total additions	1,031,428	5,161,684	1,402	3,697,253
<b>Deductions</b>				
Beneficiary payments	213,331	--	--	3,597
Member withdrawals	1,578	--	--	--
Administrative expenses	5,919	--	2	--
Distributions from pooled investments	--	5,113,066	--	--
Property tax distributions	--	--	--	3,665,573
Payments to other local governments	--	--	--	33,406
Interest on note payable	--	--	442	--
Total deductions	220,828	5,113,066	444	3,702,576
Net increase (decrease) in fiduciary net position	810,600	48,618	958	(5,323)
Net position (deficit) - beginning	--	1,037,141	(7,175)	--
Prior period adjustment (Note 21)	3,226,768	(11,654)	--	29,762
Net position (deficit) - beginning, as restated	3,226,768	1,025,487	(7,175)	29,762
Net position (deficit) - ending	\$ 4,037,368	\$ 1,074,105	\$ (6,217)	\$ 24,439

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>Public and Educational Access:</i> established to receive grant revenue from the local cable television franchisee. The primary objectives and purposes of the fund are the support of educational and public information through programs aimed at expanding public access and educational access to telecommunication services.</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>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. 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. 84	<i>"Fiduciary Activities"</i>	The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. (FY 20/21)
Statement No. 90	<i>"Majority Equity Interests"</i>	The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. (FY 20/21)
Statement No. 97	<i>"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans"</i>	Portions of this Statement related to GASB 84 are effective for reporting periods beginning after December 15, 2019. (FY 20/21)

## 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.

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 Employee Benefit) 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 2 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, 2021, property taxes receivables of \$41,140 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, and 2) inflows from changes related to the net pension and net OPEB liabilities.

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 miscellaneous unavailable revenue from cash advances for state reimbursements due for the Northern Branch Jail Project.

### Interfund Receivables and Payables

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



**Inventories and Prepaid Items**

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

**Capital Assets**

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

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

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

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

### Lease Obligations

The County leases various assets under both operating and capital lease agreements. In the governmentwide and proprietary funds' financial statements, capital leases and the related lease obligations are reported as liabilities in the applicable governmental activities or proprietary funds Statement of Net Position.

### 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 Equity

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 93102.

### 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, 2021, 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. 87	<i>"Leases"</i>	The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. (FY 21/22)
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. 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. 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. 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 84 are effective for reporting periods beginning after December 15, 2019. (FY 20/21)

## 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 41)	Long-term Assets and Liabilities (1)	Internal Service Funds (2) (Page 44)	Adjustments (3)	Total Governmental Activities (Page 38)
<b>Assets &amp; deferred outflows of resources:</b>					
<b>Assets</b>					
Cash and investments	\$ 530,538	\$ --	\$ 63,396	\$ --	\$ 593,934
Accounts receivable, net:					
Taxes	41,140	--	--	--	41,140
Licenses, permits, and franchises	767	--	--	--	767
Fines, forfeitures, and penalties	229	--	--	--	229
Use of money and property	812	--	57	--	869
Intergovernmental	71,034	--	--	--	71,034
Charges for services	26,346	--	89	--	26,435
Other	2,387	--	--	--	2,387
Due from other funds	9,307	--	136	(9,443)	--
Internal balances	--	--	--	653	653
Inventories	--	--	226	--	226
Prepaid items	305	--	--	--	305
Note receivable	--	9,130	--	--	9,130
Other receivables	887	1,246	339	--	2,472
Advances to other funds	5	--	--	(5)	--
Restricted cash and investments	26,598	--	10	--	26,608
Housing loans receivable	40,791	--	--	--	40,791
Housing loans interest receivable	10,069	--	--	--	10,069
Capital assets	--	811,412	32,209	--	843,621
Total assets	<u>761,215</u>	<u>821,788</u>	<u>96,462</u>	<u>(8,795)</u>	<u>1,670,670</u>
<b>Deferred outflows of resources</b>					
Deferred social services	616	--	--	--	616
Deferred pensions	--	325,898	5,384	--	331,282
Deferred OPEB	--	13,722	279	--	14,001
Total deferred outflows of resources	<u>616</u>	<u>339,620</u>	<u>5,663</u>	<u>--</u>	<u>345,899</u>
<b>Total assets &amp; deferred outflows of resources</b>	<b>\$ 761,831</b>	<b>\$ 1,161,408</b>	<b>\$ 102,125</b>	<b>\$ (8,795)</b>	<b>\$ 2,016,569</b>
<b>Liabilities, deferred inflows of resources, &amp; fund balances/net position:</b>					
<b>Liabilities</b>					
Accounts payable	\$ 36,411	\$ --	\$ 2,046	\$ --	\$ 38,457
Salaries and benefits payable	30,483	--	523	--	31,006
Interest payable	--	142	--	--	142
Other payables and long-term obligations	30,457	1	--	--	30,458
Advances from grantors and third parties	44,292	--	--	--	44,292
Unearned revenue	1,582	--	--	--	1,582
Due to other funds	9,443	--	--	(9,443)	--
Customer deposits payable	14,429	--	--	--	14,429
Advances payable	5	--	--	(5)	--
Compensated absences	--	42,537	902	--	43,439
Capital lease obligations	--	932	--	--	932
Certificates of participation (COP)	--	23,490	--	--	23,490
Other short-term obligations	--	--	1,303	--	1,303
Bonds and notes payable	--	3,130	2,798	--	5,928
Liability for self-insurance claims	--	--	10,757	--	10,757
Estimated litigation liability	--	474	--	--	474
Net pension liability	--	946,823	15,643	--	962,466
Net OPEB liability	--	94,302	1,911	--	96,213
Total liabilities	<u>167,102</u>	<u>1,111,831</u>	<u>35,883</u>	<u>(9,448)</u>	<u>1,305,368</u>
<b>Deferred inflows of resources</b>					
Deferred service concession arrangements	--	32,100	--	--	32,100
Deferred housing loan payments	50,860	(50,860)	--	--	--
Deferred pensions	--	29,828	492	--	30,320
Deferred OPEB	--	6,329	130	--	6,459
Deferred miscellaneous unavailable revenue	2,224	(2,224)	--	--	--
Total deferred inflows of resources	<u>53,084</u>	<u>15,173</u>	<u>622</u>	<u>--</u>	<u>68,879</u>
<b>Fund balances/net position:</b>					
Total fund balances/net position	<u>541,645</u>	<u>34,404</u>	<u>65,620</u>	<u>653</u>	<u>642,322</u>
<b>Total liabilities, deferred inflows of resources, &amp; fund balances/net position</b>	<b>\$ 761,831</b>	<b>\$ 1,161,408</b>	<b>\$ 102,125</b>	<b>\$ (8,795)</b>	<b>\$ 2,016,569</b>

(1) Note receivable for governmental activities from the RDA Successor Agency		
Private-Purpose Trust Fund.	\$	9,130
Other receivables		1,246
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).		811,412
Deferred outflows of resources reported in the Statement of Net Position (Note 1).		339,620
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet (Note 10):		
Other payables and long-term obligations	\$	(1)
Compensated absences (excluding Internal Service Funds)		(42,537)
Capital lease obligations (excluding Internal Service Funds)		(932)
Certificates of participation		(23,490)
Bonds and notes payable (excluding Internal Service Funds)		(3,130)
Estimated liability for litigation		(474)
Net pension liability (excluding Internal Service Funds)		(946,823)
Net OPEB liability (excluding Internal Service Funds)		(94,302)
Total long-term liabilities		(1,111,689)
Accrued interest on long-term debt		(142)
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).		53,084
Deferred inflows of resources (excluding Internal Service Funds) reported in the Statement of Net Position (Note 1).		(68,257)
	<u>\$</u>	<u>34,404</u>
(2) Internal Service Funds are used by management to charge the costs of information technology, reprographics and digital imaging services, vehicle operations and maintenance, risk management and insurance, communications and utility services to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Statement of Net Position.	<u>\$</u>	<u>65,620</u>
(3) Adjustment for Internal Service Funds are necessary to "close" those funds by charging additional amounts to participating business-type activities to completely cover the Internal Service Funds' costs for the year. Also included are immaterial rounding adjustments.	<u>\$</u>	<u>653</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 \$44,438 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, 2021, the carrying amount of the Pool's deposits was \$51,952 and the corresponding bank balance was \$44,688. The difference of \$7,264 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, 2021, 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 program (FICA) 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, 2021:

	Fair Value	% of Portfolio	Max % of Portfolio Pool Policy
Treasurer's Pooled Investments:			
CAMP	\$ 45,000	2.49%	Limited by CAMP
LAIF	75,000	4.15%	Limited by LAIF
FICA	5,000	0.28%	Limited by FICA
US Treasuries	219,724	12.17%	100%
Government Agency Bonds	286,726	15.88%	100%
Government Agency Discount Notes	358,923	19.88%	100%
Government Agency Bonds - Callable	815,231	45.15%	50%
	<u>\$ 1,805,604</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, 2021:

	Moody's	S&P	Fitch	% of Portfolio
Treasurer's Pooled Investments:				
CAMP	NR*	AAAm	NR*	2.49%
LAIF	NR*	NR*	NR*	4.15%
FICA	NR*	NR*	NR*	0.28%
Government Agency Bonds and Notes	Aaa	AA+	AAA	50.24%
Government Agency Bonds and Notes	Aaa	AA+	NR*	30.67%
US Treasury Bills and Notes	Aaa	AA+	AAAu	12.17%
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, 2021 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	\$ 243,015	13.08%
Federal Home Loan Bank	Government Sponsored	553,802	29.81%
Federal Farm Credit Bank	Government Sponsored	578,020	31.12%
		<u>\$ 1,374,837</u>	<u>74.01%</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, 2021, the weighted average days to maturity for the Pool was 735 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 consisted of the following for the year ended June 30, 2021:

Investment earnings	\$ 12,924
Net decrease in fair value of investments	(11,471)
Administrative expenses	<u>(2,171)</u>
Net investment income (loss)	<u><u>\$ (718)</u></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, 2021:

Investment	Cost	Fair Value	Interest Rate Range	Maturity Range	Weighted Average Maturity
Treasurer's pooled investments:					
CAMP	\$ 45,000	\$ 45,000	0.05%	7/21 - 9/21	52
LAIF	75,000	75,000	0.25%	7/21 - 6/26	291
FICA	5,000	5,000	0.05%	1 Day	1 Day
US Treasury Bills*	69,989	69,986	Discount	8/21 - 2/22	139
US Treasury Notes	148,377	149,738	0.13% - 1.25%	7/21 - 5/26	847
Government Agency Bonds	284,476	286,726	0.25% - 2.70%	7/21 - 3/25	551
Government Agency Discount Notes*	358,760	358,923	0.30% - 1.32%	7/21 - 6/22	307
Government Agency Bonds - Callable	818,435	815,231	0.15% - 1.80%	7/22 - 5/26	1,459
Total pooled and directed investments	<u>\$ 1,805,037</u>	1,805,604			
Investments held with fiscal agents:					
Cash & Cash Equivalents		48,114	0.01% - 0.05%	Same Day	Same Day
Total Investments held with fiscal agents		<u>48,114</u>			
Cash in banks:					
Non-interest bearing deposits		70,661			
Cash on hand:					
Total cash and investments		<u>66</u>			
		<u>\$ 1,924,445</u>			
Total unrestricted cash and investments		\$ 1,856,029			
Total restricted cash and investments (Note 4)		<u>68,416</u>			
Total cash and investments		<u>\$ 1,924,445</u>			
Total cash and investments summary:					
Total governmental activities		\$ 620,542			
Total business-type activities		159,383			
Total discrete component unit activities		6,182			
Total fiduciary funds**		<u>1,138,338</u>			
Total cash and investments		<u>\$ 1,924,445</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.

\*\* In its ACFR dated June 30, 2021, SBCERS reports approximately \$3.4 million in prepaid assets, of which the County Treasury holds and recognizes \$476 thousand as fiduciary cash & investments. This difference has no effect on the Fiduciary Net Position Restricted for Pensions.

The following is a reconciliation between cash and investments and the Net Position of the Treasurer's Investment Pool as of June 30, 2021:

Total cash and investments	\$ 1,924,445
Less: investments held with fiscal agents	(48,114)
Less: cash on hand	(66)
Less: purchase interest	(44)
Less: Proposition 64 cash on hand	(18,665)
Add: cash and investment interest receivable	2,060
Net Position of the Treasurer's Investment Pool	<u>\$ 1,859,616</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, 2021:

Statement of Net Position	
Net position held in trust	\$ 1,859,616
Equity of internal pool	\$ 768,487
Equity of external pool participants (voluntary and involuntary)	1,091,129
Total equity	<u>\$ 1,859,616</u>
Statement of Changes in Net Position	
Net position held for pool participants, July 1, 2020	\$ 1,702,061
Net change in investments by pool	157,555
Net position held for pool participants, June 30, 2021	<u>\$ 1,859,616</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: <http://countyofsb.org/ttcpapg/treas/index> 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, 2021. 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, 2021:

Investments by fair value level	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)
<b>Debt securities</b>			
US Treasuries	\$ 219,724	\$ --	\$ 219,724
Government agency bonds	286,726	--	286,726
Government agency discount notes	358,923	--	358,923
Government agency bonds - callable	815,231	--	815,231
Total investments measured at fair value	1,680,604	\$ --	\$ 1,680,604
<b>Investments not subject to fair value hierarchy</b>			
CAMP	45,000		
LAIF	75,000		
FICA	5,000		
Total pooled and directed investments	\$ 1,805,604		

As of June 30, 2021, there were no investments held with fiscal agents that are subject to recurring fair value measurements.

### Santa Barbara County Employees’ Retirement System (SBCERS) 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 (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, at its discretion, to purchase, hold, or sell any form or type of investment, financial instrument, or enter into any financial transaction when prudent in the informed opinion of the Board.

#### Deposits and Short-Term Investments

Amounts shown as Cash are held as 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	\$ 19,177	\$ 53,491
Total Deposits and Short-Term Investments	\$ 72,668	

**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	Not Redeemable	
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	
Total Pension Investments Measured at Net Asset Value	<u>\$ 2,803,449</u>			
<b>Total Pension Unfunded Commitments</b>				
		<u>\$ 731,411</u>		
<b>OPEB Trust Investments</b>				
Equity Commingled Funds	\$ 27,687	\$ -		
Debt Commingled Funds	18,171	-		
Total OPEB Trust Investments Measured at Net Asset Value	<u>\$ 45,858</u>			
<b>Total OPEB Trust Unfunded Commitments</b>				
		<u>\$ -</u>		

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

**Concentration Risk**

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

**Credit Risk**

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

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

S & P Rating	Treasurer Investment Pool	Domestic Fixed Income	International Fixed Income	Total	%
AAA	\$ 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	
<i>Total Cash</i>	12,883	13,609	
<i>Total Non-Cash</i>	41,049	43,019	
<b>Total Securities on Loan</b>	<b>\$ 53,932</b>	<b>\$ 56,628</b>	<b>105%</b>

### 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	\$ 4,227	\$ 7,009

#### **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, 2021 that are restricted by legal or contractual requirements are comprised of the following:

### Governmental Activities

General Fund		
Property tax loss reserve	\$ 9,995	
RDA bond proceeds	375	
Deposits by various developers	349	
Funds for disaster recovery	247	
Total General Fund	<u>10,966</u>	\$ 10,966
Nonmajor Governmental Funds		
Deposits by various developers	14,193	
Debt service reserves	1,411	
Clean water plan check trust	28	
Total nonmajor governmental funds	<u>15,632</u>	15,632
Internal Service Funds		
Funds for underground tank clean-up	10	
Total internal service funds	<u>10</u>	10
Total governmental activities		<u>26,608</u>

### Business-Type Activities

Resource Recovery Fund		
Funds for landfill site closure and maintenance costs (see Note 13)	22,247	
Debt service reserves	15,329	
Financial assurance for landfill corrective action (see Note 13)	2,134	
Financial assurance for UCSB Hazardous Household Waste Center corrective action	60	
Total Resource Recovery Fund	<u>39,770</u>	39,770
Laguna Sanitation Fund		
Financial assurance for landfill corrective action	615	
Total Laguna Sanitation Fund	<u>615</u>	615
Total business-type activities		<u>40,385</u>
Total restricted cash and investments*		<u>\$ 66,993</u>

\*Governmental and Business-type Activities do not include \$1,423 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, 2021 is \$9,130 and the amount not expected to be collected within the next fiscal year is \$8,160.

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

A total of \$40,791 was recorded as housing loans receivable, net and a total of \$10,069 was recorded as housing loans interest receivable, net at June 30, 2021.

Housing and Community Development recorded \$45,233 as loans receivable and \$10,381 as interest receivable. A portion of the principal and interest balance, \$6,852 in principal and \$515 in interest, 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 \$38,381 as loans receivable, net and \$9,865 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 \$48,246 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 \$204 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 \$2,614 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 \$2,472 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 \$930 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 ASSETS

Capital asset activity for the year ended June 30, 2021 includes the following adjusted amounts:

	Balance July 1, 2020	Additions	Deletions	Transfers & Adjustments, net	Balance June 30, 2021
<b>Governmental activities:</b>					
Capital assets, non-depreciable:					
Land	\$ 60,582	\$ 1,069	\$ --	\$ --	\$ 61,651
Land easements	53,133	--	--	--	53,133
Service concession arrangements	41,183	114	--	(568)	40,729
Work in progress	164,730	40,973	(16,789)	--	188,914
Total capital assets, non-depreciable	319,628	42,156	(16,789)	(568)	344,427
Capital assets, depreciable/amortizable:					
Land improvements	30,445	891	--	--	31,336
Structures and improvements	279,573	2,698	--	--	282,271
Equipment and software	167,163	11,339	(2,707)	--	175,795
Infrastructure	409,629	9,459	--	(37)	419,051
Total capital assets, depreciable/amortizable	886,810	24,387	(2,707)	(37)	908,453
Less accumulated depreciation/amortization for:					
Land improvements	(10,722)	(761)	--	--	(11,483)
Structures and improvements	(134,273)	(6,160)	--	--	(140,433)
Equipment and software	(105,132)	(12,469)	2,592	--	(115,009)
Infrastructure	(135,990)	(6,345)	--	1	(142,334)
Total accumulated depreciation/amortization	(386,117)	(25,735)	2,592	1	(409,259)
Total capital assets, depreciable/amortizable, net	500,693	(1,348)	(115)	(36)	499,194
Sub-total governmental activities	820,321	40,808	(16,904)	(604)	843,621
<b>Business-Type activities:</b>					
Capital assets, non-depreciable:					
Land	15,654	--	--	--	15,654
Work in progress	113,246	50,749	(7,415)	--	156,580
Total capital assets, non-depreciable	128,900	50,749	(7,415)	--	172,234
Capital assets, depreciable/amortizable:					
Land improvements	483	--	--	--	483
Structures and improvements	17,745	7,016	--	--	24,761
Equipment and software	33,791	2,867	(5)	--	36,653
Infrastructure	76,741	1,275	--	--	78,016
Total capital assets, depreciable/amortizable	128,760	11,158	(5)	--	139,913
Less accumulated depreciation/amortization for:					
Land improvements	(244)	(10)	--	--	(254)
Structures and improvements	(6,196)	(1,023)	--	--	(7,219)
Equipment and software	(19,779)	(1,788)	--	--	(21,567)
Infrastructure	(29,344)	(1,603)	--	--	(30,947)
Total accumulated depreciation/amortization	(55,563)	(4,424)	--	--	(59,987)
Total capital assets, depreciable/amortizable, net	73,197	6,734	(5)	--	79,926
Sub-total business-type activities	202,097	57,483	(7,420)	--	252,160
Total capital assets, net	\$ 1,022,418	\$ 98,291	\$ (24,324)	\$ (604)	\$ 1,095,781
<b>First 5 Santa Barbara County</b>					
<b>Discrete component unit activities:</b>					
Capital assets, depreciable/amortizable:					
Equipment and software	\$ 25	\$ --	\$ --	\$ --	\$ 25
Less accumulated depreciation/amortization	(25)	--	--	--	(25)
Total capital assets, net	\$ --	\$ --	\$ --	\$ --	\$ --

Capital assets activity for each major enterprise fund for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Deletions	Transfers & Adjustments, net	Balance June 30, 2021
<b>Resource Recovery:</b>					
Capital assets, non-depreciable:					
Land	\$ 11,965	\$ --	\$ --	\$ --	\$ 11,965
Work in progress	102,585	32,425	(1,504)	--	133,506
Total capital assets, non-depreciable	114,550	32,425	(1,504)	--	145,471
Capital assets, depreciable/amortizable:					
Structures and improvements	10,078	455	--	--	10,533
Equipment and software	25,523	2,136	(5)	--	27,654
Infrastructure	48,863	1,275	--	--	50,138
Total capital assets, depreciable/amortizable	84,464	3,866	(5)	--	88,325
Less accumulated depreciation/amortization for:					
Structures and improvements	(2,573)	(705)	--	--	(3,278)
Equipment and software	(15,362)	(1,370)	--	--	(16,732)
Infrastructure	(17,494)	(997)	--	--	(18,491)
Total accumulated depreciation/amortization	(35,429)	(3,072)	--	--	(38,501)
Total capital assets, depreciable/amortizable, net	49,035	794	(5)	--	49,824
Sub-total Resource Recovery	163,585	33,219	(1,509)	--	195,295
<b>Laguna Sanitation:</b>					
Capital assets, non-depreciable:					
Land	3,689	--	--	--	3,689
Work in progress	10,661	18,324	(5,911)	--	23,074
Total capital assets, non-depreciable	14,350	18,324	(5,911)	--	26,763
Capital assets, depreciable/amortizable:					
Land improvements	483	--	--	--	483
Structures and improvements	7,667	6,561	--	--	14,228
Equipment and software	8,268	731	--	--	8,999
Infrastructure	27,878	--	--	--	27,878
Total capital assets, depreciable/amortizable	44,296	7,292	--	--	51,588
Less accumulated depreciation/amortization for:					
Land improvements	(244)	(10)	--	--	(254)
Structures and improvements	(3,623)	(318)	--	--	(3,941)
Equipment and software	(4,417)	(418)	--	--	(4,835)
Infrastructure	(11,850)	(606)	--	--	(12,456)
Total accumulated depreciation/amortization	(20,134)	(1,352)	--	--	(21,486)
Total capital assets, depreciable/amortizable, net	24,162	5,940	--	--	30,102
Sub-total Laguna Sanitation	38,512	24,264	(5,911)	--	56,865
Total capital assets, net-business-type activities	\$ 202,097	\$ 57,483	\$ (7,420)	\$ --	\$ 252,160

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, 2021 was as follows:

	Balance July 1, 2020	Additions	Deletions	Transfers & Adjustments, net	Balance June 30, 2021
<b>Internal Service Funds:</b>					
Capital assets, depreciable/amortizable:					
Structures and improvements	\$ 2,606	\$ --	\$ --	\$ --	\$ 2,606
Equipment and software	75,631	5,893	(1,698)	--	79,826
Total capital assets, depreciable/amortizable	78,237	5,893	(1,698)	--	82,432
Less accumulated depreciation/amortization for:					
Structures and improvements	(1,279)	(66)	--	--	(1,345)
Equipment and software	(44,076)	(6,410)	1,608	--	(48,878)
Total accumulated depreciation/amortization	(45,355)	(6,476)	1,608	--	(50,223)
Total capital assets, net - internal service funds	\$ 32,882	\$ (583)	\$ (90)	\$ --	\$ 32,209

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	\$ 459	\$ 143	\$ 602
Public safety	5,159	3,333	8,492
Health & public assistance	2,178	1,451	3,629
Community resources & public facilities	8,638	1,061	9,699
General government & support services	2,752	486	3,238
General county programs	73	2	75
Sub-total governmental activities	19,259	6,476	25,735
<b>Business-Type activities:</b>			
Resource Recovery	3,072	--	3,072
Laguna Sanitation	1,352	--	1,352
Sub-total business-type activities	4,424	--	4,424
Total depreciation expense	\$ 23,683	\$ 6,476	\$ 30,159

(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, 2021 consists of the following projects for the primary government:

**Governmental activities:**

Capital Outlay projects:		
North County jail	\$ 113,339	
Renewable Energy	3,301	
Fire Station 41 Replacement	1,596	
Electric Vehicle Charging Stations	661	
Other projects (individually less than \$500)	<u>4,124</u>	\$ 123,021
Flood Control projects:		
Mission Creek Corps project	26,172	
Randall Road Debris Basin	15,010	
Cold Springs Debris Basin	1,462	
SMDB Improvement	1,244	
Maria Ygnacia Basin - Main	820	
Maria Ygnacia Basin - East	767	
Romero Creek Improvement	555	
Other projects (individually less than \$500)	<u>809</u>	46,839
Roads projects:		
Floridale Avenue bridge	3,504	
Foothill Road Low Water Crossing replacement	2,182	
Fernald Point bridge	2,087	
Bonita School Road Bridge	1,620	
Hollister and State Improvement	967	
Santa Claus Lane Circulation	687	
Other projects (individually less than \$500)	<u>999</u>	12,046
General Fund projects		644
Other Governmental Funds:		
Fire Hawk Helicopter Retrofitting	5,865	
Other projects (individually less than \$500)	<u>499</u>	6,364
Sub-total governmental activities		<u>188,914</u>

**Business-Type activities:**

Resource Center	133,506
Laguna Sanitation projects	<u>23,074</u>
Sub-total business-type activities	<u>156,580</u>
Total work in progress	<u>\$ 345,494</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 the statement 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.

### ***Beachside Restaurant***

On March 25, 1985, the County entered into a 37-year agreement with Richhardy Corporation (Richhardy), under which Richhardy will have exclusive rights to operate and maintain a food and beverage business, fishing tackle and bait shop, and boat rental business. The County has the ability to review the rates Richhardy charges. On January 31, 2021, Richhardy terminated their agreement with the County stating their inability to operate the business as contemplated under the Concession Arrangement due to restrictions from the County Public Health Officer Orders due to the COVID-19 pandemic.

***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. 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. 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% gross sales; 1.47% on income over \$3.8 million
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	3/5/2022	-	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>\$ 21</u>	

Capital assets balances for each SCA for the year ended June 30, 2021 and over the term of the agreement are as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<b>Structures &amp; Structure Improvements</b>				
Santa Barbara County Bowl	\$ 37,674	\$ 9	\$ -	\$ 37,683
Boathouse Restaurant	1,698	6	--	1,704
Beachside Restaurant	568	--	(568)	--
Cachuma Café	--	99	--	99
Jalama Beach Store	55	--	--	55
Sub-total Structures & Structure Improvements	<u>39,995</u>	<u>114</u>	<u>(568)</u>	<u>39,541</u>
<b>Land</b>				
Santa Barbara County Bowl	<u>1,188</u>	<u>--</u>	<u>--</u>	<u>1,188</u>
Sub-total Land Improvements	<u>1,188</u>	<u>--</u>	<u>--</u>	<u>1,188</u>
Total SCA Capital Asset Balance	<u>\$ 41,183</u>	<u>\$ 114</u>	<u>\$ (568)</u>	<u>\$ 40,729</u>

The deferred inflow of resources activity for each SCA for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Amortization Allocation (1)	Balance June 30, 2021
<b>SCA Capital Assets (1)</b>				
Santa Barbara County Bowl	\$ 31,553	\$ 9	\$ (881)	\$ 30,681
Cachuma Café	--	99	(11)	88
Boathouse Restaurant	91	6	(13)	84
Beachside Restaurant	96	--	(96)	--
Jalama Beach Store	1	--	(1)	--
Sub-total SCA capital assets	<u>31,741</u>	<u>114</u>	<u>(1,002)</u>	<u>30,853</u>
<b>Present Value of Installment Payments (2):</b>				
Boathouse Restaurant	1,298	--	(173)	1,125
Jalama Beach Store	87	--	(35)	52
Cachuma Café	51	--	(6)	45
Mission Rowing	27	--	(2)	25
Beachside Restaurant	32	--	(32)	--
Sub-total SCA installment payments	<u>1,495</u>	<u>--</u>	<u>(248)</u>	<u>1,247</u>
Total deferred inflows	<u>\$ 33,236</u>	<u>\$ 114</u>	<u>\$ (1,250)</u>	<u>\$ 32,100</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, 2021, the various components of advances from grantors and third parties reported are as follows:

	<u>Advances</u>
General Fund:	
Camping and day use fees	\$ 2,842
CARES funds for Emergency Rental Assistance Program	<u>6,644</u>
Total General Fund	<u>9,486</u>
Roads Fund:	
Development Impact Fees	5
Transportation for road projects	<u>1,104</u>
Total Roads Fund	<u>1,109</u>
Public Health Fund:	
SB Cottage/Marian STEMI/Trauma pre-paid revenue	<u>2,071</u>
Social Services Fund:	
Grant drawdowns prior to meeting eligibility requirements	<u>27,790</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>3,608</u>
Nonmajor Governmental Funds:	
Unrealized gain	<u>1</u>
Total advances from grantors and third parties	<u>\$ 44,292</u>

## 9. LEASES

### Operating Leases as Lessee

All operating leases entered into by the Primary Government, and its discretely presented component unit, are cancelable and/or their initial or remaining lease terms are under one year in length as of June 30, 2021.

Total rental expenditure/expense for the year ended June 30, 2021 was \$4,345 of which \$466 was recorded in the General Fund.

### Operating Leases as Lessor

The County as lessor leases sections of the Casa Nueva building to both the Santa Barbara County Association of Governments and the Santa Barbara Air Pollution Control District under operating leases with terms from July 2003 through April 2034. The original cost of the Casa Nueva building was \$6,168. As of June 30, 2021, the building had a carrying amount of \$4,071, net of accumulated depreciation of \$2,097.

The County as lessor also leases sections of the Public Health building to the Veterans Affairs (VA) Clinic under an operating lease with a term of October 2007 through September 2020. The original cost of the VA Clinic was \$891. As of June 30, 2021, the building had a carrying amount of \$244, net of accumulated depreciation of \$647.

The following is a schedule of future minimum rentals to be received under operating leases entered into by the County as lessor that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2021:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 315
2023	313
2024	312
2025	312
2026	312
2027-2031	1,561
2032-2036	572
Total minimum rentals to be received	<u>\$ 3,697</u>

As of the year ended June 30, 2021, total rental income was \$722 all of which was recorded in the General Fund.

**Capital Leases**

The County has entered into certain capital lease arrangements under which the related structures and equipment will become the property of the County when all terms of the lease agreements are met. The following is a schedule of future minimum capital lease payments, payable from the General Fund and certain special revenue funds, as of June 30, 2021:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 150	\$ 49
2023	158	40
2024	167	32
2025	176	22
2026	185	13
2027-2031	96	3
Total present value of minimum lease payments	<u>\$ 932</u>	<u>\$ 159</u>

The following is a schedule of capital assets acquired through capital leases as of June 30, 2021:

	<u>Governmental Activities</u>
Land	\$ 1,283
Structures and improvements	3,611
Equipment	10
Total capital assets, gross	4,904
Less: accumulated amortization	<u>(1,510)</u>
Total capital assets, net, acquired through capital leases	<u>\$ 3,394</u>

The current year’s amortization related to capital assets under capital leases for governmental activities was \$10 and is included in the Governmental Activities depreciation/amortization of \$25,735.

## 10. LONG-TERM LIABILITIES

### Changes in Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2021 are as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 40,037	\$ 36,510	\$ (33,108)	\$ 43,439	\$ 33,094
Certificates of participation (COP)	24,998	--	(1,430)	23,568	1,485
Unamortized discount on COP	(88)	--	10	(78)	--
Other long-term obligations	2,922	6,823	(1,021)	8,724	1,303
Bonds from direct borrowings	8,515	613	(3,200)	5,928	1,447
Liability for self-insurance claims	10,631	8,058	(7,932)	10,757	4,588
Sub-total governmental activities	<u>87,015</u>	<u>52,004</u>	<u>(46,681)</u>	<u>92,338</u>	<u>41,917</u>
<b>Business-Type activities:</b>					
Compensated absences	796	726	(691)	831	687
Certificates of participation	149,461	24,510	(495)	173,476	3,750
Unamortized premium on COP	15,576	3,833	(1,434)	17,975	--
Bonds and notes from direct borrowings and direct placements	3,513	--	(839)	2,674	863
Sub-total business-type activities	<u>169,346</u>	<u>29,069</u>	<u>(3,459)</u>	<u>194,956</u>	<u>5,300</u>
Total long-term liabilities	<u>\$ 256,361</u>	<u>\$ 81,073</u>	<u>\$ (50,140)</u>	<u>\$ 287,294</u>	<u>\$ 47,217</u>
<b>First 5 Santa Barbara County Component unit activities:</b>					
Compensated absences	\$ 63	\$ 62	\$ (57)	\$ 68	\$ 57
Total long-term liabilities	<u>\$ 63</u>	<u>\$ 62</u>	<u>\$ (57)</u>	<u>\$ 68</u>	<u>\$ 57</u>

Changes in long-term liabilities for each major enterprise fund for the year ended June 30, 2021 are as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
<b>Resource Recovery:</b>					
Compensated absences	\$ 630	\$ 566	\$ (526)	\$ 670	\$ 526
Certificates of participation	149,461	--	(495)	148,966	2,970
Unamortized premium on COP	15,576	--	(1,162)	14,414	--
Sub-total Resource Recovery	<u>165,667</u>	<u>566</u>	<u>(2,183)</u>	<u>164,050</u>	<u>3,496</u>
<b>Laguna Sanitation:</b>					
Compensated absences	166	160	(165)	161	161
Certificates of participation	--	24,510	--	24,510	780
Unamortized premium on COP	--	3,833	(272)	3,561	--
Bonds and notes from direct borrowings and direct placements	3,513	--	(839)	2,674	863
Sub-total Laguna Sanitation	<u>3,679</u>	<u>28,503</u>	<u>(1,276)</u>	<u>30,906</u>	<u>1,804</u>
Total long-term liabilities - business-type activities	<u>\$ 169,346</u>	<u>\$ 29,069</u>	<u>\$ (3,459)</u>	<u>\$ 194,956</u>	<u>\$ 5,300</u>

In governmental activities, the liability for the majority of employee compensated absences is liquidated by the General Fund. Other long-term liabilities consists of a multi-year payment on a Medicare settlement, 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 liquated 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, 2021 are as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
<b>Internal Service Funds:</b>					
Compensated absences	\$ 869	\$ 680	\$ (647)	\$ 902	\$ 647
Bonds from direct borrowings	2,540	613	(355)	2,798	427
Liability for self-insurance claims	10,631	8,058	(7,932)	10,757	4,588
Total long-term liabilities - Internal Service Funds	<u>\$ 14,040</u>	<u>\$ 9,351</u>	<u>\$ (8,934)</u>	<u>\$ 14,457</u>	<u>\$ 5,662</u>

The following is a schedule of total debt service requirements on long-term debt as of June 30, 2021:

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
2022	\$ 1,485	\$ 1,286	\$ 1,447	\$ 154	\$ 3,750	\$ 8,119	\$ 863	\$ 104
2023	1,545	1,209	1,473	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
2027-2031	7,073	3,431	619	8	37,231	31,871	--	--
2032-2036	3,855	2,047	--	--	60,105	19,922	--	--
2037-2041	4,570	733	--	--	53,380	3,946	--	--
Sub-total	23,568	11,836	5,928	415	173,476	94,569	2,674	262
Unamortized premium	--	--	--	--	17,975	--	--	--
Unamortized discount	(78)	--	--	--	--	--	--	--
Total, net	<u>\$ 23,490</u>	<u>\$ 11,836</u>	<u>\$ 5,928</u>	<u>\$ 415</u>	<u>\$ 191,451</u>	<u>\$ 94,569</u>	<u>\$ 2,674</u>	<u>\$ 262</u>

## Bonds and Notes Payable

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

#### Bonds from Direct Borrowings

On September 27, 2011, the County issued \$16,945 in direct borrowing tax-exempt bonds payable at an interest rate of 2.10%, and used the proceeds to refund the County's 2001 COP debt. The final payment of \$1,850 was made on December 1, 2020.

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, 2021 is \$3,130.

### **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, 2021 is \$2,798.

### **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<sup>st</sup> 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 the District from the wastewater treatment plant. The notes payable outstanding at June 30, 2021 is \$1,149.

#### 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 the District for sanitation services. The Laguna Sanitation QECB bonds payable at June 30, 2021 is \$1,525.

### 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, 2021.

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 \$391 during the year ended June 30, 2021.

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 AMT 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, 2021, the remaining principal and interest requirements totaled \$233,766 with a current fiscal year pledged revenue amount of \$37,502. 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, 2021.

In FY 2020-21, the Laguna County Sanitation District (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 (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 System less the maintenance and operation costs of the System. As of June 30, 2021, the remaining principal and interest requirements totaled \$32,553 with a current fiscal year pledged revenue amount of \$14,978.

A summary of COP principal outstanding as of June 30, 2021 is as follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of 6/30/2021
<b>Governmental activities:</b>					
2008 Capital Improvements	4.00-4.75	6/25/2008	12/1/2028	\$ 17,000	\$ 9,130
2010 Capital Improvements - RZEDB	6.22-6.25	6/10/2010	12/1/2040	14,935	14,438
Sub-total governmental activities				<u>31,935</u>	<u>23,568</u>
<b>Business-Type activities:</b>					
2008 Capital Improvements	3.00-4.50	6/25/2008	12/1/2023	6,600	1,616
2018 Capital Improvements	3.30-5.25	11/28/2018	12/1/2038	149,000	147,350
2020 Capital Improvements	2.00-5.00	9/16/2020	12/1/2040	24,510	24,510
Sub-total business-type activities				<u>180,110</u>	<u>173,476</u>
Total COP principal outstanding				<u>\$ 212,045</u>	<u>\$ 197,044</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, 2021.

### Governmental Activities - Conduit Debt

#### **Fixed Rate Obligation – Montecito Retirement Association**

In March 2004, the County issued conduit debt in the form of certificates of participation (COP) under the authority of Chapter 7 of Part 5 of Division 3 of the Health and Safety Code of the State of California. This was done on behalf of the Montecito Retirement Association (Association). These funds were used to finance the construction of facilities in the County, to finance certain equipment used by the Association in its operations, and to refund other debt held by the Association.

In March 2012, the County issued new conduit debt in the form of a fixed rate obligation held by Santa Barbara Bank & Trust. These funds were used to refund the Association’s 2004 COP obligations. This debt does not represent a liability of the County, as the County is not obligated in any manner for the debt. Accordingly, it is not reported as a liability in the accompanying financial statements. As of June 30, 2021, the conduit debt principal amount outstanding was \$7,218.



## 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, 2021, was \$24,520. 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, 2020	June 30, 2021
Unpaid claims, beginning of year	\$ 21,367	\$ 10,631
Incurred claims	15,172	8,058
Claim payments	(23,584)	(8,953)
Ceded premiums	(2,324)	1,021
Unpaid claims, end of year	<u>\$ 10,631</u>	<u>\$ 10,757</u>

In FY 2019-20, the Risk fund entered into a reinsurance agreement with the Authority 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, 2021, \$1,021 has been paid to the Authority for the reinsurance with a remaining payable balance of \$1,303 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 \$474, 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 \$3,797. 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.

The County of Santa Barbara and other public entities have filed suit against Southern California Edison Company 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."

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.

### 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 \$1,281 thousand for 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 (8 years).

### Contracts

The County has entered into contracts to purchase goods and services from various vendors. Approximately \$276,920 will be payable upon future performance under these contracts, including \$9,749 in contracts for the Resource Center and \$74 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 fiscal years 2019-20 and 2020-21, the County received \$4,933 and \$380, respectively, of State and Federal disaster aid payments. While an estimated \$17,628 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, 2021.

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, 2021, \$4,458 of

eligible costs have been submitted to FEMA for disaster assistance however no funds have been obligated. 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, 2021.

### 13. LANDFILL CLOSURE AND POSTCLOSURE CARE

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

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

The \$34,116 reported as landfill closure and postclosure care liability at June 30, 2021, 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	92%	4	Open
Foxen Canyon	95%	closed	20
New Cuyama	100%	closed	10

The County will recognize the remaining estimated cost of closure and postclosure care of \$4,558 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 2021. 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 County is required by state and federal laws and regulations to make annual contributions and/or provide an alternative funding mechanism to finance closure and postclosure care. The County is in compliance with these requirements, and, at June 30, 2021, restricted cash and investments of \$24,381 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, 2021 is comprised of the following:

Landfill	Closure Cost	Postclosure Care Cost	Corrective Action Cost	Total Restricted Cash
Tajiguas	\$ 17,689	\$ 3,678	\$ 1,063	\$ 22,430
Foxen Canyon	--	755	314	1,069
New Cuyama	--	125	757	882
Total	<u>\$ 17,689</u>	<u>\$ 4,558</u>	<u>\$ 2,134</u>	<u>\$ 24,381</u>

Additionally, the County has pledged revenues from future tipping fees generated at the Santa Barbara South Coast Transfer Station to fund a portion of the postclosure maintenance costs. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional 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, 2021 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 in form:</b>											
Endowment	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 700	\$ 700
Prepays/Deposits	50	--	--	255	--	--	--	--	--	--	305
Receivables	6	--	--	--	--	--	--	--	--	--	6
Total nonspendable fund balance	56	--	--	255	--	--	--	--	--	700	1,011
<b>Restricted for:</b>											
Purpose of Fund	10,850	28,262	852	3,960	20,884	55,725	6,411	17,850	1,891	31,932	178,617
Allocated for Capital Outlay	1	--	--	--	--	13,378	--	12,254	2,380	916	28,929
Health Care Programs	--	--	25,828	--	--	--	--	--	--	--	25,828
Local Realignment 2011	19,739	--	--	--	566	--	--	--	--	--	20,305
Public Safety Prop 172	8,452	--	--	--	--	--	--	--	--	--	8,452
Probation YOBS	4,744	28	--	--	--	--	--	--	--	--	4,772
Sheriff Categorical Grants	4,018	--	--	--	--	--	--	--	--	--	4,018
Parks Projects	--	--	--	--	--	--	--	--	2,700	239	2,939
Measure A Roads Funds	--	2,712	--	--	--	--	--	--	--	--	2,712
Probation LESF/COPS	2,446	--	--	--	--	--	--	--	--	--	2,446
Housing Trust Funds	--	--	--	--	--	--	2,179	--	--	--	2,179
MHSA Prudent Reserve	--	--	--	--	2,023	--	--	--	--	--	2,023
DMV/Livescan	--	--	--	--	--	--	--	--	1,960	--	1,960
Recorder Modernization	--	--	--	--	--	--	--	--	--	1,775	1,775
Recorder Operations	--	--	--	--	--	--	--	--	--	1,725	1,725
Consumer/Environmental	1,650	--	--	--	--	--	--	--	--	--	1,650
P&D Offsite Mitigation	--	--	--	--	--	--	--	--	--	1,600	1,600
Debt Service	--	--	--	--	--	--	--	--	--	1,413	1,413
GATV Infrastructure	1,378	--	--	--	--	--	--	--	--	--	1,378
Sheriff Asset Forfeiture-State	1,229	--	--	--	--	--	--	--	--	--	1,229
PHD Special Projects	--	--	1,145	--	--	--	--	--	--	--	1,145
Alcoholism Programs	--	--	--	--	1,134	--	--	--	--	--	1,134
Sustainability Programs	1,078	--	--	--	--	--	--	--	--	--	1,078
PRC Performance Security	--	--	--	--	--	1,043	--	--	--	--	1,043
Hollister Ranch Public Access	--	--	--	--	--	--	--	--	--	1,000	1,000
Public Arts Program	918	--	--	--	--	--	--	--	--	--	918
Maintenance-Casa Nueva Bldg	765	--	--	--	--	--	--	--	--	--	765
DA Asset Forfeiture-State	701	--	--	--	--	--	--	--	--	--	701
Los Prietos Donation	640	--	--	--	--	--	--	--	--	--	640
Assessor AB818	504	--	--	--	--	--	--	--	--	--	504
Animal Control Programs	171	--	332	--	--	--	--	--	--	--	503
Real Estate Fraud	485	--	--	--	--	--	--	--	--	--	485
Local Innovation Sub-Account	401	--	--	--	--	--	--	--	--	--	401
Recorder Micrographics	--	--	--	--	--	--	--	--	--	367	367
FY 12/13,13/14 Operating Plans	--	--	--	--	67	201	--	--	--	96	364
Survey Monument	350	--	--	--	--	--	--	--	--	--	350
Dispute Resolution	--	--	--	--	--	--	--	--	--	346	346
Gaviota Bikeway	--	--	--	--	--	--	--	--	--	341	341
Probation Programs	309	--	--	--	--	--	--	--	--	--	309
District Attorney Programs	307	--	--	--	--	--	--	--	--	--	307
DSS Childrens Trust	--	--	--	234	--	--	--	--	--	--	234
Drug Abuse Programs	--	--	--	--	228	--	--	--	--	--	228
Donations	191	--	--	32	--	--	--	--	--	--	223
Recorder ERDS	--	--	--	--	--	--	--	--	--	212	212
CalVet Subvention Program	203	--	--	--	--	--	--	--	--	--	203
DSA Surplus Health Allocations	189	--	--	--	--	--	--	--	--	--	189
Sheriff Asset Forfeiture-Fed	156	--	--	--	--	--	--	--	--	--	156
State Off Hwy Fee	147	--	--	--	--	--	--	--	--	--	147
Vital Records	--	--	--	--	--	--	--	--	--	147	147
Weights and Measures	80	--	--	--	--	--	--	--	--	--	80
Unrealized Gains	4	8	7	5	7	22	5	3	5	12	78
Recorder Redaction	--	--	--	--	--	--	--	--	--	54	54
DARE	40	--	--	--	--	--	--	--	--	--	40
Imprest Cash	10	1	3	15	4	--	--	--	--	1	34
COP Proceeds	--	--	--	--	--	--	--	--	--	12	12
DA-Special Fund	5	--	--	--	--	--	--	--	--	--	5
	62,161	31,011	28,167	4,246	24,913	70,369	8,595	30,107	8,936	42,188	310,693

A detailed schedule of fund balances at June 30, 2021 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	39,967	--	--	--	--	--	--	--	--	--	39,967
Strategic Reserve	38,785	--	--	--	--	--	--	--	--	--	38,785
Disaster Recovery	16,234	--	--	--	--	--	--	--	--	--	16,234
Props 215/64 - Cannabis	15,666	--	--	--	--	--	--	--	--	--	15,666
New Jail Operations	13,347	--	--	--	--	--	--	--	--	--	13,347
General Services Projects	1,691	--	--	--	--	--	--	--	10,837	--	12,528
Litigation	12,025	--	--	--	--	--	--	--	--	--	12,025
Health Care Programs	--	--	--	--	--	--	--	--	--	8,264	8,264
Program Stabilization	7,500	--	--	--	--	--	--	--	--	--	7,500
Tech Replacement & Investment	5,623	--	--	--	--	--	--	--	--	--	5,623
Contingencies	5,359	--	--	--	--	--	--	--	--	--	5,359
Purpose of Fund	879	--	--	2,656	345	--	--	--	21	1,435	5,336
Mental Health	4,723	--	--	--	--	--	--	--	--	--	4,723
Emerging Issues	3,701	--	--	--	--	--	--	--	--	--	3,701
Parks Projects	1,440	--	--	--	--	--	--	--	2,028	--	3,468
County Executive Programs	2,490	--	--	--	--	--	--	--	--	--	2,490
Facilities Maintenance	2,056	--	--	--	--	--	--	--	--	--	2,056
Clerk Record Assessor Projects	1,720	--	--	--	--	--	--	--	--	--	1,720
Sheriff Projects	335	--	--	--	--	--	--	--	1,304	--	1,639
Planning/Development Projects	860	--	--	--	--	--	--	--	--	479	1,339
General County Programs	1,227	--	--	--	--	--	--	--	--	--	1,227
Auditor Systems Maint/Develop	1,105	--	--	--	--	--	--	--	--	--	1,105
P&D Land Use System	--	--	--	--	--	--	--	--	--	973	973
Elections Voting Equipment	916	--	--	--	--	--	--	--	--	--	916
Assessment Appeals Support	669	--	--	--	--	--	--	--	--	--	669
Tobacco Settlement	634	--	--	--	--	--	--	--	--	4	638
In-Car Video Equip Replacement	550	--	--	--	--	--	--	--	--	--	550
District Attorney Programs	492	--	--	--	--	--	--	--	--	--	492
Human Resources Programs	365	--	--	--	--	--	--	--	--	--	365
North County Jail Contingency	302	--	--	--	--	--	--	--	--	--	302
Treas Tax Collector Projects	300	--	--	--	--	--	--	--	--	--	300
Housing Programs	278	--	--	--	--	--	--	--	--	--	278
Rental Maintenance	179	--	--	--	--	--	--	--	--	--	179
Ag Commissioner Projects	134	--	--	--	--	--	--	--	--	--	134
Unrealized Gains	79	--	--	--	--	--	--	--	1	3	83
Probation Programs	49	--	--	--	--	--	--	--	--	--	49
Building & Safety Permitting	--	--	--	--	--	--	--	--	--	40	40
Imprest Cash	27	--	--	--	--	--	--	--	--	3	30
PAPG Revolving Fund	2	--	--	--	--	--	--	--	--	--	2
Salary & Retirement Offset	(192)	--	--	--	--	--	--	--	--	192	--
	<u>181,517</u>	<u>--</u>	<u>--</u>	<u>2,656</u>	<u>345</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>14,191</u>	<u>11,393</u>	<u>210,102</u>
<b>Unassigned fund balance:</b>	19,839	--	--	--	--	--	--	--	--	--	19,839
Total fund balances	<u>\$ 263,573</u>	<u>\$ 31,011</u>	<u>\$ 28,167</u>	<u>\$ 7,157</u>	<u>\$ 25,258</u>	<u>\$ 70,369</u>	<u>\$ 8,595</u>	<u>\$ 30,107</u>	<u>\$ 23,127</u>	<u>\$ 54,281</u>	<u>\$ 541,645</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, 2021 for governmental activities is as follows:

Restricted for Policy and Executive:		
County Executive Office	<u>\$ 1,392</u>	\$ 1,392
Restricted for Public Safety:		
Probation	28,507	
Fire Protection District	31,506	
Sheriff	13,801	
District Attorney	3,446	
Trial Courts	<u>346</u>	
		77,606
Restricted for Health & Public Assistance:		
Public Health	28,416	
Behavioral Wellness	27,527	
Social Services	4,523	
Child Support Services	<u>738</u>	
		61,204
Restricted for Community Resources & Public Facilities:		
Flood Control District	70,368	
Housing	56,841	
Roads	31,011	
Water Agency	13,107	
Planning and Development	12,493	
County Service Areas	4,897	
Parks	<u>2,915</u>	
		191,632
Restricted for General Government & Support Services:		
Clerk-Recorder-Assessor	4,785	
General Services	3,316	
Other	<u>203</u>	
		8,304
Restricted for General County Programs:		
Other	20,429	
Public and Educational Access	<u>4,220</u>	
		24,649
Total restricted component of net position - governmental activities		<u><u>\$ 364,787</u></u>

Included in governmental activities restricted net position at June 30, 2021 is net position restricted by enabling legislation of \$2,222.



## 16. INTERFUND TRANSACTIONS

### Interfund Receivables / Payables

Amounts due to/from other funds at June 30, 2021 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Behavioral Wellness	\$ 3,470
General Fund	Capital Projects	1,721
Social Services	IHSS Public Authority	1,201
Court Operations	General Fund	1,005
General Fund	Affordable Housing	888
General Fund	Court Operations	749
General Fund	Public Health	166
Risk Management	General Fund	136
General Fund	Criminal Justice Construction	54
General Fund	Planning and Development	44
Flood Control Districts	Water Agencies	9
Total due to/from other funds		<u>\$ 9,443</u>

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, 2021 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
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, 2021 are as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Affordable Housing Fund	\$ 14,230	CARES Distribution
	Nonmajor Governmental Funds	12,339	General Fund Contribution
	Social Services Fund	8,787	General Fund Contribution
	Public Health Fund	7,595	General Fund Contribution
	Nonmajor Governmental Funds	6,824	New Fund Establishment
	Behavioral Wellness Fund	5,840	General Fund Contribution
	Public Health Fund	4,484	CARES Distribution
	Capital Projects Fund	4,307	Capital Projects
	Internal Service Funds	3,637	CARES Distribution
	Capital Projects Fund	3,275	General Fund Contribution
	Public Health Fund	2,698	New Fund Establishment
	Nonmajor Governmental Funds	2,623	Debt Service
	Roads Fund	2,486	COVID-19
	Roads Fund	2,189	Roads Project
	Roads Fund	1,844	General Fund Contribution
	Behavioral Wellness Fund	1,173	CARES Distribution
	Internal Service Funds	884	Vehicles
	Internal Service Funds	803	Other
	Roads Fund	786	Other
	Nonmajor Governmental Funds	784	Other
	Nonmajor Governmental Funds	529	Courts
	Capital Projects Fund	476	Other
	Social Services Fund	366	CARES Distribution
	Nonmajor Governmental Funds	324	CARES Distribution
	Fire Protection District Fund	249	CARES Distribution
	Behavioral Wellness Fund	226	Other
	Roads Fund	184	CARES Distribution
	Enterprise Funds	121	CARES Distribution
	Public Health Fund	99	Other
	Fire Protection District Fund	79	Other
	Flood Control Districts Fund	41	CARES Distribution
Social Services Fund	15	Other	
Public Health Fund	9	Program Administration	
		<u>90,306</u>	
Roads Fund	Capital Projects Fund	114	Other
	Internal Service Funds	108	Vehicles
	Capital Projects Fund	12	Capital Projects
		<u>234</u>	
Public Health Fund	General Fund	1,618	Medicaid
	Internal Service Funds	44	Vehicles
	Social Services Fund	10	Program Administration
		<u>1,672</u>	
Social Services Fund	Behavioral Wellness Fund	171	Other
	Internal Service Funds	117	Vehicles
	Capital Projects Fund	39	Capital Projects
	General Fund	38	Program Administration
		<u>365</u>	
Behavioral Wellness Fund	General Fund	790	Other
	Nonmajor Governmental Funds	467	Debt Service
	Internal Service Funds	142	Vehicles
	Social Services Fund	18	Program Administration
	Public Health Fund	11	Other
	Social Services Fund	1	Other
Capital Projects Fund	1	Capital Projects	
		<u>1,430</u>	

Transfers to/from other funds at June 30, 2021 (continued):

Transfer From	Transfer To	Amount	Purpose
Flood Control District Fund	Capital Projects Fund	\$ 72	Capital Projects
	Internal Service Funds	36	Vehicles
		<u>108</u>	
Affordable Housing Fund	General Fund	912	Other
	General Fund	572	Program Administration
	Behavioral Wellness Fund	539	Other
	Capital Projects Fund	503	Capital Projects
	Roads Fund	97	Other
	Public Health Fund	78	Other
	General Fund	5	General Fund Contribution
	<u>2,706</u>		
Fire Protection District	General Fund	1,691	Dispatch Services
	Capital Projects Fund	942	Capital Projects
	General Fund	546	Joint Air Operations
	Nonmajor Governmental Funds	241	Debt Service
	Internal Service Funds	236	Vehicles
	Public Health Fund	12	Other
	<u>3,668</u>		
Capital Projects Fund	General Fund	280	Capital Projects
	Internal Service Funds	90	Capital Projects
	Internal Service Funds	6	Other
		<u>376</u>	
Nonmajor Governmental Funds	Public Health Fund	2,069	Other
	General Fund	1,945	Program Administration
	Nonmajor Governmental Funds	1,237	Debt Service
	General Fund	968	Other
	Roads Fund	332	Other
	Behavioral Wellness Fund	313	Program Administration
	Fire Protection District Fund	287	Other
	Public Health Fund	285	Program Administration
	Capital Projects Fund	215	Capital Projects
	Public Health Fund	38	Capital Projects
	Flood Control Districts Fund	33	Other
Internal Service Funds	22	Vehicles	
	<u>7,744</u>		
Resource Recovery	Internal Service Funds	36	Vehicles
	Internal Service Funds	8	Other
		<u>44</u>	
Internal Service Funds	Capital Projects Fund	614	Capital Projects
	General Fund	123	Vehicles
	Internal Service Funds	100	Other
	Internal Service Funds	19	Vehicles
		<u>856</u>	
	Total transfers	<u>\$ 109,509</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, 2021, the Agricultural Preserve Program tax abatements were \$5,402.

## 18. PENSIONS

### General Information about the Pension Plan

#### **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 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 at: <http://cosb.countyofsb.org/sbcers>.

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, 2021 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 \$139,647 for the year ended June 30, 2021. Active members are plan members who are currently accruing benefits and/or paying contributions into the applicable plan.

For the measurement date June 30, 2020, employer and employee contribution rates and active members for each plan are as follows:

	<u>Employer</u> <u>Contribution Rates</u>	<u>Employee</u> <u>Contribution Rates</u>	<u>Active Members</u>
General Plan 2	25.95%	Non-contributory	6
General Plan 5A	37.06%	3.01 - 6.12%	270
General Plan 5B	37.06%	6.01 - 12.23%	201
General Plan 5C	38.83%	2.92 - 6.09%	1091
General Plan 7	38.02%	2.43 - 5.08%	106
General Plan 8	30.74%	8.43%	1388
Safety Plan 4A	58.88%	5.58 - 9.65%	17
Safety Plan 4B	59.20%	11.15 - 19.30%	7
Safety Plan 4C	57.66%	5.38 - 9.52%	281
Safety Plan 6A	66.85%	5.58 - 9.65%	24
Safety Plan 6B	65.48%	5.38 - 9.52%	241
Safety Plan 8	46.76%	15.14%	365

Beginning in FY 2018-19, and continuing for FY 2020-21, members of certain plans and bargaining units paid a portion of the employer contributions between 1.49% - 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, 2021, the County, including its discretely presented component unit, reported a liability of \$981,008 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, updated to June 30, 2020. 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, 2020, the County's proportion was 92.9214%, which was a decrease of 0.3927% from its proportion measured as of June 30, 2019.



For the year ended June 30, 2021, the County, including its discretely presented component unit, recognized pension expense of \$177,272 and \$268, 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, 2021, 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	\$ 42,269	\$ 11,789	\$ 64	\$ 18
Changes in assumptions	40,051	16,570	61	25
Net difference between projected and actual earnings on retirement plan investments	111,992	--	169	--
Changes in proportion and differences between County contributions and proportionate share of contributions	3,406	2,498	5	4
County contributions subsequent to the measurement date	139,436	--	211	--
	<u>\$ 337,154</u>	<u>\$ 30,857</u>	<u>\$ 510</u>	<u>\$ 47</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 \$139,647 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 year ended June 30, 2021.

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
2022	\$ 48,042	\$ 73
2023	31,252	47
2024	44,287	67
2025	43,280	65
	<u>\$ 166,861</u>	<u>\$ 252</u>

**Actuarial Assumptions**

The total pension liability, measured as of June 30, 2020, 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% wage inflation component plus additional longevity and promotion component based on employee classification and years of service
Investment rate of return	7.00%, net of investment expense
Administrative expenses	Base of \$5.3 million for the FYE June 30, 2020 with assumed wage inflation of 3.00% annually
Basic COLA	The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 2.75% per year.
Post-Retirement COLA	Benefits are assumed to increase after retirement at the rate of 2.60% per year for General Plans 5, and Safety Plans 4, 6, and 8 (PEPRA); 1.90% per year for General Plans 7 and Plan 8 (PEPRA); and 0% per year for General Plan 2.

Post-Retirement mortality

Healthy Lives:

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

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

Safety active members are also subject to the 2014 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, 2019 valuation, updated to June 30, 2020, 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, 2020, 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%	5.30%
Developed market non-U.S. equity	11%	7.00%
Emerging markets equity	7%	9.25%
Core fixed income	17%	0.50%
Custom non-core fixed income	11%	5.10%
Custom real return	15%	5.00%
Custom real estate	10%	4.55%
Private equity	10%	8.00%
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	\$ 1,487,956	\$ 979,527	\$ 548,057
First 5 Children and Families Commission	\$ 2,250	\$ 1,481	\$ 829

**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-Summerland Fire Protection District, Goleta Cemetery District, Santa Maria Cemetery District, Carpinteria Cemetery District, Summerland Sanitary District, Santa Barbara County Air Pollution Control District, Santa Barbara County Association of Governments, and the Santa Barbara County Superior Court.

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 the Annual Comprehensive Report Section <http://cosb.countyofsb.org/sbcers>.

**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, 2020, the following 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 21) (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, 2021, the County, including its discretely presented component unit, reported a net OPEB liability of \$98,226 and \$261, respectively. The net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019, updated to June 30, 2020.

**Actuarial Assumptions**

The total OPEB liability measured as of June 30, 2020 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increase rate	3% plus an additional longevity and promotion increase compounded based on years of service
Investment rate of return	7.00%, net of investment expense
Healthcare cost trend rates	The Healthcare Cost Trend Rate is not applicable because the total cost of health benefits is not valued. Only the monthly benefit provided is valued using the assumption that no future increase will be granted to the amount.
Future retiree plan election	<u>Non-Medicare-Eligible Retirees:</u> 40% - monthly subsidy of \$15 per year of service; 60% - \$4 cash benefit option

Non-Medicare-Eligible Retirees:  
55% - monthly subsidy of \$15 per year of service; 45% - \$4 cash benefit option

Mortality rates	<u>Healthy Lives:</u> Mortality rates for General active members are based on the sex distinct Public General 2010 Above-Median Income Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2019, without adjustment.
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Non-duty related mortality rates for Safety active member are based on the sex distinct Public Safety 2010 Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2019, without adjustment. Safety active members are also subject to the 2014 CalPERS Preretirements Industrial Mortality Table for duty-related deaths, with generational mortality improvements projected from 2009 using Projection Scale MP-2019, without adjustment.

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

Mortality rates for Safety annuitants are based upon the sex distinct Public Safety 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-2016 from a base year of 2009.

The actuarial assumptions used in the valuation as of June 30, 2019, updated to June 30, 2020, 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, 2020, 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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	60%	5.30%
Fixed income	40%	0.50%
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, 2020 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 6/30/2019	\$ 132,268	\$ 22,700	\$ 109,568	\$ 109,253	\$ 315
Changes for the year:					
Service cost	1,538	-	1,538	1,534	4
Interest	9,017	-	9,017	8,993	24
Differences between expected and actual experience	(3,396)	-	(3,396)	(3,387)	(9)
Changes of assumptions	(2,890)	-	(2,890)	(2,882)	(8)
Contributions - employer	-	13,913	(13,913)	(13,876)	(37)
Net investment income	-	1,788	(1,788)	(1,783)	(5)
Benefit payments	(8,520)	(8,520)	-	-	-
Administrative expense	-	(351)	351	350	1
Allocation basis adjustment*	-	-	-	24	(24)
Net changes	(4,251)	6,830	(11,081)	(11,027)	(54)
Balances at 6/30/2020	\$ 128,017	\$ 29,530	\$ 98,487	\$ 98,226	\$ 261

**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	Discount Rate		
	1% Decrease 6.0%	7.0%	
County of Santa Barbara	\$ 112,210	\$ 98,226	\$ 86,432
First 5 Children and Families Commission	\$ 298	\$ 261	\$ 229

**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, 2021, the County, including its discretely presented component unit, recognized OPEB expense of \$5,438 and \$14, 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, 2021, 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	\$ -	\$ 4,469	\$ -	\$ 12
Changes in assumptions	-	1,923	-	5
Net difference between projected and actual earnings on retirement plan investments	-	202	-	1
County contributions subsequent to the measurement date	14,294	-	38	-
	<u>\$ 14,294</u>	<u>\$ 6,594</u>	<u>\$ 38</u>	<u>\$ 18</u>

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
2022	\$ (3,684)	\$ (10)
2023	(2,828)	(8)
2024	(78)	--
2025	(4)	--
	<u>\$ (6,594)</u>	<u>\$ (18)</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>
6/30/2019	\$ 222
6/30/2020	232
6/30/2021	253

**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 2020 and 2021 (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>
6/30/2019	\$ 154
6/30/2020	156
6/30/2021	191

## 21. PRIOR PERIOD ADJUSTMENTS

A prior period adjustment of \$21,993 was made to increase the governmental activities beginning net position and the governmental funds beginning fund balance. As a result of the implementation of GASB Statement No. 84 in FY 2020-21, a review of former Agency funds was completed to determine whether these funds met the fiduciary criteria under the new standard. Activities that did not meet the fiduciary criteria under GASB Statement No. 84 are now reported within the primary government in the Governmentwide and Governmental Fund statements. Amounts related to prior period revenue in these funds were added to beginning net position in their respective reporting category.

The restatement of beginning net position of the governmental activities is summarized as follows:

<b>Governmental Activities</b>	
Net position at July 1, 2020, as previously stated	\$ 534,566
Governmental Activities prior period adjustment	<u>21,993</u>
Net position at July 1, 2020, as restated	<u>\$ 556,559</u>

The restatement of beginning fund balance of the governmental funds is summarized as follows:

<b>Governmental Funds</b>	
Fund Balance at July 1, 2020, as previously stated	\$ 435,183
General	3,171
Roads	5,671
Public Health	860
Behavioral Wellness	536
Fire Protection District	2,240
Capital Projects	8,014
Other Governmental Fund	<u>1,501</u>
Fund Balance at July 1, 2020, as restated	<u>\$ 457,176</u>

Prior period adjustments of \$3,193,932 and \$32,836 were made, related to SBCERS Pension Trust Funds and the Other Postemployment Benefits Trust Fund, respectively, to establish beginning net position of \$3,226,768 in the fiduciary fund statements for Pension (and Other Employee Benefits) Trust Funds. In addition, a prior period adjustment of \$29,762 was made to establish beginning net position in the fiduciary fund statements for Other Custodial Funds as well as an \$11,654 prior period adjustment to decrease the Investment Trust Fund in accordance with GASB Statement No. 84.

The restatement of beginning net position of the fiduciary funds is summarized as follows:

<b>Fiduciary Funds</b>	
Pension (and Other Employee Benefits) Trust Funds	
Net position at July 1, 2020, as previously stated	\$ -
SBCERS Pension Trust Funds	3,193,932
Other Postemployment Benefit Trust Fund	32,836
Net position at July 1, 2020, as restated	<u>\$ 3,226,768</u>
Other Custodial Funds	
Net position at July 1, 2020, as previously stated	\$ -
Unapportioned Collections	25,244
State and City Revenue Funds	2,330
Public Administrator/Public Guardian Funds	1,599
Other Custodial Funds	589
Net position at July 1, 2020, as restated	<u>\$ 29,762</u>
Investment Trust Fund	
Net position at July 1, 2020, as previously stated	\$ 1,037,141
Investment Trust Fund prior period adjustment	(11,654)
Net position at July 1, 2020, as restated	<u>\$ 1,025,487</u>

## 22. SUBSEQUENT EVENTS

The County evaluated subsequent events from July 1, 2021 through December 31, 2021, the date the financial statements were available to be issued. The following subsequent event was noted:

### Fire Related Capital Asset Impairments

As a result of the Alisal Fire that impacted the County’s Gaviota Coast in October 2021, two capital asset impairments occurred due to fire damage. The first impairment is related to the Tajiguas Landfill and its environmental systems and greenwaste processing area as well as the biofilter for the Material Recovery Facility (MRF), which is a component of the newly constructed ReSource Center. The site’s landfill gas collection wells, stormwater drainage systems, and greenwaste processing equipment were significantly damaged. In addition, the wood chips contained in the MRF biofilter continued to burn for several days creating the need to cut sides out of the biofilter to better access and extinguish the wood chips. Waste material was transported to alternative waste management facilities while the landfill and MRF were not operational. Within two weeks of the fire, all landfill systems were replaced and functioning and the landfill, greenwaste processing area, and anaerobic digester were able to begin operations again. Working with the Air Pollution Control District, the contractor was able to receive a variance that allows the continued operation of the MRF without certain components of the air treatment system as long as the contractor meets certain air quality levels based on daily testing. In the meantime, the contractor is assessing the damage and using the air data to identify specifically what type of technology will need to be installed in the future. At the time of publication, it is anticipated that the total impact to the assets is up to \$20,000,000, which may be funded through insurance, state and federal funding, and the Division’s Enterprise Fund reserves.

The second capital asset impairment associated with the Alisal Fire is related to the Baron Ranch trail system which was damaged by the fire. As of the time of this publication, the damage to the trail system, associated costs, and timeframe for repair are still being determined.

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

\*Amounts presented above were determined as of 6/30. 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	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
For use in	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Actuarially determined contribution	\$ 139,647	\$ 131,337	\$ 124,021	\$ 122,369	\$ 113,544	\$ 113,889	\$ 114,714	\$ 110,461
Contributions in relation to the actuarially determined contribution	139,647	131,337	124,021	122,369	113,544	114,197	114,946	110,756
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (308)	\$ (232)	\$ (295)
County's covered payroll	\$ 360,865	\$ 346,073	\$ 328,862	\$ 319,452	\$ 316,948	\$ 304,480	\$ 295,365	\$ 283,430
covered payroll	38.70%	37.95%	37.71%	38.31%	35.82%	37.51%	38.92%	39.08%

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







# **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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 271,609	\$ 279,028	\$ 283,833	\$ 4,805
Licenses, permits, and franchises	5,513	8,913	8,061	(852)
Fines, forfeitures, and penalties	5,991	8,315	6,432	(1,883)
Use of money and property	3,498	2,296	1,050	(1,246)
Intergovernmental	84,547	159,551	162,349	2,798
Charges for services	67,888	68,776	65,347	(3,429)
Other	3,143	6,675	6,238	(437)
Total revenues	<u>442,189</u>	<u>533,554</u>	<u>533,310</u>	<u>(244)</u>
<b>Expenditures</b>				
Current:				
Policy & executive	24,300	26,005	23,531	2,474
Public safety	265,362	269,324	256,339	12,985
Health & human services	5,428	5,447	4,767	680
Community resources & public facilities	44,808	44,551	38,960	5,591
General government & support services	59,257	61,878	58,257	3,621
General county programs	6,069	12,175	9,003	3,172
Total expenditures	<u>405,224</u>	<u>419,380</u>	<u>390,857</u>	<u>28,523</u>
Excess of revenues over expenditures	<u>36,965</u>	<u>114,174</u>	<u>142,453</u>	<u>28,279</u>
<b>Other financing sources (uses)</b>				
Transfers in	7,112	38,589	37,609	(980)
Transfers out	(71,473)	(133,063)	(118,427)	14,636
Sale of capital assets	--	75	39	(36)
Total other financing uses, net	<u>(64,361)</u>	<u>(94,399)</u>	<u>(80,779)</u>	<u>13,620</u>
Net change in fund balances	(27,396)	19,775	61,674	41,899
Fund balances - beginning	201,899	201,899	201,899	--
Fund balances - ending	<u>\$ 174,503</u>	<u>\$ 221,674</u>	<u>\$ 263,573</u>	<u>\$ 41,899</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	\$ 533,310
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(3,171)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 530,139</u>
Actual amounts (budgetary basis) Total other financing uses, net	\$ (80,779)
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(28,121)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	28,121
Total other financing uses, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ (80,779)</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 7,026	\$ 7,026	\$ 8,559	\$ 1,533
Licenses, permits, and franchises	362	362	492	130
Use of money and property	289	85	(77)	(162)
Intergovernmental	33,092	33,692	23,505	(10,187)
Charges for services	3,868	10,795	13,421	2,626
Other	128	128	375	247
Total revenues	<u>44,765</u>	<u>52,088</u>	<u>46,275</u>	<u>(5,813)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	64,753	71,558	56,873	14,685
Total expenditures	<u>64,753</u>	<u>71,558</u>	<u>56,873</u>	<u>14,685</u>
Deficiency of revenues under expenditures	<u>(19,988)</u>	<u>(19,470)</u>	<u>(10,598)</u>	<u>8,872</u>
<b>Other financing sources (uses)</b>				
Transfers in	7,737	15,186	12,126	(3,060)
Transfers out	(1,234)	(6,328)	(4,442)	1,886
Sale of capital assets	40	40	42	2
Total other financing sources, net	<u>6,543</u>	<u>8,898</u>	<u>7,726</u>	<u>(1,172)</u>
Net change in fund balances	(13,445)	(10,572)	(2,872)	7,700
Fund balances - beginning	33,883	33,883	33,883	--
Fund balances - ending	<u>\$ 20,438</u>	<u>\$ 23,311</u>	<u>\$ 31,011</u>	<u>\$ 7,700</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	\$ 46,275
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(12,560)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 33,715</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 56,873
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(6,889)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 49,984</u>
Actual amounts (budgetary basis) Total Other Financing Sources, Net	\$ 7,726
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(4,208)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	4,208
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 7,726</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses, permits, and franchises	\$ 858	\$ 858	\$ 686	\$ (172)
Fines, forfeitures, and penalties	476	1,074	893	(181)
Use of money and property	267	188	(21)	(209)
Intergovernmental	22,028	34,684	36,215	1,531
Charges for services	53,952	53,897	52,607	(1,290)
Other	150	519	573	54
Total revenues	<u>77,731</u>	<u>91,220</u>	<u>90,953</u>	<u>(267)</u>
<b>Expenditures</b>				
Current:				
Health & human services	90,618	101,680	96,884	4,796
Total expenditures	<u>90,618</u>	<u>101,680</u>	<u>96,884</u>	<u>4,796</u>
Deficiency of revenues under expenditures	<u>(12,887)</u>	<u>(10,460)</u>	<u>(5,931)</u>	<u>4,529</u>
<b>Other financing sources (uses)</b>				
Transfers in	13,099	17,645	17,378	(267)
Transfers out	(865)	(2,549)	(1,672)	877
Total other financing sources, net	<u>12,234</u>	<u>15,096</u>	<u>15,706</u>	<u>610</u>
Net change in fund balances	(653)	4,636	9,775	5,139
Fund balances - beginning	18,392	18,392	18,392	--
Fund balances - ending	<u>\$ 17,739</u>	<u>\$ 23,028</u>	<u>\$ 28,167</u>	<u>\$ 5,139</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	\$ 90,953
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(1,285)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 89,668</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 96,884
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(425)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 96,459</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses, permits, and franchises	\$ 66	\$ 66	\$ 88	\$ 22
Fines, forfeitures, and penalties	13	13	11	(2)
Use of money and property	237	202	184	(18)
Intergovernmental	148,265	163,664	153,260	(10,404)
Charges for services	76	76	85	9
Other	416	420	1,213	793
Total revenues	<u>149,073</u>	<u>164,441</u>	<u>154,841</u>	<u>(9,600)</u>
<b>Expenditures</b>				
Current:				
Health & human services	169,040	173,271	161,486	11,785
Total expenditures	<u>169,040</u>	<u>173,271</u>	<u>161,486</u>	<u>11,785</u>
Deficiency of revenues under expenditures	<u>(19,967)</u>	<u>(8,830)</u>	<u>(6,645)</u>	<u>2,185</u>
<b>Other financing sources (uses)</b>				
Transfers in	19,652	9,276	9,263	(13)
Transfers out	(199)	(571)	(431)	140
Total other financing sources, net	<u>19,453</u>	<u>8,705</u>	<u>8,832</u>	<u>127</u>
Net change in fund balances	(514)	(125)	2,187	2,312
Fund balances - beginning	4,970	4,970	4,970	--
Fund balances - ending	<u>\$ 4,456</u>	<u>\$ 4,845</u>	<u>\$ 7,157</u>	<u>\$ 2,312</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	\$ 8,832
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(66)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	66
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 8,832</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 41	\$ 41	\$ 24	\$ (17)
Use of money and property	530	758	571	(187)
Intergovernmental	56,248	70,437	67,808	(2,629)
Charges for services	62,647	72,351	67,763	(4,588)
Other	65	7,167	3,843	(3,324)
Total revenues	<u>119,531</u>	<u>150,754</u>	<u>140,009</u>	<u>(10,745)</u>
<b>Expenditures</b>				
Current:				
Health & human services	134,900	146,325	133,521	12,804
Total expenditures	<u>134,900</u>	<u>146,325</u>	<u>133,521</u>	<u>12,804</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,369)</u>	<u>4,429</u>	<u>6,488</u>	<u>2,059</u>
<b>Other financing sources (uses)</b>				
Transfers in	14,836	13,435	12,092	(1,343)
Transfers out	(3,919)	(5,372)	(5,260)	112
Sale of capital assets	--	1,600	1,596	(4)
Total other financing sources, net	<u>10,917</u>	<u>9,663</u>	<u>8,428</u>	<u>(1,235)</u>
Net change in fund balances	(4,452)	14,092	14,916	824
Fund balances - beginning	10,342	10,342	10,342	--
Fund balances - ending	<u>\$ 5,890</u>	<u>\$ 24,434</u>	<u>\$ 25,258</u>	<u>\$ 824</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	\$ 140,009
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(15,129)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 124,880</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 133,521
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(14,593)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 118,928</u>
Actual amounts (budgetary basis) Total Other Financing Sources, Net	\$ 8,428
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(3,830)</u>
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>3,830</u>
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 8,428</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 12,067	\$ 12,067	\$ 13,092	\$ 1,025
Licenses, permits, and franchises	--	--	20	20
Fines, forfeitures, and penalties	--	--	1	1
Use of money and property	762	291	(116)	(407)
Intergovernmental	13,308	13,308	11,656	(1,652)
Charges for services	4,014	4,014	4,011	(3)
Other	2	2	6	4
Total revenues	<u>30,153</u>	<u>29,682</u>	<u>28,670</u>	<u>(1,012)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	39,079	48,084	29,843	18,241
Total expenditures	<u>39,079</u>	<u>48,084</u>	<u>29,843</u>	<u>18,241</u>
Deficiency of revenues under expenditures	(8,926)	(18,402)	(1,173)	17,229
<b>Other financing sources (uses)</b>				
Transfers in	45	86	74	(12)
Transfers out	--	(110)	(108)	2
Sale of capital assets	20	20	36	16
Total other financing sources (uses)	<u>65</u>	<u>(4)</u>	<u>2</u>	<u>6</u>
Net change in fund balances	(8,861)	(18,406)	(1,171)	17,235
Fund balances - beginning	71,540	71,540	71,540	--
Fund balances - ending	<u>\$ 62,679</u>	<u>\$ 53,134</u>	<u>\$ 70,369</u>	<u>\$ 17,235</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	\$ 28,670
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(3,778)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 24,892</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 29,843
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(3,778)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 26,065</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 165	\$ 52	\$ (45)	\$ (97)
Intergovernmental	14,520	20,760	10,854	(9,906)
Charges for services	50	50	255	205
Other	469	469	2,232	1,763
Total revenues	<u>15,204</u>	<u>21,331</u>	<u>13,296</u>	<u>(8,035)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	12,598	39,324	23,088	16,236
Total expenditures	<u>12,598</u>	<u>39,324</u>	<u>23,088</u>	<u>16,236</u>
Excess (deficiency) of revenues over (under) expenditures	2,606	(17,993)	(9,792)	8,201
<b>Other financing sources (uses)</b>				
Transfers in	--	20,800	14,043	(6,757)
Transfers out	(3,986)	(4,300)	(2,519)	1,781
Total other financing sources (uses)	<u>(3,986)</u>	<u>16,500</u>	<u>11,524</u>	<u>(4,976)</u>
Net change in fund balances	(1,380)	(1,493)	1,732	3,225
Fund balances - beginning	6,863	6,863	6,863	--
Fund balances - ending	<u>\$ 5,483</u>	<u>\$ 5,370</u>	<u>\$ 8,595</u>	<u>\$ 3,225</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 (uses)	\$ 11,524
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	187
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(187)
Total other financing sources (uses) on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 11,524</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 61,959	\$ 61,959	\$ 60,375	\$ (1,584)
Licenses, permits, and franchises	24	24	22	(2)
Fines, forfeitures, and penalties	--	--	3	3
Use of money and property	24	(56)	(133)	(77)
Intergovernmental	1,987	2,500	2,174	(326)
Charges for services	27,694	33,118	34,636	1,518
Other	1,043	1,100	321	(779)
Total revenues	<u>92,731</u>	<u>98,645</u>	<u>97,398</u>	<u>(1,247)</u>
<b>Expenditures</b>				
Current:				
Public safety	92,540	96,425	91,795	4,630
Total expenditures	<u>92,540</u>	<u>96,425</u>	<u>91,795</u>	<u>4,630</u>
Excess of revenues over expenditures	191	2,220	5,603	3,383
<b>Other financing sources (uses)</b>				
Transfers in	543	792	615	(177)
Transfers out	(9,613)	(9,613)	(3,668)	5,945
Sale of capital assets	--	--	32	32
Total other financing uses, net	<u>(9,070)</u>	<u>(8,821)</u>	<u>(3,021)</u>	<u>5,800</u>
Net change in fund balances	(8,879)	(6,601)	2,582	9,183
Fund balances - beginning	27,525	27,525	27,525	--
Fund balances - ending	<u>\$ 18,646</u>	<u>\$ 20,924</u>	<u>\$ 30,107</u>	<u>\$ 9,183</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	\$ 97,398
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(2,240)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 95,158</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 <http://www.countyofsb.org/auditor>, or can be obtained from the Auditor-Controller's office.

For the year ended June 30, 2021, 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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	12	(92)	(36)	56
Intergovernmental	5,291	6,658	1,042	(5,616)
Charges for services	1,254	6,593	5,447	(1,146)
Other	742	4,281	3,376	(905)
Total revenues	<u>7,299</u>	<u>17,440</u>	<u>9,829</u>	<u>(7,611)</u>
<b>Expenditures</b>				
Capital outlay	36,785	43,557	15,309	28,248
Total expenditures	<u>36,785</u>	<u>43,557</u>	<u>15,309</u>	<u>28,248</u>
Deficiency of revenues under expenditures	<u>(29,486)</u>	<u>(26,117)</u>	<u>(5,480)</u>	<u>20,637</u>
<b>Other financing sources (uses)</b>				
Transfers in	16,656	22,864	10,570	(12,294)
Transfers out	(76)	(472)	(376)	96
Long-term debt issued	2,274	2,274	--	(2,274)
Total other financing sources, net	<u>18,854</u>	<u>24,666</u>	<u>10,194</u>	<u>(14,472)</u>
Net change in fund balances	(10,632)	(1,451)	4,714	6,165
Fund balances - beginning	18,413	18,413	18,413	--
Fund balances - ending	<u>\$ 7,781</u>	<u>\$ 16,962</u>	<u>\$ 23,127</u>	<u>\$ 6,165</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	\$ 9,829
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(8,014)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 1,815</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.

### Public and Educational Access

The fund for Public and Educational Access was established in December 2001 by the Board of Supervisors to receive grant revenue from the local cable television franchisee. The primary objectives and purposes of the fund are the support of education and public information through programs aimed at expanding public access and educational access to telecommunication services.

### 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, supports 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, 2021 (in thousands)

	Special Revenue						
	Fish and Game	Petroleum	Public and Educational Access	Clerk Recorder	Special Aviation	IHSS Public Authority	Child Support Services
<b>Assets</b>							
Assets:							
Cash and investments	\$ 778	\$ 759	\$ --	\$ 4,448	\$ 136	\$ 1	\$ 848
Accounts receivable, net:							
Fines, forfeitures, and penalties	--	--	--	--	--	--	--
Use of money and property	1	1	--	4	--	--	1
Intergovernmental	--	--	--	--	69	1,222	178
Charges for services	--	--	--	--	--	--	95
Other	--	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--	--
Restricted cash and investments	--	--	--	--	--	--	--
Total assets	<u>\$ 779</u>	<u>\$ 760</u>	<u>\$ --</u>	<u>\$ 4,452</u>	<u>\$ 205</u>	<u>\$ 1,223</u>	<u>\$ 1,122</u>
<b>Liabilities and fund balances</b>							
Liabilities:							
Accounts payable	\$ --	\$ --	\$ --	\$ 8	\$ 30	\$ --	\$ --
Salaries and benefits payable	--	12	--	112	--	--	384
Other payables	--	--	--	48	9	--	--
Advances from grantors and third parties	--	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	1,201	--
Customer deposits payable	--	--	--	--	--	--	--
Total liabilities	<u>--</u>	<u>12</u>	<u>--</u>	<u>168</u>	<u>39</u>	<u>1,201</u>	<u>384</u>
Fund balances:							
Nonspendable	--	--	--	--	--	--	--
Restricted	779	748	--	4,282	166	22	738
Committed	--	--	--	2	--	--	--
Total fund balances	<u>779</u>	<u>748</u>	<u>--</u>	<u>4,284</u>	<u>166</u>	<u>22</u>	<u>738</u>
Total liabilities and fund balances	<u>\$ 779</u>	<u>\$ 760</u>	<u>\$ --</u>	<u>\$ 4,452</u>	<u>\$ 205</u>	<u>\$ 1,223</u>	<u>\$ 1,122</u>

Special Revenue						
Fishermen Assistance	Coastal Resources Enhancement	Court Activities	Criminal Justice Construction	Courthouse Construction	Inmate Welfare	
\$ 441	\$ 2,912	\$ --	\$ 1	\$ 4,162	\$ 3,172	<b>Assets</b>
--	--	117	54	54	--	Assets:
--	3	(1)	(1)	4	3	Cash and investments
--	--	--	--	--	--	Accounts receivable, net:
--	--	208	--	--	--	Fines, forfeitures, and penalties
--	--	--	--	--	564	Use of money and property
--	--	1,005	--	--	--	Intergovernmental
--	--	--	--	--	--	Charges for services
--	--	--	--	--	--	Other
--	--	--	--	--	--	Due from other funds
--	--	--	--	--	--	Restricted cash and investments
<u>\$ 441</u>	<u>\$ 2,915</u>	<u>\$ 1,329</u>	<u>\$ 54</u>	<u>\$ 4,220</u>	<u>\$ 3,739</u>	Total assets
						<b>Liabilities and fund balances</b>
\$ --	\$ --	\$ 228	\$ --	\$ --	\$ 409	Liabilities:
--	--	--	--	--	29	Accounts payable
--	--	--	--	--	--	Salaries and benefits payable
--	--	--	--	--	--	Other payables
--	--	749	54	--	--	Advances from grantors and third parties
--	--	--	--	--	--	Due to other funds
--	--	--	--	--	--	Customer deposits payable
--	--	977	54	--	438	Total liabilities
						<b>Fund balances:</b>
--	--	--	--	--	--	Nonspendable
441	2,915	346	--	4,220	3,301	Restricted
--	--	6	--	--	--	Committed
<u>441</u>	<u>2,915</u>	<u>352</u>	<u>--</u>	<u>4,220</u>	<u>3,301</u>	Total fund balances
<u>\$ 441</u>	<u>\$ 2,915</u>	<u>\$ 1,329</u>	<u>\$ 54</u>	<u>\$ 4,220</u>	<u>\$ 3,739</u>	Total liabilities and fund balances



COUNTY OF SANTA BARBARA, CALIFORNIA  
 COMBINING BALANCE SHEET (Continued)  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2021 (in thousands)

	Special Revenue						
	Planning & Development	Tobacco Settlement	Tidelands	Refugio Environmental	County Service Areas	Community Facilites Districts	Lighting Districts
<b>Assets</b>							
Assets:							
Cash and investments	\$ 5,049	\$ 8,278	\$ 276	\$ 11	\$ 5,195	\$ 715	\$ 597
Accounts receivable, net:							
Licenses, permits, and franchises	262	--	--	--	--	--	--
Fines, forfeitures, and penalties	--	--	--	--	--	--	--
Use of money and property	7	9	--	--	5	1	1
Intergovernmental	--	--	--	--	--	--	--
Charges for services	104	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--	--
Restricted cash and investments	14,193	--	--	--	--	--	--
Total assets	<u>\$ 19,615</u>	<u>\$ 8,287</u>	<u>\$ 276</u>	<u>\$ 11</u>	<u>\$ 5,200</u>	<u>\$ 716</u>	<u>\$ 598</u>
<b>Liabilities and fund balances</b>							
Liabilities:							
Accounts payable	\$ 210	\$ 16	\$ --	\$ --	\$ 303	\$ --	\$ 88
Salaries and benefits payable	689	--	--	--	--	--	--
Other payables	--	--	--	--	--	--	--
Advances from grantors and third parties	--	--	--	--	--	--	--
Due to other funds	44	--	--	--	--	--	--
Customer deposits payable	13,742	--	--	--	--	--	--
Total liabilities	<u>14,685</u>	<u>16</u>	<u>--</u>	<u>--</u>	<u>303</u>	<u>--</u>	<u>88</u>
Fund balances:							
Nonspendable	--	--	--	--	--	--	--
Restricted	2,356	--	276	11	4,897	716	510
Committed	2,574	8,271	--	--	--	--	--
Total fund balances	<u>4,930</u>	<u>8,271</u>	<u>276</u>	<u>11</u>	<u>4,897</u>	<u>716</u>	<u>510</u>
Total liabilities and fund balances	<u>\$ 19,615</u>	<u>\$ 8,287</u>	<u>\$ 276</u>	<u>\$ 11</u>	<u>\$ 5,200</u>	<u>\$ 716</u>	<u>\$ 598</u>

Sandyland Seawall Maintenance District	Special Revenue		Permanent	Debt Service		Total Nonmajor Governmental Funds
	Water Agency	Special Revenue Total	Oak Restoration	Santa Barbara County Finance Corporation		
\$ 775	\$ 13,706	\$ 52,260	\$ 763	\$ 107	\$ 53,130	<b>Assets</b>
--	--	262	--	--	262	Assets:
--	--	225	--	--	225	Cash and investments
1	13	52	1	--	53	Accounts receivable, net:
--	39	1,508	--	--	1,508	Licenses, permits, and franchises
--	--	407	--	--	407	Fines, forfeitures, and penalties
--	--	564	--	--	564	Use of money and property
--	--	1,005	--	--	1,005	Intergovernmental
--	28	14,221	--	1,411	15,632	Charges for services
\$ 776	\$ 13,786	\$ 70,504	\$ 764	\$ 1,518	\$ 72,786	Other
						Due from other funds
						Restricted cash and investments
						Total assets
						<b>Liabilities and fund balances</b>
\$ --	\$ 56	\$ 1,348	\$ --	\$ --	\$ 1,348	Liabilities:
--	46	1,272	--	--	1,272	Accounts payable
--	--	57	--	--	57	Salaries and benefits payable
--	--	--	1	--	1	Other payables
--	9	2,057	--	--	2,057	Advances from grantors and third parties
--	28	13,770	--	--	13,770	Due to other funds
--	139	18,504	1	--	18,505	Customer deposits payable
						Total liabilities
--	--	--	700	--	700	Fund balances:
776	13,107	40,607	63	1,518	42,188	Nonspendable
--	540	11,393	--	--	11,393	Restricted
776	13,647	52,000	763	1,518	54,281	Committed
\$ 776	\$ 13,786	\$ 70,504	\$ 764	\$ 1,518	\$ 72,786	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, 2021 (in thousands)

	Special Revenue						
	Fish and Game	Petroleum	Public and Educational Access	Clerk Recorder	Special Aviation	IHSS Public Authority	Child Support Services
<b>Revenues</b>							
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses, permits, and franchises	--	5	--	280	--	--	--
Fines, forfeitures, and penalties	664	18	--	13	--	--	--
Use of money and property	1	(1)	(3)	15	--	(2)	--
Intergovernmental	--	--	--	--	407	10,948	8,891
Charges for services	--	596	--	3,938	--	--	52
Other	--	--	--	6	--	--	--
Total revenues	<u>665</u>	<u>618</u>	<u>(3)</u>	<u>4,252</u>	<u>407</u>	<u>10,946</u>	<u>8,943</u>
<b>Expenditures</b>							
Current:							
Public safety	--	--	--	--	--	--	--
Health & human services	--	--	--	--	--	11,726	9,158
Community resources & public facilities	3	422	--	--	--	--	--
General government & support services	--	--	--	3,140	384	--	--
General county programs	--	--	285	--	--	--	--
Debt service:							
Principal	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--
Total expenditures	<u>3</u>	<u>422</u>	<u>285</u>	<u>3,140</u>	<u>384</u>	<u>11,726</u>	<u>9,158</u>
Excess (deficiency) of revenues over (under) expenditures	<u>662</u>	<u>196</u>	<u>(288)</u>	<u>1,112</u>	<u>23</u>	<u>(780)</u>	<u>(215)</u>
<b>Other financing sources (uses)</b>							
Transfers in	--	--	--	3,172	--	794	207
Transfers out	--	--	(780)	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(780)</u>	<u>3,172</u>	<u>--</u>	<u>794</u>	<u>207</u>
Net change in fund balances	662	196	(1,068)	4,284	23	14	(8)
Fund balances - beginning	117	552	1,068	--	143	8	746
Prior period adjustment	--	--	--	--	--	--	--
Fund balances - beginning, as restated	117	552	1,068	--	143	8	746
Fund balances - ending	<u>\$ 779</u>	<u>\$ 748</u>	<u>\$ --</u>	<u>\$ 4,284</u>	<u>\$ 166</u>	<u>\$ 22</u>	<u>\$ 738</u>

Special Revenue						
Fishermen Assistance	Coastal Resources Enhancement	Court Activities	Criminal Justice Construction	Courthouse Construction	Inmate Welfare	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	<b>Revenues</b>
--	--	--	--	--	--	Taxes
--	--	997	431	432	--	Licenses, permits, and franchises
(1)	(4)	1	(2)	(6)	425	Fines, forfeitures, and penalties
--	--	--	--	--	--	Use of money and property
--	--	2,216	--	--	--	Intergovernmental
23	449	1,038	--	--	1,345	Charges for services
22	445	4,252	429	426	1,770	Other
						Total revenues
						<b>Expenditures</b>
						Current:
--	--	14,041	--	--	1,706	Public safety
--	--	--	--	--	--	Health & human services
6	100	--	--	--	--	Community resources & public facilities
--	--	--	--	--	--	General government & support services
--	--	--	(1)	2	--	General county programs
--	--	--	--	--	--	Debt service:
--	--	--	--	--	--	Principal
--	--	--	--	--	--	Interest
6	100	14,041	(1)	2	1,706	Total expenditures
						Excess (deficiency) of revenues over (under) expenditures
16	345	(9,789)	430	424	64	
						<b>Other financing sources (uses)</b>
--	--	9,796	586	--	--	Transfers in
--	--	--	(1,016)	(221)	--	Transfers out
--	--	9,796	(430)	(221)	--	Total other financing sources (uses)
						Net change in fund balances
16	345	7	--	203	64	
425	2,570	322	--	4,017	3,237	Fund balances - beginning
--	--	23	--	--	--	Prior period adjustment
425	2,570	345	--	4,017	3,237	Fund balances - beginning, as restated
<u>\$ 441</u>	<u>\$ 2,915</u>	<u>\$ 352</u>	<u>\$ --</u>	<u>\$ 4,220</u>	<u>\$ 3,301</u>	Fund balances - ending

COUNTY OF SANTA BARBARA, CALIFORNIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED June 30, 2021 (in thousands)

	Special Revenue						
	Planning & Development	Tobacco Settlement	Tidelands	Refugio Environmental	County Service Areas	Community Facilities Districts	Lighting Districts
<b>Revenues</b>							
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 1,653	\$ 883	\$ 578
Licenses, permits, and franchises	13,241	--	--	--	--	--	--
Fines, forfeitures, and penalties	29	--	--	--	--	--	--
Use of money and property	40	(11)	--	--	(9)	(1)	(2)
Intergovernmental	--	--	--	--	6	--	2
Charges for services	1,101	--	--	--	559	--	--
Other	211	4,706	--	(19)	3	--	--
Total revenues	14,622	4,695	--	(19)	2,212	882	578
<b>Expenditures</b>							
Current:							
Public safety	--	--	--	--	--	--	--
Health & human services	--	--	--	--	--	--	--
Community resources & public facilities	15,699	--	--	--	937	192	521
General government & support services	--	--	--	--	--	--	--
General county programs	--	79	--	--	--	--	--
Debt service:	--	--	--	--	--	--	--
Principal	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--
Total expenditures	15,699	79	--	--	937	192	521
Excess (deficiency) of revenues over (under) expenditures	(1,077)	4,616	--	(19)	1,275	690	57
<b>Other financing sources (uses)</b>							
Transfers in	5,624	--	--	--	--	--	--
Transfers out	(29)	(4,008)	--	--	(1,043)	(621)	--
Total other financing sources (uses)	5,595	(4,008)	--	--	(1,043)	(621)	--
Net change in fund balances	4,518	608	--	(19)	232	69	57
Fund balances - beginning	--	7,663	--	--	4,665	647	453
Prior period adjustment	412	--	276	30	--	--	--
Fund balances - beginning, as restated	412	7,663	276	30	4,665	647	453
Fund balances - ending	\$ 4,930	\$ 8,271	\$ 276	\$ 11	\$ 4,897	\$ 716	\$ 510

Sandyland Seawall Maintenance District	Special Revenue	Special Revenue Total	Permanent	Debt Service	Total Nonmajor Governmental Funds	
	Water Agency		Oak Restoration	Santa Barbara County Finance Corporation		
\$ --	\$ 3,391	\$ 6,505	\$ --	\$ --	\$ 6,505	<b>Revenues</b>
--	2	13,528	--	--	13,528	Taxes
--	--	2,584	--	--	2,584	Licenses, permits, and franchises
(1)	(22)	417	--	--	417	Fines, forfeitures, and penalties
--	583	20,837	--	1,379	22,216	Use of money and property
--	38	8,500	--	--	8,500	Intergovernmental
--	--	7,762	3	--	7,765	Charges for services
(1)	3,992	60,133	3	1,379	61,515	Other
						Total revenues
						<b>Expenditures</b>
--	--	15,747	--	--	15,747	Current:
--	--	20,884	--	--	20,884	Public safety
2	3,356	21,238	--	--	21,238	Health & human services
--	--	3,524	--	--	3,524	Community resources & public facilities
--	--	365	--	10	375	General government & support services
--	--	--	--	4,417	4,417	General county programs
--	--	--	--	1,530	1,530	Debt service:
2	3,356	61,758	--	5,957	67,715	Principal
						Interest
						Total expenditures
(3)	636	(1,625)	3	(4,578)	(6,200)	Excess (deficiency) of revenues
						<b>Other financing sources (uses)</b>
--	621	20,800	--	4,568	25,368	Transfers in
--	(26)	(7,744)	--	--	(7,744)	Transfers out
--	595	13,056	--	4,568	17,624	Total other financing sources (uses)
(3)	1,231	11,431	3	(10)	11,424	Net change in fund balances
779	12,416	39,828	--	1,528	41,356	Fund balances - beginning
--	--	741	760	--	1,501	Prior period adjustment
779	12,416	40,569	760	1,528	42,857	Fund balances - beginning, as restated
\$ 776	\$ 13,647	\$ 52,000	\$ 763	\$ 1,518	\$ 54,281	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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 11	\$ 667	\$ 664	\$ (3)
Use of money and property	1	--	1	1
Total revenues	<u>12</u>	<u>667</u>	<u>665</u>	<u>(2)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	26	26	3	23
Total expenditures	<u>26</u>	<u>26</u>	<u>3</u>	<u>23</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14)</u>	<u>641</u>	<u>662</u>	<u>21</u>
Net change in fund balances	(14)	641	662	21
Fund balances - beginning	117	117	117	--
Fund balances - ending	<u>\$ 103</u>	<u>\$ 758</u>	<u>\$ 779</u>	<u>\$ 21</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses, permits, and franchises	\$ 17	\$ 17	\$ 5	\$ (12)
Fines, forfeitures, and penalties	10	10	18	8
Use of money and property	2	(2)	(1)	1
Charges for services	673	673	596	(77)
Total revenues	<u>702</u>	<u>698</u>	<u>618</u>	<u>(80)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	637	637	422	215
Total expenditures	<u>637</u>	<u>637</u>	<u>422</u>	<u>215</u>
Excess of revenues over expenditures	<u>65</u>	<u>61</u>	<u>196</u>	<u>135</u>
Net change in fund balances	65	61	196	135
Fund balances - beginning	552	552	552	--
Fund balances - ending	<u>\$ 617</u>	<u>\$ 613</u>	<u>\$ 748</u>	<u>\$ 135</u>



COUNTY OF SANTA BARBARA, CALIFORNIA  
PUBLIC AND EDUCATIONAL ACCESS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED June 30, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	3	--	(3)	(3)
Total revenues	3	--	(3)	(3)
<b>Expenditures</b>				
Current:				
General county programs	8	293	285	8
Total expenditures	8	293	285	8
Deficiency of revenues under expenditures	(5)	(293)	(288)	5
<b>Other financing uses</b>				
Transfers out	--	(783)	(780)	3
Total other financing uses	--	(783)	(780)	3
Net change in fund balances	(5)	(1,076)	(1,068)	8
Fund balances - beginning	1,068	1,068	1,068	--
Fund balances - ending	\$ 1,063	\$ (8)	\$ --	\$ 8

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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses, permits, and franchises	\$ 273	\$ 273	\$ 280	\$ 7
Fines, forfeitures, and penalties	7	7	13	6
Use of money and property	--	1	15	14
Charges for services	2,769	3,914	3,938	24
Other	3	3	6	3
Total revenues	<u>3,052</u>	<u>4,198</u>	<u>4,252</u>	<u>54</u>
<b>Expenditures</b>				
Current:				
General government & support services	3,341	3,303	3,139	164
General county programs	--	--	1	(1)
Total expenditures	<u>3,341</u>	<u>3,303</u>	<u>3,140</u>	<u>163</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(289)</u>	<u>895</u>	<u>1,112</u>	<u>217</u>
<b>Other financing sources</b>				
Transfers in	85	3,259	3,172	(87)
Total other financing sources	<u>85</u>	<u>3,259</u>	<u>3,172</u>	<u>(87)</u>
Net change in fund balances	(204)	4,154	4,284	130
Fund balances - beginning	--	--	--	--
Fund balances - ending	<u>\$ (204)</u>	<u>\$ 4,154</u>	<u>\$ 4,284</u>	<u>\$ 130</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 305	\$ 2,317	\$ 407	\$ (1,910)
Total revenues	<u>305</u>	<u>2,317</u>	<u>407</u>	<u>(1,910)</u>
<b>Expenditures</b>				
Current:				
General government & support services	305	2,317	384	1,933
Total expenditures	<u>305</u>	<u>2,317</u>	<u>384</u>	<u>1,933</u>
Excess of revenues over expenditures	<u>--</u>	<u>--</u>	<u>23</u>	<u>23</u>
Net change in fund balances	--	--	23	23
Fund balances - beginning	143	143	143	--
Fund balances - ending	<u>\$ 143</u>	<u>\$ 143</u>	<u>\$ 166</u>	<u>\$ 23</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ --	\$ (2)	\$ (2)	\$ --
Intergovernmental	9,966	10,970	10,948	(22)
Total revenues	<u>9,966</u>	<u>10,968</u>	<u>10,946</u>	<u>(22)</u>
<b>Expenditures</b>				
Current:				
Health & human services	10,765	11,769	11,726	43
Total expenditures	<u>10,765</u>	<u>11,769</u>	<u>11,726</u>	<u>43</u>
Deficiency of revenues under expenditures	<u>(799)</u>	<u>(801)</u>	<u>(780)</u>	<u>21</u>
<b>Other financing sources</b>				
Transfers in	794	794	794	--
Total other financing sources	<u>794</u>	<u>794</u>	<u>794</u>	<u>--</u>
Net change in fund balances	(5)	(7)	14	21
Fund balances - beginning	8	8	8	--
Fund balances - ending	<u>\$ 3</u>	<u>\$ 1</u>	<u>\$ 22</u>	<u>\$ 21</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 17	\$ 14	\$ --	\$ (14)
Intergovernmental	9,440	9,081	8,891	(190)
Charges for services	--	110	52	(58)
Total revenues	<u>9,457</u>	<u>9,205</u>	<u>8,943</u>	<u>(262)</u>
<b>Expenditures</b>				
Current:				
Health & human services	<u>9,483</u>	<u>9,488</u>	<u>9,158</u>	<u>330</u>
Total expenditures	<u>9,483</u>	<u>9,488</u>	<u>9,158</u>	<u>330</u>
Deficiency of revenues under expenditures	<u>(26)</u>	<u>(283)</u>	<u>(215)</u>	<u>68</u>
<b>Other financing sources</b>				
Transfers in	<u>--</u>	<u>207</u>	<u>207</u>	<u>--</u>
Total other financing sources	<u>--</u>	<u>207</u>	<u>207</u>	<u>--</u>
Net change in fund balances	(26)	(76)	(8)	68
Fund balances - beginning	<u>746</u>	<u>746</u>	<u>746</u>	<u>--</u>
Fund balances - ending	<u>\$ 720</u>	<u>\$ 670</u>	<u>\$ 738</u>	<u>\$ 68</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 4	\$ 1	\$ (1)	\$ (2)
Other	12	12	23	11
Total revenues	<u>16</u>	<u>13</u>	<u>22</u>	<u>9</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	31	31	6	25
Total expenditures	<u>31</u>	<u>31</u>	<u>6</u>	<u>25</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15)</u>	<u>(18)</u>	<u>16</u>	<u>34</u>
Net change in fund balances	(15)	(18)	16	34
Fund balances - beginning	425	425	425	--
Fund balances - ending	<u>\$ 410</u>	<u>\$ 407</u>	<u>\$ 441</u>	<u>\$ 34</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 COASTAL RESOURCES ENHANCEMENT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	10	(7)	(4)	3
Other	450	450	449	(1)
Total revenues	<u>460</u>	<u>443</u>	<u>445</u>	<u>2</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	1,339	1,339	100	1,239
Total expenditures	<u>1,339</u>	<u>1,339</u>	<u>100</u>	<u>1,239</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(879)</u>	<u>(896)</u>	<u>345</u>	<u>1,241</u>
Net change in fund balances	(879)	(896)	345	1,241
Fund balances - beginning	2,570	2,570	2,570	--
Fund balances - ending	<u>\$ 1,691</u>	<u>\$ 1,674</u>	<u>\$ 2,915</u>	<u>\$ 1,241</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 1,418	\$ 818	\$ 997	\$ 179
Use of money and property	19	18	1	(17)
Charges for services	2,772	2,772	2,216	(556)
Other	1,326	1,326	1,061	(265)
Total revenues	<u>5,535</u>	<u>4,934</u>	<u>4,275</u>	<u>(659)</u>
<b>Expenditures</b>				
Current:				
Public safety	14,818	14,818	14,041	777
Total expenditures	<u>14,818</u>	<u>14,818</u>	<u>14,041</u>	<u>777</u>
Deficiency of revenues under expenditures	<u>(9,283)</u>	<u>(9,884)</u>	<u>(9,766)</u>	<u>118</u>
<b>Other financing sources</b>				
Transfers in	9,291	9,891	9,796	(95)
Total other financing sources	<u>9,291</u>	<u>9,891</u>	<u>9,796</u>	<u>(95)</u>
Net change in fund balances	8	7	30	23
Fund balances - beginning	322	322	322	--
Fund balances - ending	<u>\$ 330</u>	<u>\$ 329</u>	<u>\$ 352</u>	<u>\$ 23</u>

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

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	\$ 4,275
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(23)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 4,252</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 600	\$ 600	\$ 431	\$ (169)
Use of money and property	--	--	(2)	(2)
Total revenues	<u>600</u>	<u>600</u>	<u>429</u>	<u>(171)</u>
<b>Expenditures</b>				
Current:				
General county programs	--	--	(1)	1
Total expenditures	<u>--</u>	<u>--</u>	<u>(1)</u>	<u>1</u>
Excess of revenues over expenditures	<u>600</u>	<u>600</u>	<u>430</u>	<u>(170)</u>
<b>Other financing sources (uses)</b>				
Transfers in	417	642	586	(56)
Transfers out	(1,017)	(1,017)	(1,016)	1
Total other financing uses, net	<u>(600)</u>	<u>(375)</u>	<u>(430)</u>	<u>(55)</u>
Net change in fund balances	--	225	--	(225)
Fund balances - beginning	--	--	--	--
Fund balances - ending	<u>\$ --</u>	<u>\$ 225</u>	<u>\$ --</u>	<u>\$ (225)</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 600	\$ 600	\$ 432	\$ (168)
Use of money and property	30	4	(6)	(10)
Total revenues	<u>630</u>	<u>604</u>	<u>426</u>	<u>(178)</u>
<b>Expenditures</b>				
Current:				
General county programs	--	--	2	(2)
Total expenditures	<u>--</u>	<u>--</u>	<u>2</u>	<u>(2)</u>
Excess of revenues over expenditures	<u>630</u>	<u>604</u>	<u>424</u>	<u>(180)</u>
<b>Other financing uses</b>				
Transfers out	(222)	(222)	(221)	1
Total other financing uses	<u>(222)</u>	<u>(222)</u>	<u>(221)</u>	<u>1</u>
Net change in fund balances	408	382	203	(179)
Fund balances - beginning	<u>4,017</u>	<u>4,017</u>	<u>4,017</u>	<u>--</u>
Fund balances - ending	<u>\$ 4,425</u>	<u>\$ 4,399</u>	<u>\$ 4,220</u>	<u>\$ (179)</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 594	\$ 572	\$ 425	\$ (147)
Other	1,434	1,434	1,345	(89)
Total revenues	<u>2,028</u>	<u>2,006</u>	<u>1,770</u>	<u>(236)</u>
<b>Expenditures</b>				
Current:				
Public safety	2,076	2,226	1,706	520
Total expenditures	<u>2,076</u>	<u>2,226</u>	<u>1,706</u>	<u>520</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(48)</u>	<u>(220)</u>	<u>64</u>	<u>284</u>
Net change in fund balances	(48)	(220)	64	284
Fund balances - beginning	3,237	3,237	3,237	--
Fund balances - ending	<u>\$ 3,189</u>	<u>\$ 3,017</u>	<u>\$ 3,301</u>	<u>\$ 284</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses, permits, and franchises	\$ 14,142	\$ 14,144	\$ 13,241	\$ (903)
Fines, forfeitures, and penalties	25	25	29	4
Use of money and property	15	58	40	(18)
Charges for services	3,719	3,719	1,101	(2,618)
Other	343	728	623	(105)
Total revenues	<u>18,244</u>	<u>18,674</u>	<u>15,034</u>	<u>(3,640)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	20,723	20,931	15,699	5,232
Total expenditures	<u>20,723</u>	<u>20,931</u>	<u>15,699</u>	<u>5,232</u>
Deficiency of revenues under expenditures	<u>(2,479)</u>	<u>(2,257)</u>	<u>(665)</u>	<u>1,592</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,060	5,945	5,624	(321)
Transfers out	(835)	(938)	(29)	909
Total other financing sources	<u>1,225</u>	<u>5,007</u>	<u>5,595</u>	<u>588</u>
Net change in fund balances	(1,254)	2,750	4,930	2,180
Fund balances - beginning	--	--	--	--
Fund balances - ending	<u>\$ (1,254)</u>	<u>\$ 2,750</u>	<u>\$ 4,930</u>	<u>\$ 2,180</u>

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

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	\$ 15,034
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(412)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 14,622</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 120	\$ 70	\$ (11)	\$ (81)
Other	4,349	4,438	4,706	268
Total revenues	4,469	4,508	4,695	187
<b>Expenditures</b>				
Current:				
General county programs	79	79	79	--
Total expenditures	79	79	79	--
Excess of revenues over expenditures	4,390	4,429	4,616	187
<b>Other financing uses</b>				
Transfers out	(4,151)	(4,240)	(4,008)	232
Total other financing uses	(4,151)	(4,240)	(4,008)	232
Net change in fund balances	239	189	608	419
Fund balances - beginning	7,663	7,663	7,663	--
Fund balances - ending	\$ 7,902	\$ 7,852	\$ 8,271	\$ 419

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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Other	\$ --	\$ 276	\$ 276	\$ --
Total revenues	<u>--</u>	<u>276</u>	<u>276</u>	<u>--</u>
<b>Expenditures</b>				
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over expenditures	<u>--</u>	<u>276</u>	<u>276</u>	<u>--</u>
Net change in fund balances	--	276	276	--
Fund balances - beginning	--	--	--	--
Fund balances - ending	<u>\$ --</u>	<u>\$ 276</u>	<u>\$ 276</u>	<u>\$ --</u>

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

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	276
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(276)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>--</u>

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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Other	\$ --	\$ 11	\$ 11	\$ --
Total revenues	<u>--</u>	<u>11</u>	<u>11</u>	<u>--</u>
<b>Expenditures</b>				
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over expenditures	<u>--</u>	<u>11</u>	<u>11</u>	<u>--</u>
Net change in fund balances	--	11	11	--
Fund balances - beginning	--	--	--	--
Fund balances - ending	<u>\$ --</u>	<u>\$ 11</u>	<u>\$ 11</u>	<u>\$ --</u>

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

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	\$ 11
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(30)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ (19)</u>

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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,566	\$ 1,573	\$ 1,653	\$ 80
Use of money and property	44	12	(9)	(21)
Intergovernmental	1	1	6	5
Charges for services	541	541	559	18
Other	--	--	3	3
Total revenues	<u>2,152</u>	<u>2,127</u>	<u>2,212</u>	<u>85</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	1,046	1,085	937	148
Total expenditures	<u>1,046</u>	<u>1,085</u>	<u>937</u>	<u>148</u>
Excess of revenues over expenditures	<u>1,106</u>	<u>1,042</u>	<u>1,275</u>	<u>233</u>
<b>Other financing uses</b>				
Transfers out	(741)	(1,316)	(1,043)	273
Total other financing uses, net	<u>(741)</u>	<u>(1,316)</u>	<u>(1,043)</u>	<u>273</u>
Net change in fund balances	365	(274)	232	506
Fund balances - beginning	4,665	4,665	4,665	--
Fund balances - ending	<u>\$ 5,030</u>	<u>\$ 4,391</u>	<u>\$ 4,897</u>	<u>\$ 506</u>



COUNTY OF SANTA BARBARA, CALIFORNIA  
COMMUNITY FACILITIES DISTRICTS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED June 30, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 815	\$ 815	\$ 883	\$ 68
Use of money and property	11	7	(1)	(8)
Total revenues	<u>826</u>	<u>822</u>	<u>882</u>	<u>60</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	214	214	192	22
Total expenditures	<u>214</u>	<u>214</u>	<u>192</u>	<u>22</u>
Excess of revenues over expenditures	<u>612</u>	<u>608</u>	<u>690</u>	<u>82</u>
<b>Other financing uses</b>				
Transfers out	(626)	(626)	(621)	5
Total other financing uses	<u>(626)</u>	<u>(626)</u>	<u>(621)</u>	<u>5</u>
Net change in fund balances	(14)	(18)	69	87
Fund balances - beginning	<u>647</u>	<u>647</u>	<u>647</u>	<u>--</u>
Fund balances - ending	<u>\$ 633</u>	<u>\$ 629</u>	<u>\$ 716</u>	<u>\$ 87</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 562	\$ 562	\$ 578	\$ 16
Use of money and property	5	1	(2)	(3)
Intergovernmental	2	2	2	--
Total revenues	<u>569</u>	<u>565</u>	<u>578</u>	<u>13</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	613	578	521	57
Total expenditures	<u>613</u>	<u>578</u>	<u>521</u>	<u>57</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44)</u>	<u>(13)</u>	<u>57</u>	<u>70</u>
Net change in fund balances	(44)	(13)	57	70
Fund balances - beginning	453	453	453	--
Fund balances - ending	<u>\$ 409</u>	<u>\$ 440</u>	<u>\$ 510</u>	<u>\$ 70</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 13	\$ 8	\$ (1)	\$ (9)
Total revenues	<u>13</u>	<u>8</u>	<u>(1)</u>	<u>(9)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	175	175	2	173
Total expenditures	<u>175</u>	<u>175</u>	<u>2</u>	<u>173</u>
Deficiency of revenues under expenditures	<u>(162)</u>	<u>(167)</u>	<u>(3)</u>	<u>164</u>
Net change in fund balances	(162)	(167)	(3)	164
Fund balances - beginning	779	779	779	--
Fund balances - ending	<u>\$ 617</u>	<u>\$ 612</u>	<u>\$ 776</u>	<u>\$ 164</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 3,157	\$ 3,157	\$ 3,391	\$ 234
Licenses, permits, and franchises	--	--	2	2
Use of money and property	108	27	(22)	(49)
Intergovernmental	3,991	4,131	583	(3,548)
Charges for services	126	126	38	(88)
Total revenues	<u>7,382</u>	<u>7,441</u>	<u>3,992</u>	<u>(3,449)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	8,459	8,608	3,356	5,252
Total expenditures	<u>8,459</u>	<u>8,608</u>	<u>3,356</u>	<u>5,252</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,077)</u>	<u>(1,167)</u>	<u>636</u>	<u>1,803</u>
<b>Other financing sources (uses)</b>				
Transfers in	611	621	621	--
Transfers out	(71)	(71)	(26)	45
Total other financing sources, net	<u>540</u>	<u>550</u>	<u>595</u>	<u>45</u>
Net change in fund balances	(537)	(617)	1,231	1,848
Fund balances - beginning	12,416	12,416	12,416	--
Fund balances - ending	<u>\$ 11,879</u>	<u>\$ 11,799</u>	<u>\$ 13,647</u>	<u>\$ 1,848</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ --	\$ 10	\$ --	\$ (10)
Other	--	765	763	(2)
Total revenues	--	775	763	(12)
<b>Expenditures</b>				
Total expenditures	--	--	--	--
Excess of revenues over expenditures	--	775	763	(12)
Net change in fund balances	--	775	763	(12)
Fund balances - beginning	--	--	--	--
Fund balances - ending	<u>\$ --</u>	<u>\$ 775</u>	<u>\$ 763</u>	<u>\$ (12)</u>

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

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	\$ 763
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(760)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 3</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, 2021 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 30	\$ 29	\$ --	\$ (29)
Intergovernmental	1,380	1,380	1,379	(1)
Total revenues	<u>1,410</u>	<u>1,409</u>	<u>1,379</u>	<u>(30)</u>
<b>Expenditures</b>				
Current:				
General county programs	64	64	10	54
Debt service:				
Principal	4,418	4,418	4,417	1
Interest	1,532	1,532	1,530	2
Total expenditures	<u>6,014</u>	<u>6,014</u>	<u>5,957</u>	<u>57</u>
Deficiency of revenues under expenditures	<u>(4,604)</u>	<u>(4,605)</u>	<u>(4,578)</u>	<u>27</u>
<b>Other financing sources</b>				
Transfers in	4,582	4,582	4,568	(14)
Total other financing sources	<u>4,582</u>	<u>4,582</u>	<u>4,568</u>	<u>(14)</u>
Net change in fund balances	(22)	(23)	(10)	13
Fund balances - beginning	1,528	1,528	1,528	--
Fund balances - ending	<u>\$ 1,506</u>	<u>\$ 1,505</u>	<u>\$ 1,518</u>	<u>\$ 13</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 five self-insurance funds: Dental, Unemployment, Workers' Compensation, General Liability, and Medical Malpractice.

#### ***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.

#### ***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 Self-Insurance***

This fund provides for investigation services, temporary disability and medical payments, excess insurance, permanent disability awards, administrative services, litigation costs, and safety services. Premiums based on employee worker classifications are charged to each department to maintain actuarially recommended reserves for claims proportionate to current industry rates applicable to job functions.

**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. Contributions are made by participating County departments and funds based on past claims experience and appropriate risk factors.

**Medical Malpractice Self-Insurance**

This fund provides for the payment of self-insured medical malpractice and general liability claims, excess insurance, claim investigation services, and litigation costs. Contributions are made by covered participating County departments and are based on allocation of expenses by past claims experience and appropriate risk factor.

**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 County-wide 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, 2021 (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)	\$ 7,915	\$ 26,185	\$ 17,004	\$ 10,999	\$ 1,293	\$ 63,396
Accounts receivable, net:						
Use of money and property	6	24	15	10	2	57
Charges for services	--	2	73	--	14	89
Due from other funds	--	--	136	--	--	136
Inventories	--	116	--	110	--	226
Total current assets	<u>7,921</u>	<u>26,327</u>	<u>17,228</u>	<u>11,119</u>	<u>1,309</u>	<u>63,904</u>
Noncurrent assets:						
Other receivables	--	--	273	--	66	339
Restricted cash and investments (Note 4)	--	10	--	--	--	10
Capital assets, net of accumulated depreciation/amortization (Note 6)	5,022	19,793	3	4,784	2,607	32,209
Total noncurrent assets	<u>5,022</u>	<u>19,803</u>	<u>276</u>	<u>4,784</u>	<u>2,673</u>	<u>32,558</u>
Total assets	<u>12,943</u>	<u>46,130</u>	<u>17,504</u>	<u>15,903</u>	<u>3,982</u>	<u>96,462</u>
<b>Deferred outflows of resources</b>						
Deferred pensions (Note 20)	2,547	1,215	603	922	97	5,384
Deferred OPEB (Note 19)	138	50	32	51	8	279
Total deferred outflows of resources	<u>2,685</u>	<u>1,265</u>	<u>635</u>	<u>973</u>	<u>105</u>	<u>5,663</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	445	181	1,253	167	--	2,046
Salaries and benefits payable	263	120	55	76	9	523
Compensated absences (Note 10)	313	136	44	142	12	647
Other Short - Term Liabilities	--	--	1,303	--	--	1,303
Bonds and notes payable (Note 10)	--	--	--	--	427	427
Liability for self-insurance claims (Note 11)	--	--	4,588	--	--	4,588
Total current liabilities	<u>1,021</u>	<u>437</u>	<u>7,243</u>	<u>385</u>	<u>448</u>	<u>9,534</u>
Noncurrent liabilities:						
Compensated absences (Note 10)	99	47	95	--	14	255
Bonds and notes payable (Note 10)	--	--	--	--	2,371	2,371
Liability for self-insurance claims (Note 11)	--	--	6,169	--	--	6,169
Net pension liability (Note 18)	7,399	3,531	1,752	2,680	281	15,643
Net OPEB liability (Note 19)	947	343	217	351	53	1,911
Total noncurrent liabilities	<u>8,445</u>	<u>3,921</u>	<u>8,233</u>	<u>3,031</u>	<u>2,719</u>	<u>26,349</u>
Total liabilities	<u>9,466</u>	<u>4,358</u>	<u>15,476</u>	<u>3,416</u>	<u>3,167</u>	<u>35,883</u>
<b>Deferred inflows of resources</b>						
Deferred pensions (Note 19)	233	111	55	84	9	492
Deferred OPEB (Note 19)	64	23	15	24	4	130
Total deferred inflows of resources	<u>297</u>	<u>134</u>	<u>70</u>	<u>108</u>	<u>13</u>	<u>622</u>
<b>Net position</b>						
Net investment in capital assets	5,022	19,781	4	4,796	(192)	29,411
Unrestricted	843	23,122	2,589	8,556	1,099	36,209
Total net position	<u>\$ 5,865</u>	<u>\$ 42,903</u>	<u>\$ 2,593</u>	<u>\$ 13,352</u>	<u>\$ 907</u>	<u>\$ 65,620</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, 2021 (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	\$ 11,742	\$ 11,592	\$ 37,252	\$ 5,640	\$ 6,153	\$ 72,379
Self-insurance recovery	--	--	1,177	--	--	1,177
Other operating revenues	199	123	229	36	--	587
Total operating revenues	<u>11,941</u>	<u>11,715</u>	<u>38,658</u>	<u>5,676</u>	<u>6,153</u>	<u>74,143</u>
<b>Operating expenses</b>						
Salaries and benefits	5,882	2,774	1,219	2,244	152	12,271
Services and supplies	6,204	5,100	24,745	2,333	6,039	44,421
Self-insurance claims	--	--	8,058	--	--	8,058
Contractual services	347	77	220	221	15	880
Depreciation and amortization	1,578	3,602	--	920	376	6,476
County overhead allocation	263	342	2,504	138	9	3,256
Total operating expenses	<u>14,274</u>	<u>11,895</u>	<u>36,746</u>	<u>5,856</u>	<u>6,591</u>	<u>75,362</u>
Operating income (loss)	<u>(2,333)</u>	<u>(180)</u>	<u>1,912</u>	<u>(180)</u>	<u>(438)</u>	<u>(1,219)</u>
<b>Non-operating revenues (expenses)</b>						
Use of money and property	(15)	(43)	1	132	(2)	73
Interest expense	--	--	--	--	(96)	(96)
Gain (loss) on sale of capital assets	--	146	--	(30)	--	116
Other non-operating revenues (expenses)	--	139	12	--	417	568
Total non-operating revenues (expenses)	<u>(15)</u>	<u>242</u>	<u>13</u>	<u>102</u>	<u>319</u>	<u>661</u>
Income (loss) before transfers	<u>(2,348)</u>	<u>62</u>	<u>1,925</u>	<u>(78)</u>	<u>(119)</u>	<u>(558)</u>
Transfers in	2,827	1,666	1,592	199	4	6,288
Transfers out	--	(133)	(100)	(9)	(614)	(856)
Total transfers in, net	<u>2,827</u>	<u>1,533</u>	<u>1,492</u>	<u>190</u>	<u>(610)</u>	<u>5,432</u>
Change in net position	<u>479</u>	<u>1,595</u>	<u>3,417</u>	<u>112</u>	<u>(729)</u>	<u>4,874</u>
Total net position - beginning	<u>5,386</u>	<u>41,308</u>	<u>(824)</u>	<u>13,240</u>	<u>1,636</u>	<u>60,746</u>
Total net position - ending	<u>\$ 5,865</u>	<u>\$ 42,903</u>	<u>\$ 2,593</u>	<u>\$ 13,352</u>	<u>\$ 907</u>	<u>\$ 65,620</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED June 30, 2021 (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	\$ 11,941	\$ 11,715	\$ 37,460	\$ 5,675	\$ 6,176	\$ 72,967
Receipts from self-insurance recovery	--	--	1,177	--	--	1,177
Payments to employees	(5,209)	(2,424)	(1,217)	(1,830)	(182)	(10,862)
Payments to suppliers	(6,650)	(5,054)	(24,783)	(2,394)	(6,056)	(44,937)
Payments for self-insurance claims	--	--	(8,953)	--	--	(8,953)
County overhead allocation						
payments (to) from the General Fund	(263)	(342)	(2,504)	(138)	(9)	(3,256)
Other receipts	--	139	12	--	417	568
Net cash provided (used) by operating activities	<u>(181)</u>	<u>4,034</u>	<u>1,192</u>	<u>1,313</u>	<u>346</u>	<u>6,704</u>
<b>Cash flows from noncapital financing activities</b>						
Transfers from other funds	2,827	1,666	1,592	199	4	6,288
Transfers to other funds	--	(133)	(100)	(9)	(614)	(856)
State and federal aid	--	--	--	--	--	--
Net cash provided (used) by noncapital financing activities	<u>2,827</u>	<u>1,533</u>	<u>1,492</u>	<u>190</u>	<u>(610)</u>	<u>5,432</u>
<b>Cash flows from capital and related financing activities</b>						
Purchase of capital assets	(1,053)	(4,403)	--	(436)	--	(5,892)
Proceeds from sales of capital assets	--	206	--	--	--	206
Principal paid on bonds and notes payable	--	--	--	--	(355)	(355)
Interest paid on bonds and notes payable	--	--	--	--	(96)	(96)
Proceeds of long-term debt	--	--	--	--	614	614
Net cash provided (used) by capital and related financing activities	<u>(1,053)</u>	<u>(4,197)</u>	<u>--</u>	<u>(436)</u>	<u>163</u>	<u>(5,523)</u>
<b>Cash flows from investing activities</b>						
Use of money and property received	41	171	120	216	10	558
Changes in fair value of investments	(42)	(163)	(93)	(65)	(10)	(373)
Net cash provided (used) by investing activities	<u>(1)</u>	<u>8</u>	<u>27</u>	<u>151</u>	<u>--</u>	<u>185</u>
Net change in cash and cash equivalents	1,592	1,378	2,711	1,218	(101)	6,798
Cash and cash equivalents - beginning	6,323	24,817	14,293	9,781	1,394	56,608
Cash and cash equivalents - ending	<u>\$ 7,915</u>	<u>\$ 26,195</u>	<u>\$ 17,004</u>	<u>\$ 10,999</u>	<u>\$ 1,293</u>	<u>\$ 63,406</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position</b>						
Cash and investments per Statement of Net Position	\$ 7,915	\$ 26,185	\$ 17,004	\$ 10,999	\$ 1,293	\$ 63,396
Restricted cash and investments per Statement of Net Position	--	10	--	--	--	10
Total cash and cash equivalents per Statement of Net Position	<u>\$ 7,915</u>	<u>\$ 26,195</u>	<u>\$ 17,004</u>	<u>\$ 10,999</u>	<u>\$ 1,293</u>	<u>\$ 63,406</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>						
Operating income (loss)	\$ (2,333)	\$ (180)	\$ 1,912	\$ (180)	\$ (438)	\$ (1,219)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	1,578	3,602	--	920	376	6,476
Other non-operating revenue	--	139	12	--	417	568
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:						
Accounts and other receivables	--	--	(20)	--	24	4
Inventories	--	12	--	--	--	12
Accounts payable	(99)	111	182	160	(2)	352
Salaries and benefits payable	673	350	1	413	(31)	1,406
Liability for self-insurance claims	--	--	(895)	--	--	(895)
Net cash provided (used) by operating activities	<u>\$ (181)</u>	<u>\$ 4,034</u>	<u>\$ 1,192</u>	<u>\$ 1,313</u>	<u>\$ 346</u>	<u>\$ 6,704</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 EMPLOYEE BENEFIT) TRUST FUNDS

Account for the activities of the County's SBCERS pension plans and Other Postemployment Benefit Trusts 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 Benefit 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 EMPLOYEE BENEFITS) TRUST FUNDS  
 June 30, 2021 (in thousands)

	SBCERS Pension Trust Funds	Other Postemployment Benefits Trust Fund	Total Pension (and Other Employee Benefits) Trust Funds
<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
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>



COUNTY OF SANTA BARBARA, CALIFORNIA  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS - PENSION (AND OTHER EMPLOYEE BENEFITS) TRUST FUNDS  
 FOR THE FISCAL YEAR ENDED June 30, 2021 (in thousands)

	SBCERS Pension Trust Funds	Other Postemployment Benefits Trust Fund	Total Pension (and Other Employee Benefits) Trust Funds
<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 (decrease) 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	(15,434)	--	(15,434)
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 (decrease) in fiduciary net position	796,967	13,633	810,600
Net position - beginning	--	--	--
Prior period adjustment (Note 21)	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>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS - CUSTODIAL FUNDS  
 June 30, 2021 (in thousands)

	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)	\$ 19,418	\$ 3,112	\$ 944	\$ 1,170	\$ 24,644
Receivables	101	2	1	--	104
Total assets	<u>19,519</u>	<u>3,114</u>	<u>945</u>	<u>1,170</u>	<u>24,748</u>
<b>Liabilities</b>					
Accounts payable	306	--	--	3	309
Total liabilities	<u>306</u>	<u>--</u>	<u>--</u>	<u>3</u>	<u>309</u>
<b>Net position</b>					
Restricted for:					
Individuals, organizations, and other governments	19,213	3,114	945	1,167	24,439
Total net position	<u>\$ 19,213</u>	<u>\$ 3,114</u>	<u>\$ 945</u>	<u>\$ 1,167</u>	<u>\$ 24,439</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, 2021 (in thousands)

	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	\$ --	\$ --	\$ 233	\$ 3,291	\$ 3,524
Property tax collections	3,659,255	--	--	--	3,659,255
Other taxes and fees collected for other governments	--	34,195	--	--	34,195
Net investment earnings	287	(5)	(3)	--	279
Total additions	<u>3,659,542</u>	<u>34,190</u>	<u>230</u>	<u>3,291</u>	<u>3,697,253</u>
<b>Deductions</b>					
Beneficiary payments	--	--	884	2,713	3,597
Property tax distributions	3,665,573	--	--	--	3,665,573
Payments to other governments	--	33,406	--	--	33,406
Total deductions	<u>3,665,573</u>	<u>33,406</u>	<u>884</u>	<u>2,713</u>	<u>3,702,576</u>
Net increase (decrease) in fiduciary net position	(6,031)	784	(654)	578	(5,323)
Net position - beginning	--	--	--	--	--
Prior period adjustment (Note 21)	25,244	2,330	1,599	589	29,762
Net position - beginning, as restated	<u>25,244</u>	<u>2,330</u>	<u>1,599</u>	<u>589</u>	<u>29,762</u>
Net position - ending	<u>\$ 19,213</u>	<u>\$ 3,114</u>	<u>\$ 945</u>	<u>\$ 1,167</u>	<u>\$ 24,439</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

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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

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

### Debt Capacity

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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

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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

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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)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Governmental activities</b>										
Net investment in capital assets	\$ 493,753	\$ 511,144	\$ 578,314	\$ 588,989	\$ 612,548	\$ 648,420	\$ 692,549	\$ 736,255	\$ 755,491	\$ 782,419
Restricted for:										
Policy & executive	--	--	--	--	--	436	716	972	1,164	1,392
Public safety	13,450	19,594	24,107	28,640	38,927	49,093	54,810	62,243	66,293	77,606
Health & public assistance	33,627	33,734	31,005	37,477	35,910	36,411	36,848	48,951	37,386	61,204
Community resources & public facilities	95,892	97,710	103,497	152,739	149,668	154,523	154,848	163,959	187,676	191,632
General government & support services	5,240	3,886	4,951	4,960	5,242	5,804	5,447	6,164	4,833	8,304
General county programs	15,957	14,959	15,596	12,736	16,232	18,352	18,373	20,052	19,405	24,649
Unrestricted	37,170	30,976	62,497	(551,588)	(529,641)	(532,968)	(562,947)	(534,700)	(537,682)	(504,884)
Total governmental activities net position	\$ 695,089	\$ 712,003	\$ 819,967	\$ 273,953	\$ 328,886	\$ 380,071	\$ 400,644	\$ 503,896	\$ 534,566	\$ 642,322
<b>Business-Type activities</b>										
Net investment in capital assets	\$ 64,943	\$ 65,806	\$ 70,562	\$ 73,988	\$ 78,188	\$ 80,852	\$ 83,764	\$ 82,723	\$ 88,655	\$ 98,539
Unrestricted	16,606	21,648	25,191	14,062	19,888	21,326	34,638	45,582	57,723	61,334
Total business-type activities net position	\$ 81,549	\$ 87,454	\$ 95,753	\$ 88,050	\$ 98,076	\$ 102,178	\$ 118,402	\$ 128,305	\$ 146,378	\$ 159,873
<b>Primary government</b>										
Net investment in capital assets	\$ 558,696	\$ 576,950	\$ 648,876	\$ 662,977	\$ 690,736	\$ 729,272	\$ 776,313	\$ 818,978	\$ 844,146	\$ 880,958
Restricted for:										
Policy & executive	--	--	--	--	--	436	716	972	1,164	1,392
Public safety	13,450	19,594	24,107	28,640	38,927	49,093	54,810	62,243	66,293	77,606
Health & public assistance	33,627	33,734	31,005	37,477	35,910	36,411	36,848	48,951	37,386	61,204
Community resources & public facilities	95,892	97,710	103,497	152,739	149,668	154,523	154,848	163,959	187,676	191,632
General government & support services	5,240	3,886	4,951	4,960	5,242	5,804	5,447	6,164	4,833	8,304
General county programs	15,957	14,959	15,596	12,736	16,232	18,352	18,373	20,052	19,405	24,649
Unrestricted	53,776	52,624	87,688	(537,526)	(509,753)	(511,642)	(528,309)	(489,118)	(479,959)	(443,550)
Total primary government net position	\$ 776,638	\$ 799,457	\$ 915,720	\$ 362,003	\$ 426,962	\$ 482,249	\$ 519,046	\$ 632,201	\$ 680,944	\$ 802,195

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

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Expenses</b>										
Governmental activities:										
Policy & executive	\$ 11,635	\$ 14,455	\$ 14,057	\$ 10,721	\$ 13,056	\$ 14,315	\$ 18,938	\$ 17,878	\$ 19,074	\$ 19,661
Public safety	224,486	271,326	282,251	276,688	275,809	314,026	361,703	341,931	376,065	389,249
Health & public assistance	304,747	307,239	319,565	335,132	363,789	364,675	360,185	361,494	397,009	412,050
Community resources & public facilities	88,871	89,382	92,377	88,788	94,254	94,387	110,529	119,654	122,448	147,650
General government & support services	28,965	29,585	33,931	37,766	37,131	37,716	39,023	37,982	46,294	48,950
General county programs	15,077	5,664	3,980	2,462	2,807	2,206	2,514	963	1,819	9,583
Interest on long-term debt	4,146	3,712	3,505	2,651	2,275	2,152	2,024	1,895	1,772	1,619
Subtotal governmental activities expenses	723,982	721,363	749,666	754,208	789,121	829,477	894,916	881,797	964,481	1,028,762
Business-type activities:										
Resource Recovery	20,601	20,529	20,300	26,250	23,017	29,196	24,507	32,819	34,258	34,030
Laguna Sanitation	5,793	6,181	6,176	6,270	5,631	6,822	6,564	7,204	7,356	8,736
Subtotal business-type activities expenses	26,394	26,710	26,476	32,520	28,648	36,018	31,071	40,023	41,614	42,766
Total expenses	\$ 750,376	\$ 748,073	\$ 776,142	\$ 786,728	\$ 817,769	\$ 865,495	\$ 925,987	\$ 921,820	\$ 1,006,095	\$ 1,071,528
<b>Program revenues</b>										
Governmental activities:										
Charges for services										
Health & public assistance	\$ --	\$ --	\$ 75,536	\$ 86,215	\$ 93,580	\$ 97,921	\$ 94,589	\$ 108,234	\$ 104,073	\$ 113,940
Public safety	--	--	43,635	44,118	51,704	55,405	59,746	57,201	55,358	61,308
Other	--	--	54,704	54,258	54,348	57,559	61,750	66,119	94,762	67,919
Operating grants & contributions	308,610	325,138	332,533	346,620	349,865	364,316	386,829	416,369	380,748	490,869
Capital grants & contributions	57	50	52,352	44	85	3,201	200	58	81	523
Subtotal governmental activities	471,369	325,188	558,760	531,255	549,582	578,402	603,114	647,981	635,022	734,559
Business-type activities:										
Charges for services										
Resource Recovery	21,370	22,381	23,439	23,184	24,617	26,053	30,721	31,060	38,096	37,263
Laguna Sanitation	7,688	8,662	9,907	11,069	12,377	12,644	13,183	14,091	15,228	14,917
Operating grants & contributions	6,202	1,732	1,038	987	1,150	1,155	1,049	2,437	4,253	3,488
Subtotal business-type activities	35,260	32,775	34,384	35,240	38,144	39,852	44,953	47,588	57,577	55,668
Total program revenues	\$ 506,629	\$ 357,963	\$ 593,144	\$ 566,495	\$ 587,726	\$ 618,254	\$ 648,067	\$ 695,569	\$ 692,599	\$ 790,227
<b>Net (expense) / revenue</b>										
Governmental activities	\$ (252,613)	\$ (396,175)	\$ (190,906)	\$ (222,953)	\$ (239,539)	\$ (251,075)	\$ (291,802)	\$ (233,816)	\$ (329,459)	\$ (294,203)
Business-type activities	8,866	6,065	7,908	2,720	9,496	3,834	13,882	7,565	15,963	12,902
Total net expense	\$ (243,747)	\$ (390,110)	\$ (182,998)	\$ (220,233)	\$ (230,043)	\$ (247,241)	\$ (277,920)	\$ (226,251)	\$ (313,496)	\$ (281,301)
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 186,047	\$ 227,452	\$ 231,247	\$ 244,139	\$ 254,166	\$ 267,613	\$ 284,284	\$ 290,046	\$ 309,150	\$ 323,795
Motor vehicle in-lieu tax	931	187	155	150	147	167	198	182	--	--
Sales taxes	14,700	13,527	14,039	15,306	16,332	18,172	18,118	18,995	19,068	21,104
Transient occupancy tax	7,570	6,993	7,539	8,550	9,072	10,068	8,364	10,320	10,182	12,535
Cannabis tax	--	--	--	--	--	--	--	6,761	12,182	15,747
Unrestricted investment earnings	1,048	453	1,407	1,661	854	335	753	4,356	3,484	(783)
Extraordinary item and special item	--	--	--	--	--	--	--	--	--	--
Transfers	6	2	(34)	--	(15)	--	36	80	21	(77)
Other	39,268	8,419	8,100	8,474	9,494	5,905	5,778	5,834	6,042	7,645
Subtotal governmental activities	249,570	257,033	262,453	278,280	290,050	302,260	317,531	336,574	360,129	379,966
Business-type activities:										
Unrestricted investment earnings	290	(95)	344	254	416	265	405	2,370	2,109	(185)
Transfers	(6)	(2)	13	--	15	--	(36)	(80)	(21)	77
Other	17	38	34	(38)	99	3	--	48	22	701
Subtotal business-type activities	301	(59)	391	216	530	268	369	2,338	2,110	593
Total primary government	\$ 249,871	\$ 256,974	\$ 262,844	\$ 278,496	\$ 290,580	\$ 302,528	\$ 317,900	\$ 338,912	\$ 362,239	\$ 380,559
<b>Extraordinary Items</b>										
RDA dissolution transactions	\$ 16,345	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
<b>Changes in net position</b>										
Governmental activities	\$ 13,302	\$ 16,309	\$ 71,547	\$ 55,327	\$ 50,511	\$ 51,185	\$ 25,729	\$ 102,758	\$ 30,670	\$ 85,763
Business-Type activities	9,167	6,006	8,299	2,936	10,026	4,102	14,251	9,903	18,073	13,495
Total primary government	\$ 22,469	\$ 22,315	\$ 79,846	\$ 58,263	\$ 60,537	\$ 55,287	\$ 39,980	\$ 112,661	\$ 48,743	\$ 99,258



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

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>General Fund</b>										
Nonspendable	\$ 8,780	\$ 9,618	\$ 10,138	\$ 11,042	\$ 12,130	\$ 13,619	\$ 11,977	\$ 11,407	\$ 2,318	\$ 56
Restricted	17,536	19,800	21,245	22,946	27,527	31,529	38,002	44,054	55,068	62,161
Committed	52,002	50,298	58,018	61,887	67,703	60,161	69,305	102,087	131,484	181,517
Assigned	--	--	--	--	--	--	--	--	--	--
Unassigned	7,591	8,092	3,405	3,242	7,684	7,761	10,591	18,654	13,029	19,839
Subtotal General Fund	85,909	87,808	92,806	99,117	115,044	113,070	129,875	176,202	201,899	263,573
<b>All Other Governmental Funds (1)</b>										
Nonspendable	586	1,084	791	1,129	1,496	1,942	1,714	--	--	955
Restricted	149,010	145,842	151,021	162,156	163,656	175,173	175,660	193,207	206,072	248,532
Committed	9,604	18,930	18,630	18,642	19,236	30,864	29,378	20,960	27,212	28,585
Assigned	1,817	1,287	--	--	--	--	--	--	--	--
Unassigned	(2,822)	(2,850)	--	--	--	--	--	--	--	--
Subtotal all other governmental funds	158,195	164,293	170,442	181,927	184,388	207,979	206,752	214,167	233,284	278,072
Total governmental fund balance	\$ 244,104	\$ 252,101	\$ 263,248	\$ 281,044	\$ 299,432	\$ 321,049	\$ 336,627	\$ 390,369	\$ 435,183	\$ 541,645

**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)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Revenues (by source)</b>										
Taxes	\$ 241,142	\$ 249,414	\$ 254,177	\$ 269,412	\$ 281,279	\$ 295,066	\$ 309,983	\$ 325,337	\$ 349,820	\$ 372,365
Licenses, permits, and franchises	12,966	14,011	14,030	13,660	14,282	14,221	16,758	17,281	17,296	19,764
Fines, forfeitures, and penalties	10,990	9,582	10,883	9,581	9,160	9,141	11,281	8,883	12,965	9,468
Use of money and property	4,307	2,321	4,995	4,902	4,809	3,332	4,324	12,047	10,233	1,643
Intergovernmental	306,609	321,765	380,785	340,807	345,428	361,392	382,633	402,412	369,325	486,640
Charges for services	139,685	135,625	141,839	161,637	181,022	189,834	189,613	201,067	200,162	217,264
Other	25,920	19,582	20,804	19,033	16,149	16,177	16,255	20,252	48,174	22,775
<b>Total revenues</b>	<b>741,619</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>Expenditures (by function)</b>										
Policy & executive	15,172	15,349	15,408	15,563	16,484	16,585	21,242	21,707	21,046	23,531
Public safety	250,145	259,968	270,605	281,211	288,174	303,151	329,172	330,711	348,327	363,881
Health & public assistance	300,536	304,982	317,322	343,584	351,911	361,796	353,241	361,345	386,431	402,524
Community resources & public facilities	97,130	100,838	145,572	93,443	106,380	99,463	108,561	122,690	121,468	159,335
General government & support services	42,643	43,691	44,194	47,357	50,104	52,597	53,563	53,640	57,334	61,781
General county programs	12,287	5,091	8,199	3,190	2,679	2,167	1,590	334	2,942	9,378
Debt service										
Principal	23,749	4,133	4,502	15,318	3,764	3,874	3,951	4,026	4,034	4,417
Interest	4,183	3,518	3,308	2,516	2,111	2,002	1,889	1,775	1,666	1,530
Capital outlay	15,795	7,290	7,079	8,353	6,229	24,983	39,756	35,416	16,110	15,309
<b>Total expenditures</b>	<b>761,640</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>
Excess (deficiency) of revenues over (under) expenditures	(20,021)	7,440	11,324	8,497	24,293	22,545	17,882	55,635	48,617	88,233
<b>Other financing sources (uses)</b>										
Transfers in	96,986	86,395	49,715	60,305	54,535	68,603	57,082	52,729	96,412	103,100
Transfers out	(96,912)	(86,338)	(49,965)	(61,278)	(55,935)	(69,673)	(59,669)	(55,282)	(100,328)	(108,609)
Proceeds from sale of capital assets	220	500	73	347	205	142	283	166	113	1,745
Long-term debt issued	16,957	--	--	9,925	10	--	--	--	--	--
Long-term receivable collected	356	--	--	--	--	--	--	--	--	--
<b>Total other financing sources (uses)</b>	<b>17,607</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>Extraordinary Items</b>										
RDA dissolution transactions	(13,092)	--	--	--	--	--	--	--	--	--
<b>Net change in fund balance</b>	<b>\$ (2,414)</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>Debt service as a percentage of noncapital expenditures (1):</b>	3.84%	1.07%	1.06%	2.27%	0.74%	0.71%	0.68%	0.65%	0.62%	0.60%

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Expenditures (2)</b>										
General government	\$ 48,395	\$ 64,886	\$ 65,289	\$ 64,462	\$ 68,216	\$ 74,054	\$ 74,874	\$ 82,831	\$ 87,194	\$ 117,315
Public protection	303,442	302,982	316,926	328,238	336,140	353,536	386,355	382,468	403,545	418,481
Public ways and facilities	35,540	29,814	28,226	25,750	30,620	23,720	29,672	37,417	36,655	44,182
Health and sanitation	157,298	155,560	157,460	171,631	173,590	180,615	180,185	186,688	205,917	216,911
Public assistance	138,397	139,800	148,702	159,753	165,569	166,155	158,593	161,040	167,035	4,494
Education	2,734	3,199	3,128	3,132	3,568	3,800	4,097	3,866	4,106	173,713
Recreational and cultural services	10,866	10,504	11,422	12,811	14,237	14,022	16,306	14,776	15,603	16,042
Debt service	27,933	7,651	7,809	17,834	5,875	5,876	5,840	5,801	5,700	5,947
Capital outlay	37,035	30,464	77,227	26,924	30,021	44,840	57,043	56,757	33,603	44,601
<b>Total expenditures</b>	<b>\$ 761,640</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>

**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.

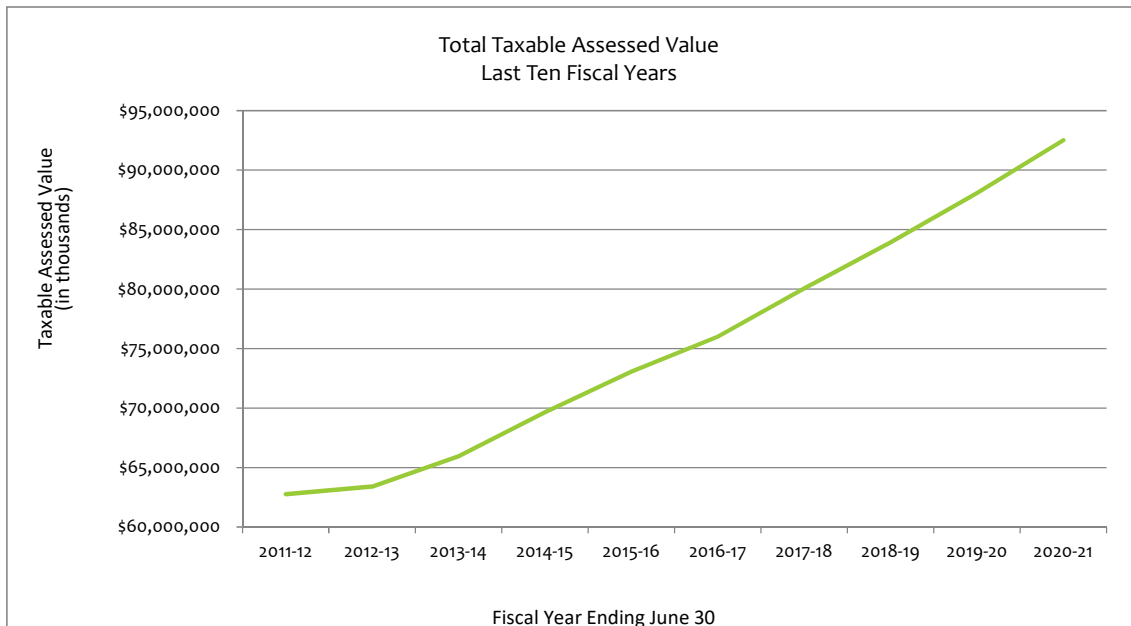
**COUNTY OF SANTA BARBARA, CALIFORNIA**  
**ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF PROPERTY (UNAUDITED)**  
**LAST TEN FISCAL YEARS (in thousands)**

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 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 (%)
2011 - 2012	\$ 61,739,881	\$ 2,923,496	\$ 807,247	\$ (2,713,216)	\$ 62,757,408	100.00%
2012 - 2013	62,696,346	2,896,396	883,587	(3,074,291)	63,402,038	100.00%
2013 - 2014	65,478,241	2,897,317	897,504	(3,308,629)	65,964,433	100.00%
2014 - 2015	68,635,212	3,441,635	925,196	(3,353,701)	69,648,342	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	3,739,696	1,094,609	(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%

**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**

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Fiscal Year	County Direct Rates	Overlapping Rates		
	Santa Barbara County General	Cities (1)	Schools (2)	Total
2011 - 2012	1.00000%	0.00014%	0.01310%	1.01324%
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%

**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, 2021 AND June 30, 2012 (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, 2021 and June 30, 2012

**June 30, 2021:**

<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 2020-21</b>	<b>Percentage of Total Secured Tax Levy Fiscal Year 2020-21</b>
Southern California Edison Co	Utility	\$ 410,339	0.44%	\$ 5,422	0.62%
Cwi Santa Barbara Hotel LP (Bacara)	Hotel	388,798	0.42%	4,198	0.48%
Southern California Gas Company	Utility	317,849	0.34%	4,203	0.48%
Miramar Acquisition Co, LLC	Hotel	287,478	0.31%	3,158	0.36%
Windset Farms California Inc	Agriculture	234,034	0.25%	2,583	0.29%
1260 Bb Property LLC (Biltmore)	Hotel	232,148	0.25%	3,056	0.35%
Islay Investments	Real Estate Holdings	198,447	0.21%	2,286	0.26%
Pacific Gas & Electric Co	Utility	178,612	0.19%	2,361	0.27%
Regency Tropicana, LLC	Residential Rentals	158,101	0.17%	1,767	0.20%
Celite Corporation	Mining	144,966	0.16%	1,735	0.20%
Ten largest taxpayers		2,550,772	2.74%	30,769	3.51%
All other taxpayers		89,972,850	97.26%	850,078	96.49%
Total		\$ 92,523,622	100.00%	\$ 880,847	100.00%

**June 30, 2012:**

<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 2011-12</b>	<b>Percentage of Total Secured Tax Levy Fiscal Year 2011-12</b>
Exxon Corporation	Petroleum & Gas	\$ 326,353	0.52%	\$ 3,350	0.57%
United Launch Alliance LLC	Aerospace	188,637	0.30%	2,218	0.38%
Southern California Gas Company	Utility	178,619	0.28%	2,044	0.35%
Verizon California Inc	Utility	166,986	0.27%	1,961	0.33%
Southern California Edison Co	Utility	157,110	0.25%	1,836	0.31%
Fairway Bb Property LLC	Residential Estate	150,511	0.24%	1,543	0.26%
1260 Bb Property LLC (Biltmore)	Hotels	145,000	0.23%	1,782	0.30%
Pacific Gas & Electric Company	Utility	121,104	0.19%	1,415	0.24%
Ht-Santa Barbara Inc (Bacara)	Hotels	118,000	0.19%	1,284	0.22%
Pacific Offshore Pipeline Co	Petroleum & Gas	110,487	0.18%	1,132	0.19%
Ten largest taxpayers		1,662,807	2.65%	18,565	3.15%
All other taxpayers		61,094,602	97.35%	571,780	96.85%
Total		\$ 62,757,409	100.00%	\$ 590,345	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 Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2011 - 2012	\$ 590,345	\$ 583,214	98.79%	\$ 7,100	\$ 590,314	99.99%
2012 - 2013	599,416	593,841	99.07%	5,542	599,383	99.99%
2013 - 2014	626,258	621,794	99.29%	4,382	626,176	99.99%
2014 - 2015	658,542	653,778	99.28%	4,617	658,395	99.98%
2015 - 2016	690,326	684,131	99.10%	5,884	690,015	99.95%
2016 - 2017	720,855	714,505	99.12%	5,814	720,319	99.93%
2017 - 2018	759,352	751,947	99.02%	6,281	758,228	99.85%
2018 - 2019	796,449	788,819	99.04%	6,002	794,821	99.80%
2019 - 2020	837,914	827,552	98.76%	7,231	834,783	99.63%
2020 - 2021	880,847	870,620	98.84%	--	870,620	98.84%

**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)	Capital Leases	Long-Term Loans	Other Long-Term Obligations (4)	Bonds and Notes Payable	Certificate of Participation (1)	Capital Leases	Long-Term Settlement	Bonds and Notes Payable				
2010 - 2011	\$ 68,759	\$ 4,017	\$ --	\$ --	\$ --	\$ 9,532	\$ --	\$ --	\$ 10,314	\$ 92,622	0.49%	\$ 216	
2011 - 2012	44,840	3,735	--	--	22,195	8,144	--	--	9,637	88,551	0.47%	207	
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	

- Notes:
- (1) See the "Assessed Value of Taxable Property and Actual Value of Property" schedule for total taxable assessed value. Assessed value does not include tax exempt property.
  - (1) Beginning in fiscal year 2013-14, the Certificates of Participation totals in this schedule were updated to include unamortized premiums and discounts.
  - (2) 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.
  - (3) See the "Demographics and Economics Statistics" schedule for population figures. Note that this ratio is calculated using population for the latest calendar year for each corresponding fiscal year.
  - (4) 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.

Source:  
Auditor-Controller, County of Santa Barbara

**COUNTY OF SANTA BARBARA, CALIFORNIA**  
**COMPUTATION OF LEGAL DEBT MARGIN (UNAUDITED)**  
**LAST TEN FISCAL YEARS (in thousands)**

<b>Fiscal Year</b>	<b>(1) Assessed Value</b>	<b>(2) Legal Debt Limit</b>	<b>Total Net Applicable Debt</b>	<b>(3) Legal Debt Margin</b>	<b>Legal Debt Margin / Debt Limit</b>
2011 - 2012	\$ 62,757,408	\$ 784,468	--	\$ 784,468	1
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	--	1,048,981	1
2020 - 2021	92,523,622	1,156,545	--	1,156,545	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, 2021

2020-2021 Assessed Valuation: \$ 92,523,622

	Percent	
<b>Overlapping Tax and Assessment Debt:</b>	<b>Applicable (1)</b>	<b>Debt</b>
Allan Hancock Joint Community College District	99.651%	\$ 132,611
Santa Barbara Community College District	100%	55,325
Santa Maria Jt. Union High School District	99.998%	100,607
Santa Ynez Valley Union High School District	100%	11,935
Carpinteria Unified School District	100%	92,175
Cuyama Jt. Unified School District	77.255%	3,032
Lompoc Unified School District	100%	9,476
Santa Barbara Unified School District & High School District	100%	195,170
Santa Barbara Unified School District & Elementary School District	100%	84,424
Buellton Union School District	100%	5,718
Cold Spring School District	100%	3,482
College School District	100%	5,577
Goleta Union School District	100%	16,240
Guadalupe Union School District	100%	6,827
Hope Elementary School District	100%	20,872
Los Olivos School District	100%	2,948
Montecito Union School District	100%	1,720
Orcutt Union School District	100%	48,755
Santa Maria-Bonita Joint School District	99.996%	44,423
Solvang School District	100%	9,124
Lompoc Healthcare District	100%	65,415
City and Special District 1915 Act Bonds	100%	5,245
Total Overlapping Tax and Assessment Debt		<u>921,100</u>

<b>Direct and Overlapping General Fund Debt</b>		
Santa Maria-Bonita School District Certificates of Participation	99.996%	26,809
Cuyama Joint Unified School District Certificates of Participation	77.255%	838
Santa Ynez Valley Union High School District Certificates of Participation	100%	1,537
Santa Maria Joint Union High School District Certificates of Participation	99.998%	1,445
College School District Certificates of Participation	100%	1,758
Guadalupe Union School District Certificates of Participation	100%	3,175
City of Lompoc General Fund Obligations	100%	4,331
City of Santa Barbara Certificates of Participation	100%	27,810
Carpinteria Sanitary District General Fund Obligations	98.423%	5,275
Total Gross Overlapping General Fund Obligation Debt		<u>72,978</u>
Less: Less: Santa Barbara County utility supported obligations		(2,185)
Less: City of Santa Barbara revenue bonds supported by airport revenues		(27,810)
Less: Carpinteria Sanitary District revenue bonds supported by wastewater system revenues		(5,275)
Total Net Overlapping General Fund Obligation Debt		<u>37,707</u>
Total Net Overlapping Tax and Assessment and General Fund Obligation Debt		<u>958,807</u>

**Overlapping Tax Increment Debt:** 26,910

<b>Direct General Fund Obligation Debt:</b>	
Governmental Activities Certificates of Participation and Bonds and Notes Payable	29,496
Business-type Activities Certificates of Participation (3)	148,966
Total Direct General Fund Obligation Debt	<u>178,462</u>

Total Net Combined Overlapping and Direct Debt \$ 1,164,179  
Total Gross Combined Overlapping and Direct Debt \$ 1,199,450 (2)

**Ratio to 2020-21 Assessed Valuation:**  
Total Overlapping Tax and Assessment Debt 1.00%

**Ratios to Adjusted Assessed Valuation:**  
Total Gross Direct Debt 0.03%  
Total Net Direct Debt 0.03%  
Gross Combined Total Debt 1.14%  
Net Combined Total Debt 1.10%

- 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 and 2018 COP's for Business-type activities are legal obligations of the General Fund. Detailed information can be found at Note-11 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

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

**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
2012	427,267	\$ 19,000,000,000	\$ 44,469	66,349	7.9%
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%

**Detail of estimated population, as of January 1, 2021 (whole numbers):**

(2) Incorporated Cities	
Buellton	5,435
Carpinteria	13,196
Goleta	32,339
Guadalupe	8,346
Lompoc	42,493
Santa Barbara	93,055
Santa Maria	107,445
Solvang	5,512
Total of Incorporated Cities	307,821
Total of Unincorporated Areas	133,351
Total Population	441,172

**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, 2021 AND June 30, 2012**

**June 30, 2021**

<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	1.81%
UC Santa Barbara	Education	4,250	1.79%
Cottage Health	Health	3,245	1.36%
Vandenberg Air Force Base	Defense	2,500	1.05%
Santa Maria-Bonita School District	Education	2,010	0.85%
Chumash Casino Resort	Recreation/Hospitality	2,000	0.84%
Mission Linen Supply	Textiles/Facility Services	2,000	0.84%
Marian Regional Medical Center	Health	1,486	0.62%
Allan Hancock College	Education	1,400	0.59%
Appfolio	Software	1,350	0.57%
Total ten largest		24,548	10.32%
Total all other		213,300	89.68%
Total companies or organizations		237,848	100.00%

**June 30, 2012**

<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	4.69%
Vandenberg Air Force Base	Defense	6,878	3.21%
County of Santa Barbara	Government	4,383	2.04%
Cottage Health System	Health	2,845	1.33%
Santa Barbara Unified School District	Education	2,531	1.18%
Santa Barbara City College	Education	1,791	0.83%
City of Santa Barbara	Government	1,695	0.79%
Chumash Casino Resort	Recreation/Hospitality	1,650	0.77%
Marian Medical Center	Health	1,457	0.68%
Santa Maria-Bonita School District	Education	1,366	0.64%
Total ten largest		34,659	16.16%
Total all other		179,941	83.84%
Total companies or organizations		214,600	100.00%

**Sources:**

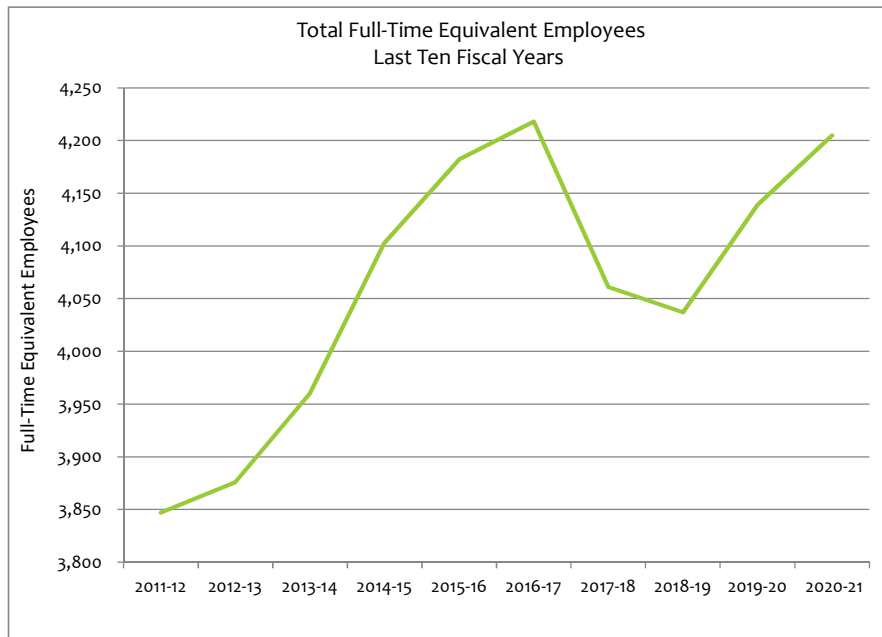
- (1) Pacific Coast Business Times "Book of Lists" - individual company data
- (2) University of California, Santa Barbara "Economic Summit" - total employment data
- (3) County of Santa Barbara ACFR for fiscal year presented

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

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Paid employees (1)</b>										
Policy & executive	92	94	96	99	105	103	106	109	109	118
Public safety	1,455	1,467	1,478	1,498	1,521	1,540	1,540	1,550	1,594	1,606
Health & public assistance	1,634	1,732	1,799	1,926	1,973	1,961	1,806	1,751	1,780	1,806
Community resources & public facilities	416	419	424	419	424	443	442	453	464	469
General government & support services	343	334	334	350	359	361	348	341	351	359
General county programs	17	6	5	3	6	6	5	5	7	7
Resource Recovery	81	79	83	81	77	80	77	78	82	81
Laguna Sanitation	16	16	16	16	15	16	17	18	18	18
<b>Total County employees</b>	<b>4,054</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>Actual full-time equivalent employees (2)</b>										
Policy & executive	85	88	88	91	94	93	93	97	97	105
Public safety	1,390	1,386	1,394	1,415	1,433	1,448	1,452	1,463	1,509	1,533
Health & public assistance	1,548	1,608	1,679	1,796	1,841	1,842	1,697	1,652	1,681	1,707
Community resources & public facilities	391	389	392	382	389	402	402	413	426	432
General government & support services	328	315	313	326	335	339	325	320	330	333
General county programs	13	--	--	1	1	1	1	--	--	--
Resource Recovery	76	74	78	77	74	77	74	75	78	77
Laguna Sanitation	16	16	16	15	15	16	17	17	18	18
<b>Total County employees</b>	<b>3,847</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>

**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	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Public safety										
Other:										
Filed felonies-District Attorney	2,741	2,979	3,176	2,499	2,898	2,835	2,659	2,801	2,582	2,181
Filed misdemeanors-District Attorney	10,983	10,022	9,838	11,347	12,355	12,404	11,124	10,065	8,935	6,534
Public Defender's total new caseload (2)	21,642	18,963	20,973	23,391	24,024	23,414	24,014	12,316	12,247	7,872
Fire emergency responses	12,714	13,989	13,842	13,927	14,307	15,123	15,763	15,634	14,723	14,618
Sheriff:										
Total miles patrolled	1,447,978	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
Processed and booked adult offenders	15,763	16,677	16,780	17,117	17,744	15,623	14,130	13,710	11,108	8,326
Probation:										
Juvenile referrals processed	4,122	3,449	3,070	3,313	3,371	3,150	2,964	2,656	1,987	722
Adult and Juvenile cases supervised	8,364	8,321	8,331	8,196	8,114	8,112	7,358	6,088	7,318	4,801
Institutional care for minors	58,923	52,268	38,763	34,894	37,372	34,214	26,695	22,147	16,344	6,920
Submit written reports to courts on Adults	5,146	6,582	6,628	6,838	6,856	7,337	6,763	5,238	3,911	2,538
Health & public assistance										
Behavioral Wellness clients served	11,825	12,313	12,647	13,936	14,653	15,344	13,004	14,711	14,052	10,652
Established orders for child support	12,963	12,565	11,922	11,544	11,452	11,317	11,270	11,227	10,964	10,458
Assistance claims paid to eligible recipients	76,762	72,678	70,924	99,513	99,597	97,127	91,623	88,672	85,710	79,809
Patient encounters at Public Health clinics	120,540	120,700	114,000	111,000	107,000	115,000	111,000	118,500	113,500	121,000
Community resources & public facilities										
Building inspections	19,736	20,689	23,752	22,431	22,583	21,804	24,230	26,930	24,952	24,943
Enhanced or maintained road lanes (miles)	81	67	82	73	24	23	21	44	64	46
Flood control work requests (1)	95	--	--	--	--	--	--	--	--	--
General government & support services										
Clerk-Recorder-Assessor										
Recorded documents & vital copies issued	119,522	135,053	103,060	102,694	110,846	110,089	95,912	90,740	104,052	140,571
Resource Recovery										
Waste recycled (tons per month)	7,824	7,043	7,244	6,792	5,084	5,241	5,825	7,645	7,882	8,253
Landfill waste disposal (tons per month)	13,891	14,607	14,894	15,163	16,690	17,172	19,050	19,215	17,744	16,245

Notes:

- (1) Beginning in FY 12-13 Public Works no longer tracks flood control work requests.
- (2) 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	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Policy & executive										
Buildings										
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	42	41	41	43	43	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	49	52	52	60	60	59	63	61
Aircrafts	6	6	6	6	6	6	6	7	6	7
Jail and detention facilities	6	6	6	6	6	6	6	6	6	6
Administration buildings	9	9	9	9	9	9	9	10	10	10
Health & public assistance										
Clinics	7	7	7	7	9	9	9	11	12	12
Administration buildings	5	5	5	5	5	5	5	3	3	3
Community resources & public facilities										
Public parks & open space acreage	2,027	2,122	2,122	2,122	2,122	2,122	2,122	2,122	2,122	2,160
Day use & camping parks	26	26	26	26	26	26	26	26	26	26
Open space areas (County developed)	43	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	1,670	1,671	1,671	1,671	1,671	1,651	1,650	1,650	1,650	1,650
Bridges	113	115	115	115	115	115	118	120	120	120
Traffic signals	43	44	44	44	44	44	43	43	43	43
Roads heavy equipment	51	43	43	43	43	43	48	48	49	49
Sanitary sewers (miles of collection)	121	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	78	72	69	57	58	59	71	72	77	84
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.

**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 ASSETS** - Long-lived assets obtained or controlled as a result of past transactions, events, or circumstances. Capital assets include equipment, buildings, and improvements other than buildings; land; infrastructure; and intangible assets. In the private sector, these assets are referred to most often as property, plant and equipment, and intangible assets.

**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 LEASE** - An agreement that conveys the right to use property, plant, or equipment, usually for a stated period of time. See **LEASE-PURCHASE AGREEMENTS**.

**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.

**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 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.

**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.

**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** - The trust and custodial funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units, and/or other 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 seven categories into which all funds are classified in governmental accounting. The seven 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.

**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.

**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.

**LEGAL LEVEL OF BUDGETARY CONTROL** - The level at which spending in excess of budgeted amounts would be a violation of law.

**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.

**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 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.

**PAY-AS-YOU-GO** - a method of financing a pension plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

**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.)

**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 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 retireable only from tax collections, and frequently only from the proceeds of the tax and revenue levy whose collection they anticipate.

**TERMINATION BENEFITS** - Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.

**TOTAL PENSION LIABILITY** - The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service.

**TRUST FUNDS** - Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

**UNASSIGNED FUND BALANCE** - The residual classification for the County's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

**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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