

Attachment A

Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020

Please see the attached printed publication.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020
Santa Barbara County, CA



BETSY M. SCHAFFER, CPA, CPFO
Auditor-Controller

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

Cover Credits:

The cover is the artistic brainchild of Mali Sheridan and Lamont Grissom in the Administration Division of the Auditor-Controller's Office. I explained to them my desire to have some sort of group office picture. At first it was going to be of everyone online during a group meeting, but that didn't quite work out. So, the cover is a representation of most of the team artfully re-created.



*Betsy M. Schaffer, CPA, CPFO
Auditor-Controller*



*C. Edwin Price, JR., CPA, CPFO
Assistant Auditor-Controller*

This year's CAFR is dedicated to all the staff in the Auditor-Controller's Office. Each person is unique and precious and I am so appreciative for all their contributions to the office and to the community. I especially want to thank the Financial Reporting team for putting together the CAFR timely and accurately despite all the challenges facing them – intermittent connectivity, new outside auditors, being a completely new team, and of course COVID-19. Truly a job well done. Thank You EVERYONE!

COUNTY OF SANTA BARBARA
STATE OF CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2020



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



COUNTY OF SANTA BARBARA

BETSY M. SCHAFFER, CPA
Auditor-Controller

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



County Administration Building
105 E. Anapamu Street, Rm. 303
Santa Barbara, CA 93101
(805) 568-2100

Auditor@co.santa-barbara.ca.us

Mailing Address:
P.O. Box 39
Santa Barbara, CA 93102-0039
Fax: (805) 568-2016

OFFICE OF THE AUDITOR-CONTROLLER

August 28, 2020

To the Citizens of Santa Barbara County:

The Comprehensive Annual Financial Report (CAFR) of the County of Santa Barbara (County) for the fiscal year ended June 30, 2020, 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, 2020. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Policymaking and legislative authority is vested in the County Board of Supervisors (Board), which consists of an elected supervisor from each of the five districts. The Board is responsible for, among other things, passing ordinances, adopting budgets and appointing committees, the County Executive Officer (CEO), and non-elected department directors. Supervisors are elected to four-year staggered terms with two supervisors elected in even-years and three supervisors elected in odd-years. The County has five elected department directors serving four-year terms: Auditor-Controller, Clerk-Recorder-Assessor, District Attorney, Sheriff-Coroner, and Treasurer-Tax Collector-Public Administrator. The following organization chart 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 2,737 square miles, one-third of which is located in the Los Padres National Forest, and has a population of 451,840.

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, leisure and hospitality, education and health services, goods producing, and professional and business services. The mild climate, picturesque coastline, scenic mountains, and numerous parks and beaches make the County a popular tourist and recreational area.

Policy & Executive



2020 Board of Supervisors
 Chair Gregg Hart, Second District; Vice Chair Peter Adam, Fourth District;
Das Williams, First District; Joan Hartmann, Third District; Steve Lavagnino, Fifth District

Das Williams
 First District Supervisor

Gregg Hart
 Second District Supervisor
 Chair

Joan Hartmann
 Third District Supervisor

Peter Adam
 Fourth District Supervisor
 Vice Chair

Steve Lavagnino
 Fifth District Supervisor

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

Michael Ghizzoni
 County Counsel

Public Safety

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

*Elected Official

Health & Human Services

- Alice Gleghorn, PhD
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 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 4,139 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 County Service Areas, Public and Educational Access, Santa Barbara County Fire Protection District, Flood Control and Water Conservation Districts, Lighting Districts, Laguna County Sanitation District, Community Facilities Districts, Sandyland Seawall Maintenance District, Water Agency, In-Home Supportive Services Public Authority, Santa Barbara County Finance Corporation, and First 5 Children and Families Commission (First 5) (separately presented and not included in the County's operations).

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). Other entities, such as the Air Pollution Control District, Santa Barbara County Association of Governments, and Santa Barbara County Employees' Retirement System 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). 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.

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) 19-20, due to the effects of COVID-19 the County experienced decreases in employment and a rise in the unemployment rate, modest wage gains, weakening of housing price growth, and decreases in taxes from tourism.

“Leisure/Hospitality, Retail Industries Bear the Brunt of Job Losses During Coronavirus Outbreak”

Noozhawk March 27, 2020

Employment

- The County’s average unemployment rate during FY 19-20 increased from 3.9% to 6.1%.
- The June 2020 County unemployment rate of 11.6% was below the State unemployment rate of 15.1% and above the national unemployment rate of 11.2%.
- As of May 2020, Leisure and Hospitality employment decreased by 44.6% from last year to 16,213 jobs.

Income

- The County’s average annual wages increased to \$56,540 in the 2019 calendar year from \$54,890 in 2018.

Retail Sales

- Countywide estimated retail sales decreased 5.7% to \$7.45 billion for the FY 19-20.
- California retail sales had increased 3.38% as of calendar year end.

Real Estate

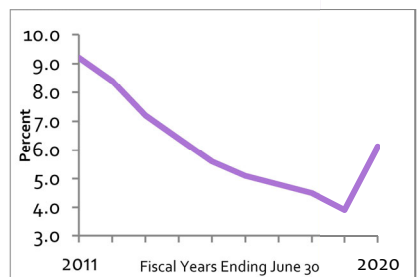
- According to the Zillow Home Value Index for Santa Barbara County, the median home value increased 6.76% to \$639,450
- The real estate market continued its upward trend, but with moderated growth in price increases.

Tourism

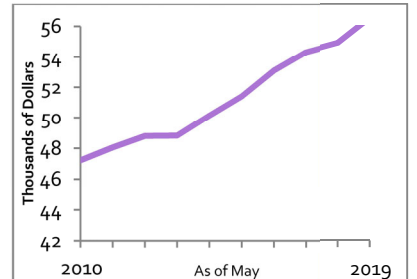
- Countywide estimated room sales shrank by 19% to 417.1 million.
- Countywide estimated Transient Occupancy Tax (TOT) revenue decreased by 18.9% to 49.2 million.
- As of May 2020, Countywide hotel demand and room rates decreased by 81% and 47% respectively with a hotel occupancy rate of 15%. This was due to COVID-19.

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

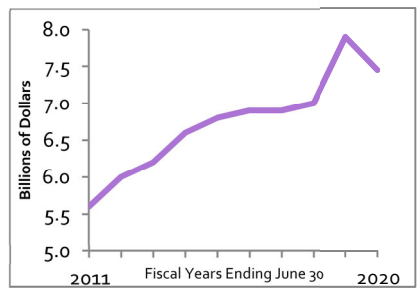
Unemployment Rate



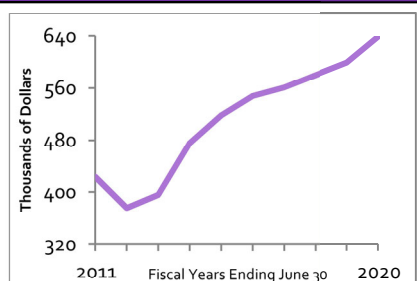
Average Salary



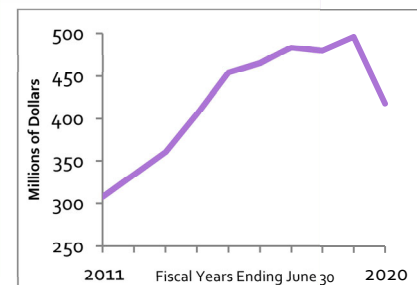
Retail Sales



Median Home Value



Hotel/Motel Room Sales



ECONOMIC INDICATORS

At the beginning of the calendar year the big question continuing to be discussed was when will the longest economic expansion on record end. The answer to that question came rather decisively late in the 1st quarter of 2020 as economic shutdowns began in response to the COVID-19 pandemic. Around the country, the latter half of March, April and the first half of May saw mandated closures of businesses. The impacts to the economy were swift and vivid with many indicators exceeding levels only seen during other major downturns. In just four months the California unemployment rate soared to 15.5% from 3.7% in December 2019, and retail sales dropped 25% over just two months.

To help offset some of these impacts, Government stimulus packages pumped cash to business owners to keep employees on their payroll, provided one-time payments to taxpayers, and expanded unemployment benefits to the newly unemployed. By mid-May due to their success many public health mandates were relaxed allowing many businesses to reopen. Data indicated a rebound was taking place with decreased unemployment rates and consumer spending on the rise. As a result, 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 “U” or “Nike-swoosh” type recoveries. However, as COVID-19 infection rates again began to rise, re-opening plans in many areas were paused or reversed.

According to Mark Schniepp of the *California Fiscal Outlook* (Aug. 4, 2020), two things are required to rebound: restoration of confidence so consumers spend, and withdrawal of restrictions allowing businesses to expand, sell and hire. He notes that “neither of these actions will occur until the pandemic is under control, and the concern about infection has passed.” Similarly, Christopher Thornberg in the Summer 2020 *Beaconomics* noted “the upward slope of the V’s steepness is completely dependent on how rapidly the virus fades away and people feel comfortable going out and living their lives again.”

Locally in Santa Barbara the Leisure/Hospitality and Retail industries have been hit hard by the pandemic. As reported by the UCSB Economic Forecast Project, May 2020 data show an unparalleled decrease in employment over the prior year for these industries of 44.6% and 17.9% respectively. Retail sales are estimated to decrease 5.7% to \$7.45 billion and room sales shrank 19% to \$417.1 million. However, the real estate market continued on an upward trend with inventories dropping and local realtors reporting multiple offers on properties as the pandemic continues.

At the time of this writing it appears that the recovery is weakening with consumer spending and confidence waning. Peter Rupert, Director of the UCSB Economist Forecast Project stated, “It’s just hard to really understand what’s going on and the reason basically is, of course, we’re in completely uncharted economic territory.”

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:

- Since the beginning of COVID-19, the County has been 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 example critical activities lead by the County are provided here:
 - The County's Public Health Department provided timely updates on COVID statuses and community impact to the Board of Supervisors, the media, and to citizen inquiries through press briefings and the Public Health website.
 - Access to the County Board of Supervisors was maintained throughout the pandemic through telephone and online platforms.
 - Essential County services were made available safely to the community by maintaining social distancing protocols, teleworking, and alternative contact options.
 - The County Executive Office (CEO) successfully lead a community partnership to safely reopen businesses through the "Reopening In a Safe Environment (RISE)" initiative. This initiative was developed by medical experts and was supported by feedback from all sectors of the community to create a science-based framework for residents, businesses, and organizations to reopen in a phased manner, while prioritizing public health and protecting our most vulnerable populations.
 - 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 provided limited paid leave for County employees needing time off to care for their families or to take care of their own wellness.
- Construction on two major capital projects continued throughout FY 19-20. Although a brief pause was required to assess the impact of COVID-19, these projects were able to continue on their forward trajectory throughout the fiscal year:
 - The Northern Branch Jail is nearing substantial completion (99% complete at 6/30/20). This grant funded capital project has a total estimated project cost of \$111 million with an anticipated completion in fiscal year 2020-21.
 - The Tajiguas ReSource Center continued construction (77% complete at 6/30/20). 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 percent of waste from the landfill, which will bring the region above an 85 percent diversion rate. The center will be vital to achieving state-mandated GHG emission reductions, will increase recycling and will divert organic waste.
- Continued progress on Renew 22. Renew 2022 is 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 third year in FY 19-20, 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 2020, three of these reviews (CEO, General Services, Human Resources) have been presented to the Board, four are in process (though currently on hold because of COVID-19), and the remaining two under the current contract, which were anticipated to be completed by July 2020, will be delayed because of COVID-19. The County anticipates that the balance of departmental management reviews will be completed within the next two fiscal years.

- The 2020 Census was embarked upon. In November, 2019, the County launched a public outreach campaign entitled, “We all Count. Todos Contamos.” to provide the public access to local resources and information about the census in English and Spanish. Through this campaign, Santa Barbara County is committed to ensuring the 2020 Census counts every resident, regardless of age, gender, income, home ownership, permanent address, immigration status or any other factor. Census results affect your voice in government and how much funding our community receives. In the Census, everyone counts equally.

SIGNIFICANT CAPITAL PROJECTS

The County completed \$12.7 million in capital projects in the current year and the County’s Five-Year Capital Improvement Plan (CIP) identifies capital needs as well as funding sources and funding shortfalls. For FY 20-21, the CIP includes \$310.9 million of funding (total estimated project costs of \$988.1) for planned projects that are included in the budget:

- \$36.8 million for the Countywide preventative maintenance of concrete and asphalt road surfaces (total estimated project cost of \$194.3 million);
- \$21.9 for upgrades, improvement, and expansion of the Laguna County Sanitation District (total estimated project cost of \$88.6 million);
- \$15.1 million for the five-year structure repair and rehab program (total estimated project cost of \$75.9 million);
- \$9 million for Randall Road Debris Basin (total estimated project cost of \$21.5 million);
- \$8.3 million for flood channel improvements in South County (total estimated project cost of \$86 million); and
- \$6.1 million for the Northern Branch Jail (total estimated project cost of \$115.9 million).

In addition to the CIP projects, the County has budgeted \$8.9 million of funding for the construction of the ReSource Center (total estimated project cost of \$149 million).

Additional capital and capital maintenance projects, equipment, software, and information systems projects for FY 20-21 can be found in Section E “Capital Budget Summary” of the County’s Recommended Budget (available at <http://countyofsb.org/ceo/2020.sbc>).

LONG-TERM FINANCIAL PLANNING

In the FY 20-21 Recommended Budget the County is projecting modest local property tax revenue growth of 5.1% and COVID-19 related decreases of 5.9% and 6.2% for retail sales and transient occupancy taxes, respectively.

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 19-20, the strategic reserve balance reached \$35.6 million, an increase of \$1.5 million from the prior year. The FY 20-21 budget appropriated additional funds of \$3.1 million to add to the reserve in the next fiscal year. 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 chair quarterly review each department's year-to-date actual and projected revenues and expenditures. 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 CAFR 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 CAFR 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 CAFR publication date is generally within 45-60 days of the close of the fiscal year. The County's major financial documents are available on the web at 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 with the FY 15-16, 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 47.6% 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 CAFR 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 CAFR for the fiscal year ended June 30, 2019. This award has been achieved annually since 1991. To receive this prestigious award, a government must publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR 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, 2019. 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, 2019. 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.

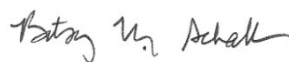
Acknowledgments

The preparation of the CAFR 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.

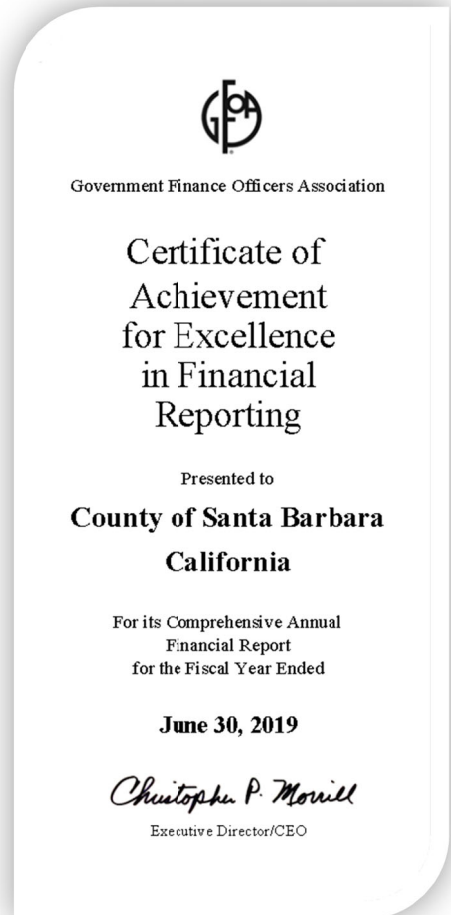
Respectfully submitted,



Mona Miyasato
County Executive Officer



Betsy M. Schaffer, CPA, CPFO
Auditor-Controller





FINANCIAL SECTION





Independent Auditor's Report

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

Report on the 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, 2020, 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 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, 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, 2020, 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.

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 Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's 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 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. In our opinion, the combining and individual nonmajor fund financial statements 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 August 28, 2020 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
August 28, 2020



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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 CAFR.

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, 2020. 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, 2020, several major projects and revenue sources were of special significance to the County's operations and net position. Although net position increased this year by \$48,743 (see page 22), the increase was not as large as in previous years. Over time net position can be a useful indicator of the County's financial condition. The major elements that impacted the financial position during the year are detailed below.

- ReSource Center (Net impact = +\$50.5M)
 During the fiscal year, construction began on the ReSource Center, formerly known as the Tajiguas Resource Recovery Project (TRRP), and will be reflected in net position as an investment in capital assets. The ReSource Center is intended to extend the useful life of the landfill and requires significant rate increases to cover the debt financing. Project costs incurred as of June 30, 2020 were approximately 70% of the total expected costs. The expected completion date is May 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** (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.)
- Litigation Settlement from the Thomas Fire and Montecito Debris Flow (Net impact = +\$28.1M)
 During the fiscal year, a settlement was reached between the County and Southern California Edison (SCE) related to the financial impact of the Thomas Fire and Montecito debris flow. Funds received from SCE were allocated between the Roads Fund, Flood Control Fund, and the County's General Fund. Funds allocated to the Roads and Flood Control Funds are restricted. Funds set aside in the General Fund's fund balance are committed. More information on this can be found in the major funds section on page 32. Overall, the Countywide impact of the litigation settlement resulted in the following:

 - + **Increased restricted net position** (represents the County's available funds for ongoing obligations related to programs with external restrictions on their use.)
 - + **Increased unrestricted net position** (represents the County's available resources for ongoing obligations without external restrictions on their use.)
- Northern Branch Jail (Net impact = +\$11.4M)
 Construction continued on the Northern Branch Jail resulting in an increase in net position as net investment in capital assets. More information on this project can be found in the work in progress section on page 28. Overall, the Countywide impact of the Northern Branch Jail resulted in the following:

 - + **Increased net investment in capital assets**
- Increases to Secured Property Tax Revenue (Net impact = +\$11.2M)
 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. There were no significant impacts to property tax revenues due to the COVID-19 Pandemic. Overall, the Countywide impact of increases to secured property taxes resulted in the following:

 - + **Increased unrestricted net position**

- Collection of Cannabis Tax (Net impact = +\$8M)
Cannabis tax revenues received of \$13.0M, less \$5.0M in expenses for enforcement, were greater than expected during the fiscal year and were set aside in committed fund balance for use in future years. These revenues will be used to cover additional costs for expansion of enforcement efforts against illegal cannabis operations and eliminating access to illegal and untested cannabis. This also includes additional personnel and equipment costs associated with enforcement. 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
- Pension Expense Increase (Net impact = -\$24.4M)
Pension expense increased from the prior year resulting in increased salary and benefit costs Countywide. Accordingly, this resulted in a lower ending net position. The change in pension expense from year to year is driven by various factors. The yearly change in the majority of the factors are amortized over five years in order to smooth the overall change from year to year. Overall, the Countywide impact of increased pension expense resulted in the following:
- Decreased unrestricted net position
- COVID-19 (Revenues = Potential decrease of \$39M; fiscal-year expenses = \$20.9M)
Revenues: The COVID-19 pandemic impacted County financials from mid-March through June. A three-year trend analysis of revenues indicates that intergovernmental state and federal revenues received during the fiscal year were lower than prior year actuals by \$26.7M and \$12.3M, respectively. However, it is unclear the exact impact COVID-19 had on this change.

Expenses: Increased expenses included staff overtime costs which were needed for the pandemic response and prevention. Cost tracking for the pandemic indicates approximately \$20.9M of COVID related expenses were incurred during the fiscal year. The impacts of these expenses are seen throughout all direct and support functions of the County. It should also be noted that the COVID-19 pandemic has also resulted in unmeasurable opportunity costs where the County has had to address the pandemic rather than other planned County projects and programs. Overall, the Countywide impact of COVID-19 resulted in the following:
- Decreased restricted net position
- Decreased 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. The County's Basic Financial Statements include 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 Public Assistance, 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 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:

- Laguna County Sanitation District
- 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

The County's only discretely presented component unit is the First 5 Children and Families Commission.

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 62 individual governmental funds combined into 28 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 19 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 agency funds.

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

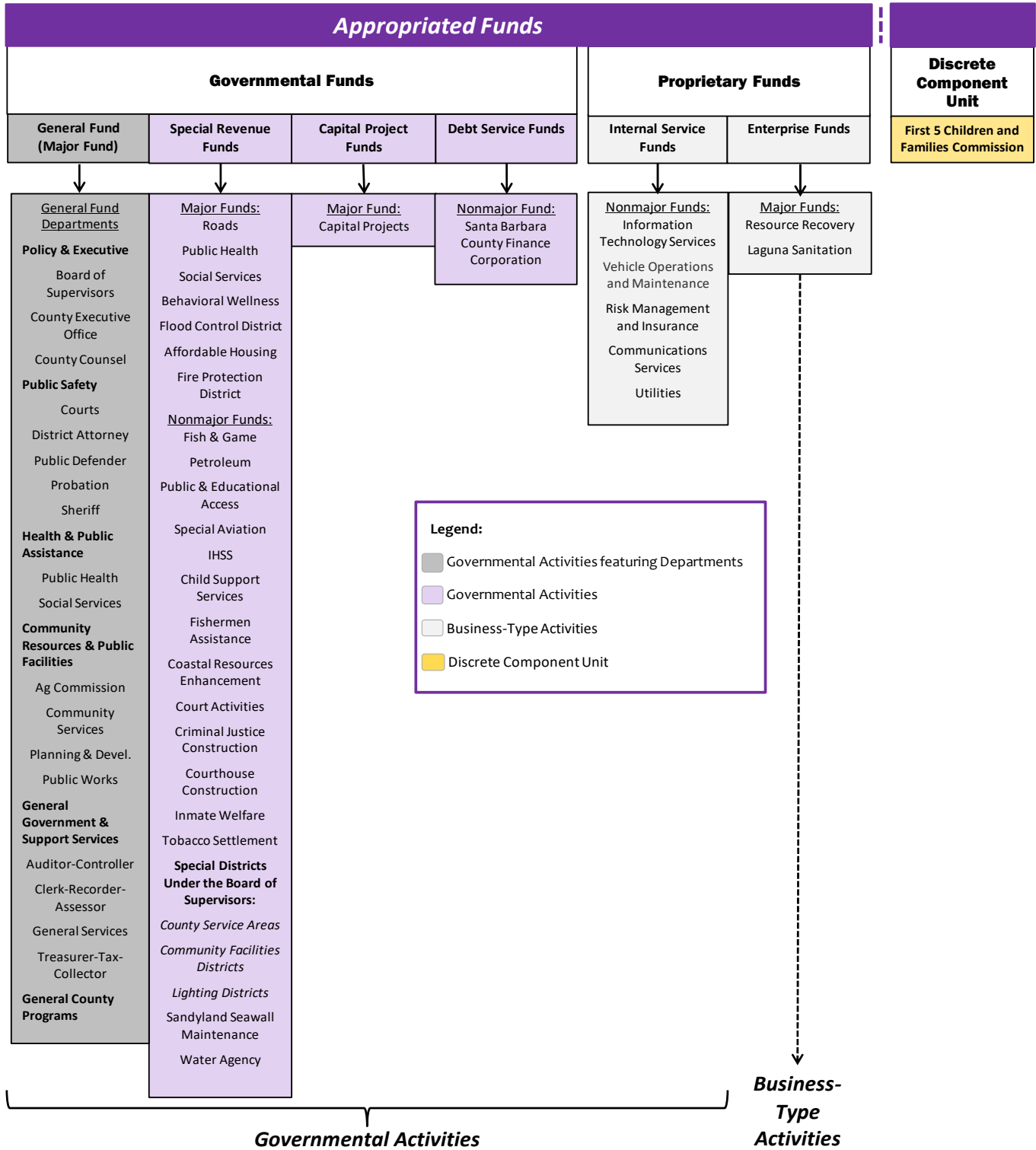
Notes to the Financial Statements

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.
- Notes 14 to 16 provide detailed notes on fund balances, restricted component of net position, and deficit in net position.
- Notes 17 to 18 provide detailed notes on interfund transactions and tax abatements.
- Notes 19 to 21 provide detailed notes on pensions, other postemployment benefits, and deferred compensation plans.
- Note 22 provides detailed notes on subsequent events.

Pages 49-114 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	
	2019	2020	2019	2020	2019	2020	Dollar Change	Percent Change
Assets:								
Current and other assets	\$ 625,092	\$ 675,247	\$ 213,149	\$ 177,787	\$ 838,241	\$ 853,034	\$ 14,793	1.8%
Capital assets, net of depreciation	806,573	820,321	141,014	202,097	947,587	1,022,418	74,831	7.9%
Total assets	1,431,665	1,495,568	354,163	379,884	1,785,828	1,875,452	89,624	5.0%
Deferred outflows of resources:	260,737	205,512	4,963	3,853	265,700	209,365	(56,335)	(21.2%)
Liabilities:								
Current and other liabilities	102,018	113,065	8,134	17,007	110,152	130,072	19,920	18.1%
Long-term liabilities	998,146	968,995	221,738	219,500	1,219,884	1,188,495	-31,389	(2.6%)
Total liabilities	1,100,164	1,082,060	229,872	236,507	1,330,036	1,318,567	-11,469	(.9%)
Deferred inflows of resources:	88,342	84,454	949	852	89,291	85,306	-3,985	(4.5%)
Net position:								
Net investment in capital assets	736,255	755,491	82,723	88,655	818,978	844,146	25,168	3.1%
Restricted for:								
Policy & executive	972	1,164	--	--	972	1,164	192	19.8%
Public safety	62,243	66,293	--	--	62,243	66,293	4,050	6.5%
Health & public assistance	48,951	37,386	--	--	48,951	37,386	-11,565	(23.6%)
Community resources & public facilities	163,959	187,676	--	--	163,959	187,676	23,717	14.5%
General government & support	6,164	4,833	--	--	6,164	4,833	-1,331	(21.6%)
General county programs	20,052	19,405	--	--	20,052	19,405	-647	(3.2%)
Total Restricted	302,341	316,757	--	--	302,341	316,757	14,416	(4.8%)
Unrestricted	(534,700)	(537,682)	45,582	57,723	(489,118)	(479,959)	9,159	1.9%
Total net position	\$ 503,896	\$ 534,566	\$ 128,305	\$ 146,378	\$ 632,201	\$ 680,944	\$ 48,743	7.7%

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 \$680,944 at the close of the current fiscal year.

Analysis of Net Position

The County’s total net position increased by \$48,743, or 7.7%, during the fiscal year. The significant changes are detailed below by the classification of net position that was affected by each. However, this increase is lower than the prior five-year average of net position increases of \$65,346, primarily due to increased expenses due to COVID-19 and an increase in the County’s pension expense. Please see Statistical section page 179 for a 10-year trend on changes in net position.

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 \$25,168, or 3.1%, to \$844,146 at year-end, and consisted of the following:

	2019	2020	Dollar Change	Percentage Change
Investment in Capital Assets (net of accumulated depreciation)	\$ 947,586	\$ 1,022,418	\$ 74,832	7.9%
Less:				
Related Debt	95,969	146,528	50,559	52.7%
Related Deferred Inflows of Resources	32,639	31,744	(895)	(2.7%)
Net Investment in Capital Assets	<u>\$ 818,978</u>	<u>\$ 844,146</u>	<u>\$ 25,168</u>	<u>3.1%</u>

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

Restricted Net Position

Restricted net position of \$316,757 represents resources that are subject to external restrictions on their use or by enabling legislation. Due to the unique nature of funding sources and the unrestricted impact of the net pension and OPEB liabilities, the County has significantly more restricted net position dollars than unrestricted net position dollars. Restricted net position is comprised of the following:

- 1) \$135,534 (43.12%) for property taxes dedicated to specific services such as flood control and fire protection,
- 2) \$63,886 (20.33%) for federally imposed restrictions for health and housing programs,
- 3) \$57,213 (18.20%) for numerous State imposed restrictions,
- 4) \$29,704 (8.67%) for federal and State allocations for roads and health services,
- 5) \$15,908 (5.06%) for grant, land use, and permit agreements, and
- 6) \$14,512 (4.62%) for various other restrictions imposed on the County.

Restricted net position increased \$14,416 or 4.8%. Significant changes to restricted net position, by function, include:

- The Community Resources and Public Facilities function increased \$23,721 primarily as a result of:
 - \$10,348 of unspent SCE settlement funds to be used for recovery projects related to the Thomas Fire and Montecito Debris Flow; and
 - \$8,455 for delayed planned capital improvements in the Water Agency and Flood funds due to continued focus on disaster recovery, storm mitigation, and clean-up work related to the Thomas Fire and Montecito Debris Flow.
- The Public Safety function increased \$4,050 due primarily to:
 - \$1,654 of asset forfeiture funds.
 - \$655 of General Fund Contributions for construction costs for the Northern Branch Jail.
- The Health and Public Assistance function decreased \$11,568 due primarily to lower revenues and increased expenditures related to COVID-19.

Unrestricted Net Position

Due primarily to the collection of disaster recovery funds and cannabis revenue (see page 25), unrestricted net position changed favorably by \$9,159, or 1.9% from negative \$489,118 to negative \$479,959. The majority of the balance of negative unrestricted net position is primarily the result of the County’s unfunded net pension (\$788,048) and OPEB liabilities (\$109,251). However, this amount is offset by positive unrestricted net position of \$13,029 in the County’s General Fund.

Analysis of Governmental Activities

Governmental activities increased the County’s net position by \$30,670 to \$534,566, accounting for 6.1% of the County’s total increase in net position resulting from governmental activities operating revenues exceeding operating expenditures.

	Governmental		Total	
	Activities		Dollar	Percent
	2019	2020	Change	Change
Revenues				
Program revenues:				
Charges for services	\$ 231,554	\$ 254,193	\$ 22,639	9.8%
Operating grants and contributions	416,369	380,748	(35,621)	(8.6%)
Capital grants and contributions	58	81	23	39.7%
Total program revenues	647,981	635,022	(12,959)	(2.0%)
General revenues:				
Property taxes	290,046	309,150	19,104	6.6%
Sales taxes	18,995	19,068	73	0.4%
Transient occupancy tax	10,320	10,182	(138)	(1.3%)
Cannabis	6,761	12,182	5,421	80.2%
Payments in lieu of taxes	1,947	2,037	90	4.6%
Franchise fees	3,264	3,509	245	7.5%
Unrestricted investment earnings	4,356	3,484	(872)	(20.0%)
Other	805	496	(309)	(38.4%)
Total general revenues	336,494	360,108	23,614	7.0%
Total revenues	984,475	995,130	10,655	1.1%
Expenses				
Policy & executive	17,878	19,074	1,196	6.7%
Public safety	341,931	376,065	34,134	10.0%
Health & public assistance	361,494	397,009	35,515	9.8%
Community resources & public facilities	119,654	122,448	2,794	2.3%
General government & support services	37,982	46,294	8,312	21.9%
General county programs	963	1,819	856	88.9%
Interest on long-term debt	1,895	1,772	(123)	(6.5%)
Total expenses	881,797	964,481	82,684	9.4%
Excess (deficiency) of revenues over (under) expenses	102,678	30,649	(72,029)	(70.2%)
Transfers	80	21	(59)	(73.8%)
Change in net position	102,758	30,670	(72,088)	(70.2%)
Net position - beginning	400,644	503,896	103,252	25.8%
Prior period adjustment	494	--	(494)	(100.0%)
Net position - beginning, as restated	401,138	503,896	102,758	25.6%
Net position - ending	\$ 503,896	\$ 534,566	\$ 30,670	6.1%

Revenues

Total revenues for the County’s Governmental Activities had an overall increase from the prior year of \$10,655, or 1.1%, to \$995,130. 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 revenue, most of which are taxes.

Program Revenues had an overall decrease of \$12,959, or 2.0%, to \$635,022 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 63.8% of the County’s funding for governmental activities.

- Charges for services increased a net \$22,639, or 9.8%, to \$254,193 primarily due to:
 - \$28,123 increase in SCE settlement funds for the Thomas Fire and Montecito Debris Flow; and
 - \$6,110 decrease in fire incident reimbursements.
- Operating grants and contributions (*intergovernmental revenues*) decreased a net \$35,621, or 8.6%, to \$380,748 primarily due to:
 - \$19,747 decrease in the amount of Board of State and Community Corrections reimbursements for the construction of the Northern Branch Jail; and
 - \$14,300 due to disaster recovery of \$9.5M in the current year vs \$23.8M in the prior year for the Thomas Fire and Montecito Debris Flow.
- Capital grants and contributions (*intergovernmental revenues*) increased \$23, or 39.7%, to \$81 primarily due to the capital maintenance roads projects.

General Revenues had an overall increase of \$23,614, or 7.0%, to \$360,108. These revenues included general taxes which provided the Board of Supervisors with the most discretionary spending ability. Since the formation of Santa Barbara County government in 1850, basic public safety services such as sheriff, fire, probation and district attorney consume most of the general revenues. The increase in general revenues is due primarily to the following changes:

- *Property Tax Revenue* increased \$19,104, or 6.6%, to \$309,150 primarily from assessed valuation growth, offset by settlement of significant appeals.
- *Cannabis Tax* increased \$5,421, or 80.2%, to \$12,182 primarily due to increased cannabis related operations.

Expenses had an overall increase for governmental activities of \$82,684, or 9.4%, to \$964,481 from the prior year. This change was mainly driven by pension expense and salaries and benefits. Additional drivers are provided below:

- An increase in the Health and public assistance function of \$35,515 primarily due an increase in cash assistance payments and increases in contracts with community-based service organizations for mental health and alcohol and drug related programs.
- An increase in Public safety function of \$34,134 primarily due to structure and ground maintenance and liability insurance.
- An increase in the General government & support services function of \$8,312 primarily due to County infrastructure projects and project management services.

As a service delivery entity, the County's major cost component is salaries and benefits, amounting to 64.9% of the total County expenses. The average full-time equivalent (FTE) count for the County (including business-type activities) had a net increase of 102 FTEs from 4,037 in the prior year to 4,139 at June 30, 2020.

Analysis of Business-type Activities

The net position of business-type activities increased by \$18,073, or 14.1%, to \$146,378 which indicates these activities generated revenues sufficient to cover the costs of operations.

	Business-Type Activities		Bus Total	
	2019	2020	Dollar Change	Percent Change
Revenues				
Program revenues:				
Charges for services	\$ 45,151	\$ 53,324	\$ 8,173	18.1%
Operating grants and contributions	2,437	4,253	1,816	74.5%
Total program revenues	<u>47,588</u>	<u>57,577</u>	<u>9,989</u>	<u>21.0%</u>
General revenues:				
Unrestricted investment earnings	2,370	2,109	(261)	(11.0%)
Other	48	22	(26)	(54.2%)
Total general revenues	<u>2,418</u>	<u>2,131</u>	<u>(287)</u>	<u>(11.9%)</u>
Total revenues	<u>50,006</u>	<u>59,708</u>	<u>9,702</u>	<u>19.4%</u>
Expenses				
Resource recovery	32,819	34,258	1,439	4.4%
Laguna sanitation	7,204	7,356	152	2.1%
Total expenses	<u>40,023</u>	<u>41,614</u>	<u>1,591</u>	<u>4.0%</u>
Excess (deficiency) of revenues over (under) expenses	9,983	18,094	8,111	81.2%
Transfers	(80)	(21)	59	(73.8%)
Change in net position	9,903	18,073	8,170	82.5%
Net position - beginning	118,402	128,305	9,903	8.4%
Net position - ending	<u>\$ 128,305</u>	<u>\$ 146,378</u>	<u>\$ 18,073</u>	<u>14.1%</u>

- Charges for services increased by \$8,173, or 18.1%, to \$53,324 primarily due to increases in charges for sanitation services in Resource Recovery.
- Operating grants and contributions increased by \$1,816, or 74.5%, to \$4,253 primarily due to miscellaneous State and federal reimbursements.
- Unrestricted investment earnings decreased by \$261, or 11.0%, to \$2,109 primarily due to lower than expected interest income and unrealized gains on investments in the treasury.
- Expenses increased by \$1,591, or 4.0%, to \$41,614 primarily due interest expense related to the ReSource project.

Capital Assets (net of depreciation, in thousands)								
	Governmental		Business-Type		Total		Total	
	Activities		Activities		Total		Dollar Change	Percent Change
	2019	2020	2019	2020	2019	2020		
Land	\$ 58,933	\$ 60,582	\$ 15,654	\$ 15,654	\$ 74,587	\$ 76,236	\$ 1,649	2.2%
Land easements	53,133	53,133	--	--	53,133	53,133	--	0.0%
SCA assets	41,126	41,183	--	--	41,126	41,183	57	0.1%
Work in progress	148,695	164,730	53,295	113,246	201,990	277,976	75,986	37.6%
Capital assets, not being depreciated	301,887	319,628	68,949	128,900	370,836	448,528	77,692	21.0%
Land improvements	19,849	19,723	250	239	20,099	19,962	(137)	(0.7%)
Structures and improvements	148,293	145,300	9,846	11,549	158,139	156,849	(1,290)	(0.8%)
Equipment and software	61,962	62,031	13,638	14,012	75,600	76,043	443	0.6%
Infrastructure	274,582	273,639	48,331	47,397	322,913	321,036	(1,877)	(0.6%)
Capital assets, net of accumulated depreciation	504,686	500,693	72,065	73,197	576,751	573,890	(2,861)	(0.5%)
Total	\$ 806,573	\$ 820,321	\$ 141,014	\$ 202,097	\$947,587	\$ 1,022,418	\$ 74,831	7.9%

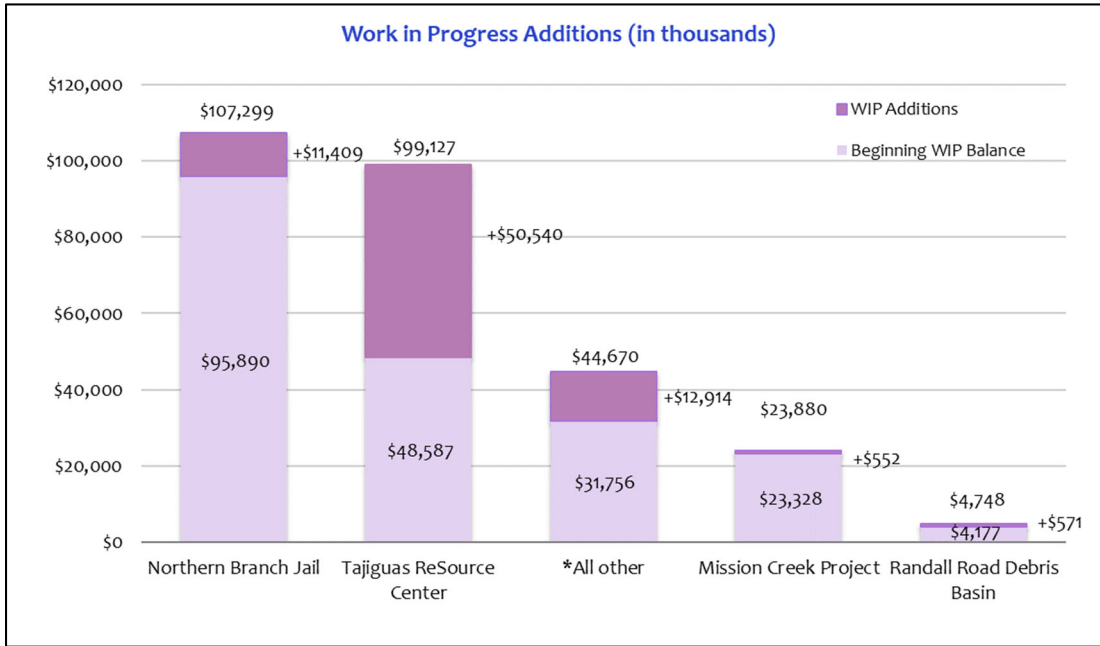
Analysis of Capital Assets

During the fiscal year, the County’s investment in capital assets increased by \$74,831, or 7.9%, to \$1,022,418 (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 \$1,649 in land. The significant additions included:
 - \$1,254 for flood control purposes in Montecito; and
 - \$395 for the Lower Mission Creek project.
- **SCA Asset:** The County capitalized \$57 in SCA assets for the Santa Barbara County Bowl.
- **Land Improvements:** The County capitalized \$633 of land improvements for the Camino Pescadero stairs in Isla Vista, net of \$770 in related depreciation, for a total decrease of \$137 or 0.7%.
- **Structures and Structure Improvements:** The County capitalized \$5,403 of structures and improvements, net of \$6,693 in related depreciation, for a total decrease of \$1,290 or 0.8%. Significant increases include:
 - \$1,955 for a Tajiguas landfill liner,
 - \$1,183 for grant funded Americans with Disabilities Act (ADA) improvements at the site of a new crisis residential treatment program in Santa Maria, and
 - \$864 for an electrical system at the Santa Ynez valley airport.
- **Equipment and Software:** The County capitalized \$14,996 of equipment and software, net of \$14,553 in related depreciation, for a total increase of \$443 or 0.6%. Significant equipment and software include:
 - \$1,474 for a trash dozer for the Tajiguas landfill;
 - \$888 for a new voting system;
 - \$853 for a communication tower on Santa Cruz island; and
 - \$5,777 for the acquisition of over 190 additional assets all of which were individually under \$700 in value.
- **Infrastructure:** The County capitalized \$5,973 in infrastructure, net of \$7,850 in related depreciation, for a total decrease of \$1,877 or 0.6%. Significant projects include:
 - \$3,676 for flood control channel improvements;
 - \$866 for the Cachuma Lake waterline; and
 - \$596 for the Patterson road widening.

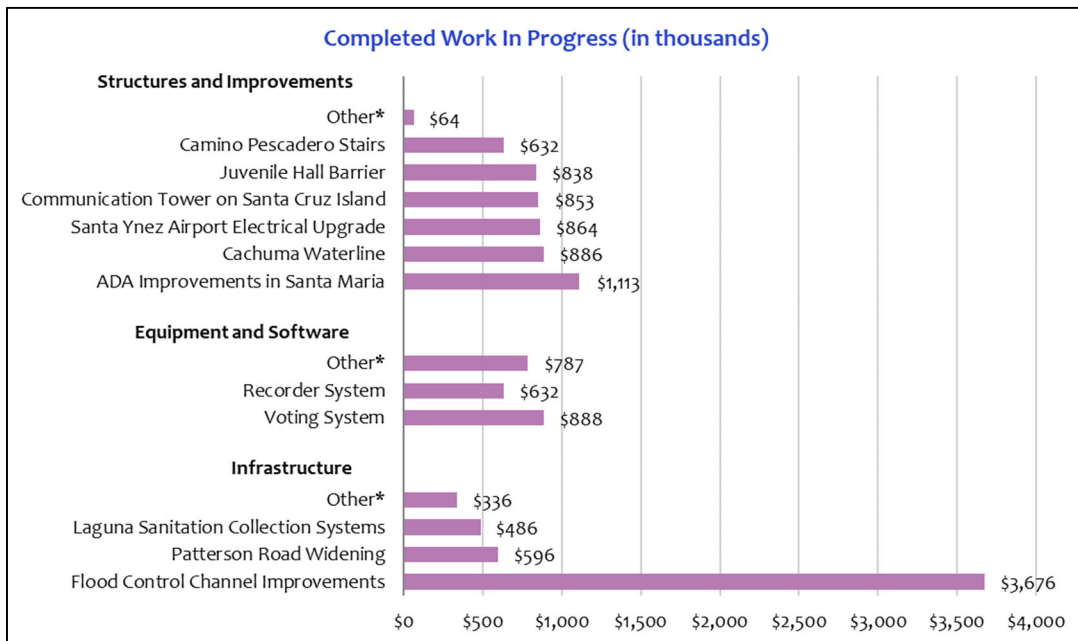
- WIP:** When a capital project will be completed in a subsequent fiscal year, related project costs are recorded as WIP. In the year of completion, a project’s WIP is allocated to the appropriate capital asset classification(s). In the current fiscal year, WIP had a net increase of \$75,986. Total WIP increases of \$88,783 were offset by project completions of \$12,651 and projects of \$146 that were expensed as they did not meet the County’s capitalization policy.

Of the \$75,986 net increases to WIP, major project costs include:



*All other represents individual projects that have total WIP balances under \$4,500.

Of the \$12,651 completions of WIP, major projects include:



*Other represents 12 individual projects that have total completed WIP balances under \$400.

Additional capital asset information, including depreciation, amortization, and outstanding WIP by project as of June 30, 2020, can be found in Note 6 of the Notes to the Financial Statements.

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

Outstanding Bonds, Notes, and COP (in thousands)								
	Governmental		Business-Type		Total		Total	
	Activities		Activities		Total		Dollar	Percent
	2019	2020	2019	2020	2019	2020	Change	Change
Bonds and notes payable	\$ 11,655	\$ 8,515	\$ 4,335	\$ 3,513	\$ 15,990	\$ 12,028	\$ (3,962)	(24.8%)
Certificates of participation	25,908	24,910	167,038	165,037	192,946	189,947	(2,999)	(1.6%)
Total	\$ 37,563	\$ 33,425	\$ 171,373	\$ 168,550	\$ 208,936	\$ 201,975	\$ (6,961)	(3.3%)

The County’s total balance of bonds, notes, and COP’s decreased by \$6,961, or 3.3%, during the fiscal year. The net decrease was primarily due to payments for bonds from direct borrowings, notes for direct placements, and various certificates of participation for capital projects.

The County maintains a Standard & Poor’s ‘SP-1+’ rating for short-term notes (this scale ranges from SP-1, the highest, to D, the lowest) and a Standard & Poor’s ‘AA+’ for long-term certificates of participation (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 series 2018 Certificates of Participation. 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		Total	
	Nonspendable	Restricted	Committed	Unassigned	2020	2019	Dollar Change	Percent Change
General Fund	\$ 2,318	\$ 55,068	\$ 131,484	\$ 13,029	\$ 201,899	\$ 176,202	\$ 25,697	14.6%
Major Funds								
Roads	--	33,883	--	--	33,883	24,568	9,315	37.9%
Public Health	--	18,392	-	--	18,392	26,553	(8,161)	(30.7%)
Social Services	--	2,464	2,506	--	4,970	7,265	(2,295)	(31.6%)
Behavioral Wellness	--	10,342	--	--	10,342	17,139	(6,797)	(39.7%)
Flood Control	-	71,540	--	--	71,540	63,217	8,323	13.2%
Affordable Housing	--	6,863	--	--	6,863	5,884	979	16.6%
Fire Projection	-	27,525	--	--	27,525	27,418	107	0.4%
Capital Projects	--	1,918	16,495	--	18,413	11,613	6,800	58.6%
Other Governmental Funds	-	33,145	8,211	--	41,356	30,510	10,846	35.5%
Total Fund Balances	\$ 2,318	\$ 261,140	\$ 158,696	\$ 13,029	\$ 435,183	\$ 390,369	\$ 44,814	11.5%

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term (See Note 1 on page 52) 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.

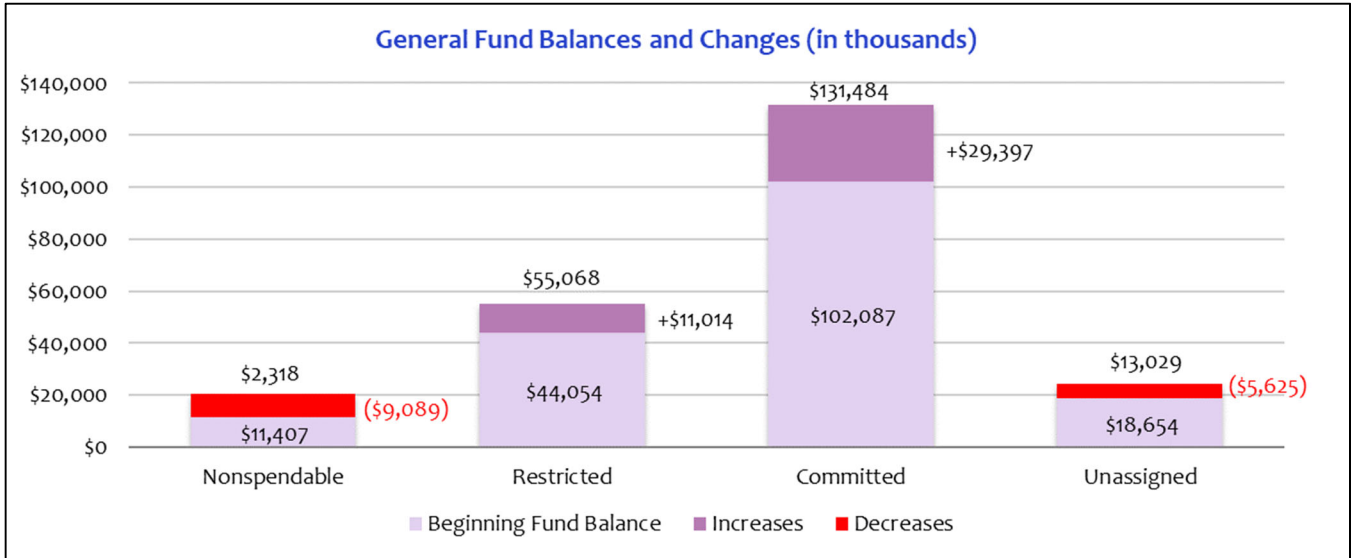
At June 30, 2020, the County's Governmental Funds reported total fund balance of \$435,183, a \$44,814 increase in comparison with the prior year's total ending fund balances. The components of total fund balance are as follows (for more information see Note 14 – Fund Balances):

- *Nonspendable Fund Balance*, \$2,318, 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*, \$261,140, 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*, \$158,696, 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*, \$13,029, represents the residual balance for the County's General Fund.

Approximately 99.5%, or \$432,865, 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 fund balance equates to 51.5% of total General Fund expenditures while spendable fund balance equates to 50.9% of total General Fund expenditures.



Included in the balances above are the following:

- Nonspendable fund balance includes:
 - \$2,268 for Receivables; and
 - \$50 for Prepaid and deposits.
- Some significant restricted fund balance amounts of the General Fund include:
 - \$16,982 for Realignment funds for Public Safety, Health, and Social programs;
 - \$9,528 for (Teeter) Property Tax Loss Reserves;
 - \$4,251 for Probation Youth Offender Block Grant; and
 - \$2,425 for Public Safety Proposition 172.
- Some significant committed fund balance amounts of the General Fund include:
 - \$35,645 Strategic Reserve earmarked for severe economic downturns and emergencies;
 - \$22,954 for Disaster Recovery; and
 - \$12,499 for North Branch Jail operations.
- Unassigned fund balance of \$13,029 is available for future discretionary appropriation by the Board.

The remaining \$82,268 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

The General Fund's total fund balance increased by 14.6%, or \$25,697 to \$201,899 at June 30, 2020. A substantial portion of the increase to spendable fund balances was in the Disaster Recovery, and Cannabis committed fund balances.

Nonspendable fund balance decreased \$9,089 to \$2,318 primarily due to a change in the presentation of the amounts of reserve for property tax losses under the Teeter Plan from nonspendable fund balance to restricted.

The spendable fund balances increased \$34,786 to \$199,581 primarily in the following areas:

- Restricted fund balance
 - \$9,089 from the reclassification of reserves for property tax losses under the Teeter Plan;
 - \$1,730 from asset forfeitures;
 - \$752 for supplemental law enforcement services; and
- Committed fund balance
 - \$14,007 for disaster recovery projects;
 - \$8,187 from cannabis; and
 - \$3,150 for various County capital projects.
- Unassigned fund balance
 - General Fund unassigned fund balance decreased \$5,625 from the prior year. The decrease is primarily attributable to the funding of various County capital projects.

Major Funds

As compared with the prior year, the total fund balances of the major funds increased 4.5%, or \$8,271, to \$191,928 with the following significant changes:

- The Roads Fund, with expenditures of \$38,953, finished the year with an increase to fund balance of \$9,315, or 37.9%, to \$33,883, primarily due to the receipt of SCE settlement funds for the Thomas Fire and Montecito Debris Flow.
- The Flood Control District Fund, with expenditures of \$17,212, finished the year with an increase to fund balance of \$8,323, or 13.2%, to \$71,540, primarily due to the receipt of SCE settlement and federal disaster recovery funds for the Thomas Fire and Montecito Debris Flow.
- The Capital Projects Fund, with expenditures of \$16,110, finished the year with an increase to fund balance of \$6,800, or 58.6%, to \$18,413, primarily due to the receipt of funds from the General Fund for various County capital projects.
- The Public Health Fund, with expenditures of \$82,139, finished the year with a decrease to fund balance of \$8,161, or 30.7%, to \$18,392, primarily due to a transfer out of tobacco settlement fund balance into a new special revenue fund.
- The Behavioral Wellness Fund, with expenditures of \$116,186, finished the year with a decrease to fund balance of \$6,797, or 39.7%, to \$10,342, primarily due to the use of fund balance to cover operations as a result of lower than expected Charges for Services revenue.
- The remaining net decreases totaled \$1,209 across the other three major funds and were principally related to decreased State and federal revenues for various programs.

Other Governmental Funds

The fund balances of nonmajor governmental funds as a whole increased \$10,846, or 35.5%, to \$41,356. The following were significant changes:

- Beginning in FY 19-20 the activities of \$234 and fund balance of \$7,429 of the Tobacco Settlement fund, which were previously reported in the Public Health Special Revenue Fund, are now accounted for in a new special revenue fund.
- The Water Agency fund balance increased by \$1,636 as a result of increases in tax revenue and positive operations from savings in other charges.
- The remaining net increases totaled \$1,547 across the other 17 nonmajor funds and were principally related to results of operations.

Proprietary Funds

Proprietary funds are County operations 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.

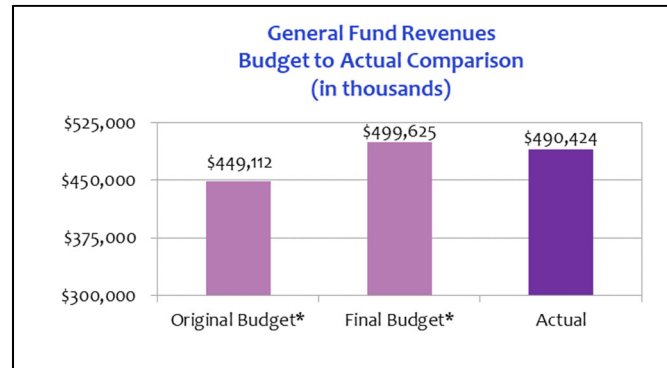
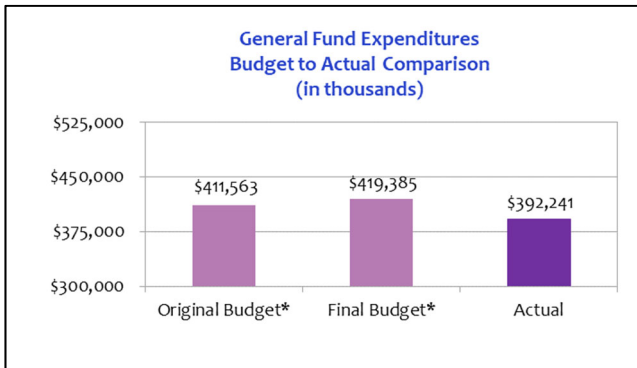
The County has five internal services funds: Information Technology, Vehicle Operations, Risk Management, Communication, and Utilities. The net position and activities of the internal services funds are proportionally allocated between governmental and business-type activities in the entitywide statements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

Total internal service funds' net position increased by \$1,582, or 2.7%, to \$60,746. The total increase in net position is primarily due to positive results of operations and salary savings in all of the internal services funds other than the Risk Management and Insurance Funds which saw a decrease of \$54, or 7.0%, from the prior year, primarily due to increases in self-insurance claims and claim liabilities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The variance between the final budget and actual expenditures resulted in \$27,144 of unspent appropriations. Key variances are as follows: \$14,576 resulting from unspent appropriations for services and supplies, and other charges across all functions; salary and benefit cost savings of approximately \$9,493 resulting from unfilled positions; and \$3,074 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.

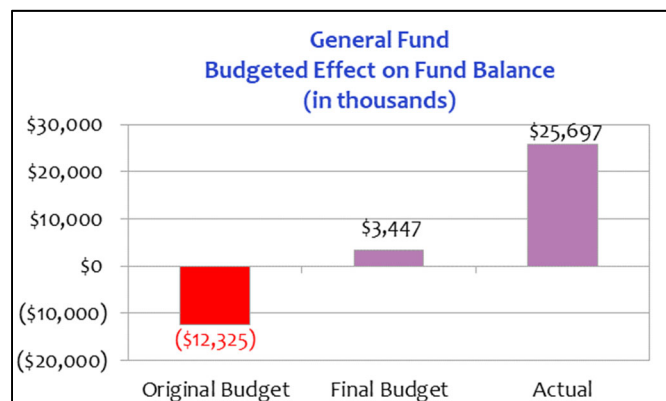
Expenditures: The County’s actual appropriations for the General Fund were less than the final budget by \$27,143, or 6.5%. The major causes were as follows:

- Services and supplies appropriations were \$13,409 lower than the final budget primarily related to contractual and professional services for disaster activation, jail operations, and planning and development projects.
- Salaries and benefit appropriations were \$9,493 lower than the final budget primarily due to position vacancies.
- Capital asset appropriations were \$3,074 lower than the final budget primarily due to a delay in the implementation of a new voting tabulation system.

Revenues: General Fund actual revenues were \$9,201 less than the total adjusted budget primarily due to less than anticipated Charges for Services, and Intergovernmental Revenue from the State due to COVID-19. These decreases were offset by favorable tax revenue collection and unrealized gains in the County’s treasury.

The General Fund Budget to Actual schedule can be found on page 121 of this report.

Fund Balance: The General Fund’s equity position increased by \$25,697, versus the adjusted budget plan to increase fund equity by \$3,447. 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 20-21:

COVID-19 will impact the County's FY 20-21 revenues and expenditures. However, it is difficult to project the impact it will have during the year. The County's budget projects the use of cannabis tax revenue and Strategic Reserve balances to fill certain gaps created by COVID-19 since few budget reductions were made.

Total Governmental Fund revenues show an increase of 1.3%, or \$13,087 comparing FY 20-21 budget to FY 19-20 actual revenues. The FY 20-21 budget shows a decrease in General Fund total revenues of 9.65%, or \$47,224, compared to FY 19-20 actual revenues.

The budget appropriations for total Governmental Fund expenditures for FY 20-21 includes a 14.78%, or \$144,859, increase when compared to FY 19-20 actuals. Although no budget expansions were made given the COVID environment, commitments for salary and benefit increases and continuing certain capital projects were prioritized for the new budget year. These continued commitments are causing the FY 20-21 budget growth over FY 19-20 actuals. If FY 20-21 revenue sources do not remain stable and fund balances are also not adequate enough to support expenditures, appropriations will be adjusted accordingly.

In May, the Governor revised the State's FY 20-21 budget which indicates a deficit of \$54.3 billion. At this time, the extent of the impact of this to the County is unknown. However, the State's adopted budget includes \$46.1M of federal Coronavirus Aid, Relief, and Economic Security Act or, CARES Act, funding that will be passed through from the State to the County for COVID-19 public health and safety activities.

As of June 30, 2020, the recommended available spendable General Fund balance is projected to be \$144,659. Of this amount, \$31,753 is Restricted and \$111,212 is Committed but remains available for appropriation. The County's General Fund is projected to end with \$1,694 of Unassigned fund balance. The County's Recommended performance-based FY 20-21 budget and the County's Five-Year Capital Improvement Program can be found at 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 Comprehensive Annual 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.



Basic Financial Statements

COUNTY OF SANTA BARBARA, CALIFORNIA
STATEMENT OF NET POSITION
GOVERNMENTWIDE
June 30, 2020 (in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	First 5 Children and Families Commission
Assets				
Cash and investments (Note 3)	\$ 441,339	\$ 132,321	\$ 573,660	\$ 5,317
Accounts receivable, net:				
Taxes	36,322	--	36,322	--
Licenses, permits, and franchises	981	254	1,235	--
Fines, forfeitures, and penalties	210	--	210	--
Use of money and property	1,663	395	2,058	17
Intergovernmental	57,461	377	57,838	441
Charges for services	31,469	4,167	35,636	--
Other	541	--	541	27
Internal balances	662	(662)	--	--
Inventories	238	247	485	--
Prepaid items	328	--	328	--
Notes receivable (Note 5)	10,065	--	10,065	--
Other receivables	9,612	1,036	10,648	7
Restricted cash and investments (Note 4)	26,566	39,652	66,218	--
Housing loans receivable (Note 5)	47,485	--	47,485	--
Housing loans interest receivable (Note 5)	10,305	--	10,305	--
Capital assets, not being depreciated/amortized (Note 6)	319,628	128,900	448,528	--
Capital assets, net of accumulated depreciation/amortization (Note 6)	500,693	73,197	573,890	--
Total assets	<u>1,495,568</u>	<u>379,884</u>	<u>1,875,452</u>	<u>5,809</u>
Deferred outflows of resources				
Deferred payables (Note 1)	607	--	607	--
Deferred pensions (Note 19)	191,330	3,555	194,885	350
Deferred OPEB (Note 20)	13,575	298	13,873	40
Total deferred outflows of resources	<u>205,512</u>	<u>3,853</u>	<u>209,365</u>	<u>390</u>
Liabilities				
Accounts payable	22,231	12,698	34,929	322
Salaries and benefits payable	27,497	543	28,040	49
Interest payable	160	596	756	--
Other payables	2,352	3,147	5,499	--
Advances from grantors and third parties (Note 8)	45,025	--	45,025	--
Unearned revenue	1,582	--	1,582	--
Customer deposits payable	14,218	23	14,241	--
Long-term liabilities (Note 10):				
Portion due within one year:				
Compensated absences (Note 10)	31,816	731	32,547	51
Capital lease obligations (Note 9)	143	--	143	--
Certificates of participation, net (Note 10)	1,430	495	1,925	--
Other short-term obligations (Note 10)	2,324	127	2,451	--
Bonds and notes payable (Note 10)	3,200	839	4,039	--
Liability for self-insurance claims (Note 11)	4,568	--	4,568	--
Landfill closure/postclosure care costs (Note 13)	--	1,102	1,102	--
Portion due in more than one year:				
Compensated absences (Note 10)	8,221	65	8,286	12
Capital lease obligations (Note 9)	932	--	932	--
Certificates of participation, net (Note 10)	23,480	164,542	188,022	--
Other long-term obligations (Note 10)	598	--	598	--
Bonds and notes payable (Note 10)	5,315	2,674	7,989	--
Liability for self-insurance claims (Note 10)	6,063	--	6,063	--
Estimated litigation liability (Note 14)	331	--	331	--
Landfill closure/postclosure care costs (Note 13)	--	32,200	32,200	--
Net pension liability (Note 19)	773,675	14,373	788,048	1,417
Net OPEB liability (Note 20)	106,899	2,352	109,251	317
Total liabilities	<u>1,082,060</u>	<u>236,507</u>	<u>1,318,567</u>	<u>2,168</u>
Deferred inflows of resources				
Deferred service concession arrangements (Note 7)	33,236	--	33,236	--
Deferred housing loan payments (Note 5)	6,036	--	6,036	--
Deferred pensions (Note 19)	41,287	767	42,054	76
Deferred OPEB (Note 20)	3,895	85	3,980	12
Total deferred inflows of resources	<u>84,454</u>	<u>852</u>	<u>85,306</u>	<u>88</u>
Net position				
Net investment in capital assets	755,491	88,655	844,146	--
Restricted for (Note 15):				
Policy & executive	1,164	--	1,164	--
Public safety	66,293	--	66,293	--
Health & public assistance	37,386	--	37,386	--
Community resources & public facilities	187,676	--	187,676	--
General government & support services	4,833	--	4,833	--
General county programs	19,405	--	19,405	--
Unrestricted	(537,682)	57,723	(479,959)	3,943
Total net position	<u>\$ 534,566</u>	<u>\$ 146,378</u>	<u>\$ 680,944</u>	<u>\$ 3,943</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, 2020 (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	\$ 22,113	\$ (3,039)	\$ 19,074	\$ 5,343	\$ 2,076	\$ --	\$ (11,655)	\$ --	\$ (11,655)	
Public safety	368,792	7,273	376,065	55,358	84,717	--	(235,990)	--	(235,990)	
Health & public assistance	390,384	6,625	397,009	104,073	243,901	--	(49,035)	--	(49,035)	
Community resources & public facilities	118,761	3,687	122,448	32,483	43,025	81	(46,859)	--	(46,859)	
General government & support services	61,427	(15,133)	46,294	15,550	3,346	--	(27,398)	--	(27,398)	
General county programs	1,792	27	1,819	41,386	3,683	--	43,250	--	43,250	
Interest on long-term debt	1,772	--	1,772	--	--	--	(1,772)	--	(1,772)	
Total governmental activities	965,041	(560)	964,481	254,193	380,748	81	(329,459)	--	(329,459)	
Business-type activities:										
Resource Recovery	33,871	387	34,258	38,096	4,022	--	--	7,860	7,860	
Laguna Sanitation	7,183	173	7,356	15,228	231	--	--	8,103	8,103	
Total business-type activities	41,054	560	41,614	53,324	4,253	--	--	15,963	15,963	
Total primary government	\$ 1,006,095	\$ --	\$ 1,006,095	\$ 307,517	\$ 385,001	\$ 81	\$ (329,459)	\$ 15,963	\$ (313,496)	
Component unit:										
First 5 Children and Families Comm.	\$ 3,365	\$ --	\$ 3,365	\$ 45	\$ 3,829	\$ --	--	--	--	\$ 509
General Revenues:										
Taxes:										
Property							219,388	--	219,388	--
Sales							13,175	--	13,175	--
Transient occupancy							10,182	--	10,182	--
Cannabis							12,182	--	12,182	--
Payments in-lieu of taxes							2,037	--	2,037	--
Franchise fees							3,509	--	3,509	--
Other general revenues							496	--	496	--
Restricted for community resources and public facilities:										--
Sales tax, allocated to roads							5,893	--	5,893	--
Property tax, levied for flood control districts							11,883	--	11,883	--
Property tax, levied for county service areas							1,542	--	1,542	--
Property tax, levied for water agency							3,108	--	3,108	--
Property tax, levied for lighting districts							557	--	557	--
Property tax, levied for community facilities districts							795	--	795	--
Property tax, residual distribution from the redevelopment property tax trust fund							14,089	--	14,089	--
Restricted for public safety:										--
Property tax, levied for fire district							57,788	--	57,788	--
Unrestricted investment earnings							3,484	2,109	5,593	96
Gain on sale of capital assets							--	22	22	--
Transfers							21	(21)	--	--
Total general revenues and transfers							360,129	2,110	362,239	96
Change in net position							30,670	18,073	48,743	605
Net position - beginning							503,896	128,305	632,201	3,338
Net position - ending							\$ 534,566	\$ 146,378	\$ 680,944	\$ 3,943

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

COUNTY OF SANTA BARBARA, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020 (in thousands)

	General	Roads	Public Health	Social Services	Behavioral Wellness
Assets and deferred outflows of resources					
Assets:					
Cash and investments (Note 3)	\$ 141,388	\$ 36,402	\$ 14,909	\$ 5,011	\$ 3,769
Accounts receivable, net:					
Taxes	36,322	--	--	--	--
Licenses, permits, and franchises	981	--	--	--	--
Fines, forfeitures, and penalties	37	--	--	--	--
Use of money and property	634	117	45	21	138
Intergovernmental	13,829	5,419	5,588	18,349	9,762
Charges for services	4,153	337	2,308	--	15,167
Other	333	--	54	--	67
Due from other funds (Note 17)	11,965	25	--	420	--
Prepaid items	50	--	--	278	--
Other receivables	5,164	--	--	--	1,472
Restricted cash and investments (Note 4)	23,763	--	--	--	--
Housing loans receivable	--	--	--	--	2,410
Housing loans interest receivable	--	--	--	--	131
Total assets	<u>238,619</u>	<u>42,300</u>	<u>22,904</u>	<u>24,079</u>	<u>32,916</u>
Deferred outflows of resources:					
Deferred payables (Note 1)	--	--	--	607	--
Total assets and deferred outflows of resources	<u>\$ 238,619</u>	<u>\$ 42,300</u>	<u>\$ 22,904</u>	<u>\$ 24,686</u>	<u>\$ 32,916</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	\$ 4,820	\$ 809	\$ 1,165	\$ 1,521	\$ 7,425
Salaries and benefits payable	13,686	686	2,807	3,557	2,184
Other payables	173	71	388	8	2,108
Advances from grantors and third parties (Note 8)	1,628	6,798	148	14,630	227
Unearned revenue	1,582	--	--	--	--
Due to other funds (Note 17)	476	--	4	--	8,088
Customer deposits payable	14,158	53	--	--	--
Total liabilities	<u>36,523</u>	<u>8,417</u>	<u>4,512</u>	<u>19,716</u>	<u>20,032</u>
Deferred inflows of resources:					
Deferred housing loan payments (Note 5)	--	--	--	--	2,542
Deferred miscellaneous unavailable revenue (Note 1)	197	--	--	--	--
Total deferred inflows of resources	<u>197</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,542</u>
Fund balances (Note 14):					
Nonspendable	2,318	--	--	--	--
Restricted	55,068	33,883	18,392	2,464	10,342
Committed	131,484	--	--	2,506	--
Unassigned	13,029	--	--	--	--
Total fund balances	<u>201,899</u>	<u>33,883</u>	<u>18,392</u>	<u>4,970</u>	<u>10,342</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 238,619</u>	<u>\$ 42,300</u>	<u>\$ 22,904</u>	<u>\$ 24,686</u>	<u>\$ 32,916</u>

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

Flood Control District	Affordable Housing	Fire Protection District	Capital Projects	Other Governmental Funds	Total Governmental Funds	
						Assets and deferred outflows of resources
						Assets:
\$ 71,404	\$ 17,100	\$ 23,624	\$ 29,345	\$ 41,789	\$ 384,741	Cash and investments (Note 3)
--	--	--	--	--	36,322	Accounts receivable, net:
--	--	--	--	--	981	Taxes
--	--	--	--	173	210	Licenses, permits, and franchises
213	49	75	78	124	1,494	Fines, forfeitures, and penalties
369	1,474	270	1,564	837	57,461	Use of money and property
--	--	9,218	1	174	31,358	Intergovernmental
--	--	11	--	76	541	Charges for services
--	--	--	--	480	12,890	Other
--	--	--	--	--	328	Due from other funds (Note 17)
105	--	1,004	--	55	7,800	Prepaid items
--	1,376	--	--	1,417	26,556	Other receivables
--	45,075	--	--	--	47,485	Restricted cash and investments (Note 4)
--	10,174	--	--	--	10,305	Housing loans receivable
72,091	75,248	34,202	30,988	45,125	618,472	Housing loans interest receivable
						Total assets
						Deferred outflows of resources:
--	--	--	--	--	607	Deferred payables (Note 1)
\$ 72,091	\$ 75,248	\$ 34,202	\$ 30,988	\$ 45,125	\$ 619,079	Total assets and deferred outflows of resource
						Liabilities, deferred inflows of resources, and fund balances
						Liabilities:
\$ 239	\$ 1,532	\$ 1,017	\$ 1,248	\$ 896	\$ 20,672	Accounts payable
254	--	3,401	--	450	27,025	Salaries and benefits payable
58	10	--	134	--	2,950	Other payables
--	11,235	2,256	8,103	--	45,025	Advances from grantors and third parties (Note 8)
--	--	--	--	--	1,582	Unearned revenue
--	358	--	1,545	2,419	12,890	Due to other funds (Note 17)
--	--	3	--	4	14,218	Customer deposits payable
551	13,135	6,677	11,030	3,769	124,362	Total liabilities
						Deferred inflows of resources:
--	55,250	--	--	--	57,792	Deferred housing loan payments (Note 5)
--	--	--	1,545	--	1,742	Deferred miscellaneous unavailable revenue (Note 1)
--	55,250	--	1,545	--	59,534	Total deferred inflows of resources
						Fund balances (Note 14):
--	--	--	--	--	2,318	Nonspendable
71,540	6,863	27,525	1,918	33,145	261,140	Restricted
--	--	--	16,495	8,211	158,696	Committed
--	--	--	--	--	13,029	Unassigned
71,540	6,863	27,525	18,413	41,356	435,183	Total fund balances
						Total liabilities, deferred inflows of resources, and fund balances
\$ 72,091	\$ 75,248	\$ 34,202	\$ 30,988	\$ 45,125	\$ 619,079	

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

Total fund balances - governmental funds	\$ 435,183
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance Sheet.	787,439
Note receivable for governmental activities from the RDA Successor Agency private-purpose trust fund.	10,065
Other receivable not due in the current period is not a current financial resource, therefore, it is not reported in the Balance Sheet.	1,492
Deferred outflows of resources reported in the Statement of Net Position.	201,760
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet.	(938,397)
Accrued interest on long-term debt.	(160)
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.	59,534
Deferred inflows of resources reported in the Statement of Net Position.	(83,758)
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.	60,746
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.	662
Net position of governmental activities	\$ 534,566

COUNTY OF SANTA BARBARA, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED June 30, 2020 (in thousands)

	General	Roads	Public Health	Social Services	Behavioral Wellness
Revenues					
Taxes	\$ 263,967	\$ 7,843	\$ --	\$ --	\$ --
Licenses, permits, and franchises	16,636	502	55	57	--
Fines, forfeitures, and penalties	8,922	--	592	11	41
Use of money and property	5,044	555	263	238	497
Intergovernmental	91,416	22,104	23,131	146,091	52,783
Charges for services	71,030	1,505	47,567	96	46,505
Other	33,409	148	190	691	3,020
Total revenues	490,424	32,657	71,798	147,184	102,846
Expenditures					
Current:					
Policy & executive	21,046	--	--	--	--
Public safety	246,753	--	--	--	--
Health & public assistance	11,785	--	82,139	156,873	116,186
Community resources & public facilities	52,584	38,953	--	--	--
General government & support services	57,243	--	--	--	--
General county programs	2,821	--	--	--	--
Debt service:					
Principal	--	--	--	--	--
Interest	9	--	--	--	--
Capital outlay	--	--	--	--	--
Total expenditures	392,241	38,953	82,139	156,873	116,186
Excess (deficiency) of revenues over (under) expenditures	98,183	(6,296)	(10,341)	(9,689)	(13,340)
Other financing sources (uses)					
Transfers in (Note 17)	6,454	15,774	9,705	8,718	7,516
Transfers out (Note 17)	(78,948)	(223)	(7,525)	(1,324)	(974)
Sale of capital assets	8	60	--	--	1
Total other financing sources (uses)	(72,486)	15,611	2,180	7,394	6,543
Net change in fund balances	25,697	9,315	(8,161)	(2,295)	(6,797)
Fund balances - beginning	176,202	24,568	26,553	7,265	17,139
Fund balances - ending	\$ 201,899	\$ 33,883	\$ 18,392	\$ 4,970	\$ 10,342

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	
\$ 12,631	\$ --	\$ 59,158	\$ --	\$ 6,221	\$ 349,820	Revenues
17	--	21	--	8	17,296	Taxes
1	--	6	--	3,392	12,965	Licenses, permits, and franchises
1,333	314	330	315	1,344	10,233	Fines, forfeitures, and penalties
4,337	7,797	1,473	206	19,987	369,325	Use of money and property
3,909	571	24,440	503	4,036	200,162	Intergovernmental
1,261	816	1,375	--	7,264	48,174	Charges for services
23,489	9,498	86,803	1,024	42,252	1,007,975	Other
						Total revenues
						Expenditures
						Current:
--	--	--	--	--	21,046	Policy & executive
--	--	84,857	--	16,717	348,327	Public safety
--	--	--	--	19,448	386,431	Health & public assistance
17,212	6,942	--	--	5,777	121,468	Community resources & public facilities
--	--	--	--	91	57,334	General government & support services
--	--	--	--	121	2,942	General county programs
						Debt service:
--	--	--	--	4,034	4,034	Principal
--	--	--	--	1,657	1,666	Interest
--	--	--	16,110	--	16,110	Capital outlay
17,212	6,942	84,857	16,110	47,845	959,358	Total expenditures
						Excess (deficiency) of revenues over (under) expenditures
6,277	2,556	1,946	(15,086)	(5,593)	48,617	
						Other financing sources (uses)
2,048	70	457	22,157	23,513	96,412	Transfers in (Note 17)
(25)	(1,647)	(2,317)	(271)	(7,074)	(100,328)	Transfers out (Note 17)
23	--	21	--	--	113	Sale of capital assets
2,046	(1,577)	(1,839)	21,886	16,439	(3,803)	Total other financing sources (uses)
8,323	979	107	6,800	10,846	44,814	Net change in fund balances
63,217	5,884	27,418	11,613	30,510	390,369	Fund balances - beginning
\$ 71,540	\$ 6,863	\$ 27,525	\$ 18,413	\$ 41,356	\$ 435,183	Fund balances - ending

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

Net change in fund balances - governmental funds	\$ 44,814
<u>Capital assets:</u>	
The acquisition of capital assets uses current financial resources but has no effect on net position.	33,624
The cost of capital assets is allocated over their estimated useful lives and reported as depreciation/amortization expense in the Statement of Activities.	(19,082)
Proceeds from the sale of capital assets provide current financial resources but have no effect on net position.	(113)
Net gain on the disposal of capital assets does not affect current financial resources but increases net position.	113
<u>Long-term debt:</u>	
Principal payments on long-term debt use current financial resources but have no effect on net position.	4,034
<u>Measurement focus:</u>	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(729)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in interest payable liability	16
Change in compensated absences liability	(3,776)
Change in estimated litigation liability	1,216
Change in accrued net OPEB liability	5,542
Change in accrued net pension liability	(36,632)
Amortization of bond premiums/discounts and issuance costs	(10)
<u>Internal service funds:</u>	
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.	1,653
Change in net position of governmental activities	\$ 30,670

COUNTY OF SANTA BARBARA, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020 (in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Resource Recovery	Laguna Sanitation	Total	
Assets				
Current assets:				
Cash and investments (Note 3)	\$ 81,941	\$ 50,380	\$ 132,321	\$ 56,598
Accounts receivable, net:				
Licenses, permits, and franchises	254	--	254	--
Use of money and property	239	156	395	169
Intergovernmental	377	--	377	--
Charges for services	4,109	58	4,167	111
Inventories	211	36	247	238
Total current assets	<u>87,131</u>	<u>50,630</u>	<u>137,761</u>	<u>57,116</u>
Noncurrent assets:				
Other receivables (Note 5)	1,022	14	1,036	320
Restricted cash and investments (Note 4)	39,042	610	39,652	10
Capital assets, not being depreciated/amortized (Note 6)	114,550	14,350	128,900	--
Capital assets, net of accumulated depreciation/amortization (Note 6)	49,035	24,162	73,197	32,882
Total noncurrent assets	<u>203,649</u>	<u>39,136</u>	<u>242,785</u>	<u>33,212</u>
Total assets	<u>290,780</u>	<u>89,766</u>	<u>380,546</u>	<u>90,328</u>
Deferred outflows of resources				
Deferred pensions (Note 19)	2,820	735	3,555	2,904
Deferred OPEB (Note 20)	238	60	298	241
Total deferred outflows of resources	<u>3,058</u>	<u>795</u>	<u>3,853</u>	<u>3,145</u>
Liabilities				
Current liabilities:				
Accounts payable	9,561	3,137	12,698	1,559
Salaries and benefits payable	430	113	543	472
Interest payable	580	16	596	--
Other payables	2,913	234	3,147	--
Customer deposits payable	--	23	23	--
Compensated absences (Note 10)	579	152	731	647
Certificates of participation payable (Note 10)	495	--	495	--
Other Short - Term Liabilities	127	--	127	2,324
Bonds and notes payable (Note 10)	--	839	839	355
Liability for self-insurance claims (Note 11)	--	--	--	4,568
Landfill closure/postclosure care costs (Note 13)	1,102	--	1,102	--
Total current liabilities	<u>15,787</u>	<u>4,514</u>	<u>20,301</u>	<u>9,925</u>
Noncurrent liabilities:				
Compensated absences (Note 10)	51	14	65	222
Certificates of participation payable, net (Note 10)	164,542	--	164,542	--
Bonds and notes payable (Note 10)	--	2,674	2,674	2,185
Liability for self-insurance claims (Note 11)	--	--	--	6,063
Landfill closure/postclosure care costs (Note 13)	32,200	--	32,200	--
Net pension liability (Note 19)	11,402	2,971	14,373	11,745
Net OPEB liability (Note 20)	1,877	475	2,352	1,891
Total noncurrent liabilities	<u>210,072</u>	<u>6,134</u>	<u>216,206</u>	<u>22,106</u>
Total liabilities	<u>225,859</u>	<u>10,648</u>	<u>236,507</u>	<u>32,031</u>
Deferred inflows of resources				
Deferred pensions (Note 19)	608	159	767	627
Deferred OPEB (Note 20)	68	17	85	69
Total deferred inflows of resources	<u>676</u>	<u>176</u>	<u>852</u>	<u>696</u>
Net position				
Net investment in capital assets	53,891	34,764	88,655	30,343
Unrestricted	13,412	44,973	58,385	30,403
Total net position	<u>\$ 67,303</u>	<u>\$ 79,737</u>	<u>147,040</u>	<u>\$ 60,746</u>
			(662)	
Adjustment to reflect the allocation of the internal service funds' cumulative net loss				
Net position of business-type activities			<u>\$ 146,378</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, 2020 (in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Resource Recovery	Laguna Sanitation	Total	
Operating revenues				
Charges for services	\$ 33,853	\$ 15,208	\$ 49,061	\$ 66,238
Sale of scrap and recyclables	30	--	30	--
Self-insurance recovery	--	--	--	1,525
Other operating revenues	4,213	19	4,232	298
Total operating revenues	<u>38,096</u>	<u>15,227</u>	<u>53,323</u>	<u>68,061</u>
Operating expenses				
Salaries and benefits	9,974	2,544	12,518	10,621
Services and supplies	6,584	2,699	9,283	38,272
Self-insurance claims	--	--	--	15,172
Contractual services	6,575	533	7,108	672
Depreciation and amortization	2,724	1,212	3,936	6,231
County overhead allocation	387	173	560	853
Closure/postclosure care costs	1,102	--	1,102	--
Total operating expenses	<u>27,346</u>	<u>7,161</u>	<u>34,507</u>	<u>71,821</u>
Operating income (loss)	<u>10,750</u>	<u>8,066</u>	<u>18,816</u>	<u>(3,760)</u>
Non-operating revenues (expenses)				
Use of money and property	2,954	1,017	3,971	1,330
Interest expense	(6,768)	(159)	(6,927)	(111)
Gain (loss) on sale of assets	5	19	24	(279)
Settlements and damages	(110)	--	(110)	--
State and federal aid	472	--	472	--
Other non-operating revenues	1,751	168	1,919	465
Total non-operating revenues (expenses), net	<u>(1,696)</u>	<u>1,045</u>	<u>(651)</u>	<u>1,405</u>
Income (loss) before transfers	<u>9,054</u>	<u>9,111</u>	<u>18,165</u>	<u>(2,355)</u>
Transfers in (Note 17)	--	--	--	3,983
Transfers out (Note 17)	(21)	--	(21)	(46)
Total transfers, net	<u>(21)</u>	<u>--</u>	<u>(21)</u>	<u>3,937</u>
Change in net position	<u>9,033</u>	<u>9,111</u>	<u>18,144</u>	<u>1,582</u>
Total net position - beginning	58,270	70,626	128,896	59,164
Total net position - ending	<u>\$ 67,303</u>	<u>\$ 79,737</u>	<u>\$ 147,040</u>	<u>\$ 60,746</u>
Change in net position - total enterprise funds			\$ 18,144	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(71)	
Change in net position of business-type activities			<u>\$ 18,073</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, 2020 (in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Resource Recovery	Laguna Sanitation	Total	
Cash flows from operating activities				
Receipts from interfund services provided	\$ --	\$ --	\$ --	\$ 66,463
Receipts from self-insurance recovery	--	--	--	1,525
Receipts from customers and users	36,858	15,217	52,075	--
Payments to employees	(9,622)	(2,406)	(12,028)	(9,834)
Payments to suppliers	(9,536)	(279)	(9,815)	(39,217)
Payments for self-insurance claims	--	--	--	(23,584)
County overhead allocation payments to the General Fund	(387)	(173)	(560)	(853)
Other receipts	1,751	102	1,853	465
Net cash provided (used) by operating activities	<u>19,064</u>	<u>12,461</u>	<u>31,525</u>	<u>(5,035)</u>
Cash flows from noncapital financing activities				
Transfers from other funds	--	--	--	3,983
Transfers to other funds	(21)	--	(21)	(46)
Payment on landfill settlement	(110)	--	(110)	--
Negative cash balance implicitly financed	127	--	127	--
State and federal aid	472	--	472	--
Net cash provided by noncapital financing activities	<u>468</u>	<u>--</u>	<u>468</u>	<u>3,937</u>
Cash flows from capital and related financing activities				
Purchase of capital assets	(56,443)	(7,017)	(63,460)	(5,999)
Proceeds from sale of capital assets	5	19	24	215
Principal paid on certificates of participation	(837)	--	(837)	--
Interest and fees paid on certificates of participation	(7,363)	--	(7,363)	--
Principal paid on bonds and notes payable	--	(821)	(821)	(350)
Interest and fees paid on bonds and notes payable	--	(161)	(161)	(111)
Federal interest subsidy on bonds payable	--	66	66	--
Net cash used by capital and related financing activities	<u>(64,638)</u>	<u>(7,914)</u>	<u>(72,552)</u>	<u>(6,245)</u>
Cash flows from investing activities				
Use of money and property received	2,663	893	3,556	1,301
Changes in fair value of investments	352	192	544	171
Net cash provided by investing activities	<u>3,015</u>	<u>1,085</u>	<u>4,100</u>	<u>1,472</u>
Net change in cash and cash equivalents	(42,091)	5,632	(36,459)	(5,871)
Cash and cash equivalents - beginning	163,074	45,358	208,432	62,479
Cash and cash equivalents - ending	<u>\$ 120,983</u>	<u>\$ 50,990</u>	<u>\$ 171,973</u>	<u>\$ 56,608</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position				
Cash and investments per Statement of Net Position	\$ 81,941	\$ 50,380	\$ 132,321	\$ 56,598
Restricted cash and investments per Statement of Net Position	39,042	610	39,652	10
Total cash and cash equivalents per Statement of Net Position	<u>\$ 120,983</u>	<u>\$ 50,990</u>	<u>\$ 171,973</u>	<u>\$ 56,608</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 10,750	\$ 8,066	\$ 18,816	\$ (3,760)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	2,724	1,212	3,936	6,231
Other non-operating revenue	1,751	102	1,853	465
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:				
Accounts and other receivables	(1,234)	2	(1,232)	(77)
Inventories	(32)	(10)	(42)	--
Accounts payable	3,655	2,963	6,618	(273)
Salaries and benefits payable	349	137	486	791
Customer deposits	--	(11)	(11)	--
Liability for self-insurance claims	--	--	--	(8,412)
Landfill closure/postclosure care cost liability	1,101	--	1,101	--
Net cash provided (used) by operating activities	<u>\$ 19,064</u>	<u>\$ 12,461</u>	<u>\$ 31,525</u>	<u>\$ (5,035)</u>
Noncash investing, capital, and financing activities	\$ --	\$ --	\$ --	\$ --

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, 2020 (in thousands)

	Investment Trust Fund	Private-Purpose Trust Fund	Agency Funds
Assets			
Cash and investments (Note 3)	\$ 1,033,843	\$ 1,463	\$ 85,263
Interest receivable	3,298	2	403
Restricted cash and investments (Note 4)	--	1,425	--
Total assets	<u>1,037,141</u>	<u>2,890</u>	<u>\$ 85,666</u>
Liabilities			
Accounts payable	--	--	\$ 8,229
Funds held as agent for others	--	--	77,437
Note payable	--	10,065	--
Total liabilities	<u>--</u>	<u>10,065</u>	<u>\$ 85,666</u>
Net position			
Held in trust for:			
External pool participants	1,037,141	--	
Redevelopment agency dissolution	--	(7,175)	
Net position (deficit) held in trust	<u>\$ 1,037,141</u>	<u>\$ (7,175)</u>	

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

COUNTY OF SANTA BARBARA, CALIFORNIA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED June 30, 2020 (in thousands)

	Investment Trust Fund	Private-Purpose Trust Fund
Additions		
Contributions:		
Contributions to pooled investments	\$ 5,076,433	\$ --
Redevelopment Agency Property Tax Trust Fund	--	1,413
Total contributions	<u>5,076,433</u>	<u>1,413</u>
Interest and investment revenue:		
Use of money and property	16,151	22
Total interest and investment revenue	<u>16,151</u>	<u>22</u>
Total additions	<u>5,092,584</u>	<u>1,435</u>
Deductions		
Benefit distributions:		
Distributions from pooled investments	5,149,156	--
Total benefits paid	<u>5,149,156</u>	<u>--</u>
Obligation retirements:		
Interest on note payable	--	479
Total obligation retirements	<u>--</u>	<u>479</u>
Administrative expenses:		
County administrative expenses	--	3
Total administrative expenses	<u>--</u>	<u>3</u>
Total deductions	<u>5,149,156</u>	<u>482</u>
Change in net position	(56,572)	953
Net position (deficit) held in trust - beginning	1,093,713	(8,128)
Net position (deficit) held in trust - ending	<u>\$ 1,037,141</u>	<u>\$ (7,175)</u>

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

Notes to the Financial Statements

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

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

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.

Blended Component Units

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

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

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

Component Unit	Included in the Reporting Entity Because:	Separate Financial Statements
County Service Areas: 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.	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>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.</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>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.</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>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>
<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>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>In-Home Supportive Services Public Authority (IHSS):</i> established to act as the employer of record for IHSS individual providers. As an administrative unit, IHSS carries out functions prescribed in Welfare & Institutions Code Section 12301.6. Those functions include a provider screening process, a registry that will match eligible providers and consumers, and collective bargaining with providers and their representatives. IHSS also offers access to training for providers and consumers while continuing to allow for consumer choice in the selection of providers.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>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>

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.

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. 95	<i>"Postponement of the Effective Dates of Certain Authoritative Guidance"</i>	The requirements of this Statement are effective immediately. (FY 19/20)
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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 public assistance, 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, with the exception of agency funds, which have no measurement focus. 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 Agency funds, which account for assets held by the County as a trustee, or as an agent for individuals or other government units.

The County reports the following fiduciary 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 393 individual funds; these funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- 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).
- **Agency Funds** are custodial in nature and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds (including Clearing and Revolving Funds, Deposits Funds, Other Agency Funds, State and City Revenue Funds, and Tax Collection Funds) account for assets held by the County in an agency capacity for individuals or other government units. The County reports on 179 different agency 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) 93-94, 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, 2020, property taxes receivable of \$36,322 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

The County recognizes deferred outflows of resources and/or deferred inflows of resources in the governmentwide Statement of Net Position, governmental funds balance sheets, and proprietary funds statement of net position. 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. 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, including its discretely presented component unit, recognized deferred outflows of resources in the government-wide Statement of Net Position 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. The County recognized deferred inflows of resources in the governmentwide Statement of Net Position related to: 1) assets and future installment payments of the Service Concession Arrangements, 2) principal balance of loans with a forgiveness clause included in the housing loan receivable amount, and 3) inflows from changes related to the net pension and net OPEB liabilities.

The table below details the deferred outflows and inflows of resources related to the governmentwide Statement of Net Position as of June 30, 2020.

	Governmentwide		
	Governmental Activities	Business-Type Activities	Discrete Component Unit
Deferred Outflows of Resources			
Deferred payables - Social Services	\$ 607	\$ -	\$ -
Pensions (Note 19)	191,330	3,555	350
OPEB (Note 20)	13,575	298	40
Total Deferred Outflows of Resources	<u>\$ 205,512</u>	<u>\$ 3,853</u>	<u>\$ 390</u>
Deferred Inflows of Resources			
Service Concession Arrangements (Note 7)	\$ 33,236	\$ -	\$ -
Housing Loan Payments (Note 5)	6,036	-	-
Pensions (Note 19)	41,287	767	76
OPEB (Note 20)	3,895	85	12
Total Deferred Inflows of Resources	<u>\$ 84,454</u>	<u>\$ 852</u>	<u>\$ 88</u>

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.

The table below details the deferred outflows and inflows of resources related to the Governmental Funds Balance Sheet as of June 30, 2020.

	Governmental Funds
Deferred Outflows of Resources	
Deferred payables - Social Services	<u>\$ 607</u>
Total Deferred Outflows of Resources	<u>\$ 607</u>
Deferred Inflows of Resources	
Loan Payments	
Affordable Housing (Note 5)	\$ 55,250
Behavioral Wellness (Note 5)	2,542
Deferred miscellaneous unavailable revenue	
General (Note 5)	197
Capital Projects (Note 5)	1,545
Total Deferred Inflows of Resources	<u>\$ 59,534</u>

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 19 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, 2020, the County's Strategic Reserve fund balance was \$35,645.

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.

Reclassifications

Certain prior year balances may have been reclassified in order to conform to current year presentation. These reclassifications had no effect upon reported net position.

Future Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements will be implemented in future financial statements, as amended by Statement No. 95:

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. 87	<i>"Leases"</i>	The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. (FY 21/22)
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. 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 38)	Long-term Assets and Liabilities (1)	Internal Service Funds (2) (Page 41)	Adjustments (3)	Total Governmental Activities (Page 35)
Assets & deferred outflows of resources:					
Assets					
Cash and investments	\$ 384,741	\$ --	\$ 56,598	\$ --	\$ 441,339
Accounts receivable, net:					
Taxes	36,322	--	--	--	36,322
Licenses, permits, and franchises	981	--	--	--	981
Fines, forfeitures, and penalties	210	--	--	--	210
Use of money and property	1,494	--	169	--	1,663
Intergovernmental	57,461	--	--	--	57,461
Charges for services	31,358	--	111	--	31,469
Other	541	--	--	--	541
Due from other funds	12,890	--	--	(12,890)	--
Internal balances	--	--	--	662	662
Inventories	--	--	238	--	238
Prepaid items	328	--	--	--	328
Note receivable	--	10,065	--	--	10,065
Other receivables	7,800	1,492	320	--	9,612
Restricted cash and investments	26,556	--	10	--	26,566
Housing loans receivable	47,485	--	--	--	47,485
Housing loans interest receivable	10,305	--	--	--	10,305
Capital assets	--	787,439	32,882	--	820,321
Total assets	<u>618,472</u>	<u>798,996</u>	<u>90,328</u>	<u>(12,228)</u>	<u>1,495,568</u>
Deferred outflows of resources					
Deferred social services	607	--	--	--	607
Deferred pensions	--	188,426	2,904	--	191,330
Deferred OPEB	--	13,334	241	--	13,575
Total deferred outflows of resources	<u>607</u>	<u>201,760</u>	<u>3,145</u>	<u>--</u>	<u>205,512</u>
Total assets & deferred outflows of resources	\$ 619,079	\$ 1,000,756	\$ 93,473	\$ (12,228)	\$ 1,701,080
Liabilities, deferred inflows of resources, & fund balances/net position:					
Liabilities					
Accounts payable	\$ 20,672	\$ --	\$ 1,559	\$ --	\$ 22,231
Salaries and benefits payable	27,025	--	472	--	27,497
Interest payable	--	160	--	--	160
Other payables and long-term obligations	2,950	--	--	--	2,950
Advances from grantors and third parties	45,025	--	--	--	45,025
Unearned revenue	1,582	--	--	--	1,582
Due to other funds	12,890	--	--	(12,890)	--
Customer deposits payable	14,218	--	--	--	14,218
Compensated absences	--	39,168	869	--	40,037
Capital lease obligations	--	1,075	--	--	1,075
Certificates of participation (COP)	--	24,910	--	--	24,910
Other short-term obligations	--	--	2,324	--	2,324
Bonds and notes payable	--	5,975	2,540	--	8,515
Liability for self-insurance claims	--	--	10,631	--	10,631
Estimated litigation liability	--	331	--	--	331
Net pension liability	--	761,930	11,745	--	773,675
Net OPEB liability	--	105,008	1,891	--	106,899
Total liabilities	<u>124,362</u>	<u>938,557</u>	<u>32,031</u>	<u>(12,890)</u>	<u>1,082,060</u>
Deferred inflows of resources					
Deferred service concession arrangements	--	33,236	--	--	33,236
Deferred housing loan payments	57,792	(51,756)	--	--	6,036
Deferred pensions	--	40,660	627	--	41,287
Deferred OPEB	--	3,826	69	--	3,895
Deferred miscellaneous unavailable revenue	1,742	(1,742)	--	--	--
Total deferred inflows of resources	<u>59,534</u>	<u>24,224</u>	<u>696</u>	<u>--</u>	<u>84,454</u>
Fund balances/net position:					
Total fund balances/net position	<u>435,183</u>	<u>37,975</u>	<u>60,746</u>	<u>662</u>	<u>534,566</u>
Total liabilities, deferred inflows of resources, & fund balances/net position	\$ 619,079	\$ 1,000,756	\$ 93,473	\$ (12,228)	\$ 1,701,080

(1) Note receivable for governmental activities from the RDA Successor Agency		
Private-Purpose Trust Fund.	\$	10,065
Other receivables		1,492
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).		787,439
Deferred outflows of resources reported in the Statement of Net Position (Note 1).		201,760
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet (Note 10):		
Compensated absences (excluding Internal Service Funds)	\$	(39,168)
Capital lease obligations (excluding Internal Service Funds)		(1,075)
Certificates of participation		(24,910)
Bonds and notes payable (excluding Internal Service Funds)		(5,975)
Estimated liability for litigation		(331)
Net pension liability (excluding Internal Service Funds)		(761,930)
Net OPEB liability (excluding Internal Service Funds)		<u>(105,008)</u>
Total long-term liabilities		(938,397)
Accrued interest on long-term debt		(160)
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).		59,534
Deferred inflows of resources (excluding Internal Service Funds) reported in the Statement of Net Position (Note 1).		<u>(83,758)</u>
	\$	<u>37,975</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>60,746</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>662</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, \$500 is insured by the Federal Deposit Insurance Corporation (FDIC). The remaining \$43,595 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, 2020, the carrying amount of the Pool's deposits was \$55,395 and the corresponding bank balance was \$44,095. The difference of \$11,258 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); and the investment pools managed by a Joint Powers Authority. As of June 30, 2020, 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, 2020:

	Fair Value	% of Portfolio	Max % of Portfolio Pool Policy
Treasurer's Pooled Investments:			
CAMP	\$ 65,000	3.96%	Limited by CAMP
LAIF	75,000	4.57%	Limited by LAIF
FICA	25,000	1.52%	Limited by FICA
US Treasuries	276,435	16.83%	100%
Government Agency Bonds	328,221	19.98%	100%
Government Agency Discount Notes	384,828	23.42%	100%
Government Agency Bonds - Callable	488,350	29.72%	50%
	<u>\$ 1,642,834</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, 2020:

	Moody's	S&P	Fitch	% of Portfolio
Treasurer's Pooled Investments:				
CAMP	NR*	AAAam	NR*	3.96%
LAIF	NR*	NR*	NR*	4.57%
FICA	NR*	NR*	NR*	1.52%
Government Agency Bonds and Notes	Aaa	AA+	AAA	54.72%
Government Agency Bonds and Notes	Aaa	AA+	NR*	18.40%
US Treasury Bills and Notes	Aaa	AA+	AAA	16.83%
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, 2020 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	\$ 499,273	29.40%
Federal Home Loan Bank	Government Sponsored	302,268	17.80%
Federal Farm Credit Bank	Government Sponsored	314,603	18.53%
Federal National Mortgage Association	Government Sponsored	85,256	5.02%
		<u>\$ 1,201,400</u>	<u>70.75%</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, 2020, the weighted average days to maturity for the Pool was 491 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, 2020:

Investment earnings	\$ 31,650
Net increase in fair value of investments	5,936
Administrative expenses	<u>(2,392)</u>
Net investment income	<u>\$ 35,194</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, 2020:

Investment	Cost	Fair Value	Interest Rate Range	Maturity Range	Weighted Average Maturity
Treasurer's pooled investments:					
CAMP	\$ 65,000	\$ 65,000	0.51%	7/20 - 6/21	53
LAIF	75,000	75,000	1.14%	7/20 - 6/25	191
FICA	25,000	25,000	0.22%	1 Day	1 Day
US Treasury Bills*	119,714	119,954	Discount	7/20 - 1/21	91
US Treasury Notes	153,013	156,481	1.13% - 2.00%	7/20 - 8/24	345
Government Agency Bonds	323,102	328,221	0.25% - 2.70%	7/20 - 11/24	474
Government Agency Discount Notes*	383,227	384,828	0.10% - 1.88%	7/20 - 6/21	100
Government Agency Bonds - Callable	486,740	488,350	0.21% - 2.56%	4/21 - 6/25	1,176
Total pooled and directed investments	<u>\$ 1,630,796</u>	1,642,834			
Investments held with fiscal agents:					
US Treasury Notes		15,049	2.10%	1/21	215
Cash & Cash Equivalents		<u>48,169</u>	0.01% - 0.05%	Same Day	Same Day
Total Investments held with fiscal agents		<u>63,218</u>			
Cash in banks:					
Non-interest bearing deposits		61,078			
Cash on hand:					
		<u>59</u>			
Total cash and investments		<u>\$ 1,767,189</u>			
Total unrestricted cash and investments		\$ 1,699,546			
Total restricted cash and investments (Note 4)		<u>67,643</u>			
Total cash and investments		<u>\$ 1,767,189</u>			
Total cash and investments summary:					
Total governmental activities		\$ 467,905			
Total business-type activities		171,973			
Total discrete component unit activities		5,317			
Total fiduciary funds		<u>1,121,994</u>			
Total cash and investments		<u>\$ 1,767,189</u>			

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

The following is a reconciliation between cash and investments and the Net Position of the Treasurer's Investment Pool as of June 30, 2020:

Total cash and investments	\$ 1,767,189
Less: investments held with fiscal agents	(63,218)
Less: cash on hand	(59)
Less: purchase interest	(2)
Less: Proposition 64 cash on hand	(5,681)
Add: cash and investment interest receivable	<u>3,832</u>
Net Position of the Treasurer's Investment Pool	<u>\$ 1,702,061</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, 2020:

Statement of Net Position	
Net position held in trust	<u>\$ 1,702,061</u>
Equity of internal pool	\$ 668,218
Equity of external pool participants (voluntary and involuntary)	<u>1,033,843</u>
Total equity	<u>\$ 1,702,061</u>
Statement of Changes in Net Position	
Net position held for pool participants, July 1, 2019	\$ 1,699,178
Net change in investments by pool	<u>2,883</u>
Net position held for pool participants, June 30, 2020	<u>\$ 1,702,061</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, 2020. 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, 2020:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Debt securities				
US Treasuries	\$ 276,435	\$ --	\$ 276,435	\$ --
Government agency bonds	328,221	--	328,221	--
Government agency discount notes	384,828	--	384,828	--
Government agency bonds - callable	488,350	--	488,350	--
Total investments measured at fair value	1,477,834	\$ --	\$ 1,477,834	\$ --
Investments not subject to fair value hierarchy				
	CAMP 65,000			
	LAIF 75,000			
	FICA 25,000			
Total pooled and directed investments	\$ 1,642,834			

Investments held with fiscal agents have the following recurring fair value measurements as of June 30, 2020:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments held with fiscal agents</u>				
US Treasury Notes	\$ 15,049	\$ --	\$ 15,049	\$ --
Total investments measured at fair value	15,049	\$ --	\$ 15,049	\$ --
Investments not subject to fair value hierarchy				
	Cash & Cash Equivalents 48,169			
Total Investments held with fiscal agents	\$ 63,218			

4. RESTRICTED CASH AND INVESTMENTS

Cash and investments at June 30, 2020 that are restricted by legal or contractual requirements are comprised of the following:

Governmental Activities

General Fund		
Deposits by various developers	\$ 13,796	
Property tax loss reserve	9,528	
Court ordered restitution funds	353	
Funds for disaster recovery	84	
Total General Fund	<u>23,763</u>	\$ 23,763
Major Governmental Funds		
Energy efficiency loan loss reserve	1,376	
Total major governmental funds		1,376
Nonmajor Governmental Funds		
Debt service reserves	1,413	
Clean water plan check trust	4	
Total nonmajor governmental funds	<u>1,417</u>	1,417
Internal Service Funds		
Funds for underground tank clean-up	10	
Total internal service funds		<u>10</u>
Total governmental activities		<u>26,566</u>

Business-Type Activities

Resource Recovery Fund		
Funds for landfill site closure and maintenance costs	21,119	
Debt service reserves (see Note 10)	15,758	
Financial assurance for landfill corrective action (see Note 13)	2,108	
Financial assurance for UCSB Hazardous Household Waste Center corrective action	57	
Total Resource Recovery Fund	<u>39,042</u>	39,042
Laguna Sanitation Fund		
Financial assurance for landfill corrective action	610	
Total Laguna Sanitation Fund		<u>610</u>
Total business-type activities		<u>39,652</u>
Total restricted cash and investments*		<u>\$ 66,218</u>

*Governmental and Business-type Activities do not include \$1,425 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, 2020 is \$10,065 and the amount not expected to be collected within the next fiscal year is \$9,130.

Housing Loans Receivable and Loans Interest Receivable

A total of \$47,485 was recorded as housing loans receivable and a total of \$10,305 was recorded as housing loans interest receivable at June 30, 2020.

Housing and Community Development recorded \$45,075 as loans receivable and \$10,174 was recorded as interest receivable. These 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%. Loans, with a total principal balance of \$5,574, contain a forgiveness clause and more than likely will not be repaid back to the County. The County's primary sources of funding for these loans come from grants from the federal HOME Investment Partnership (HOME) and Community Development Block Grant (CDBG) programs. The HOME and CDBG grants contain monitoring requirements to ensure grant compliance. These requirements are reflected in the loan agreements. Due to the terms of the loans, offsetting deferred inflows of resources of \$55,250 have been established in the Governmental Funds Balance Sheet for the housing loan principal and interest payments. Additionally, offsetting deferred inflows of resources of \$6,036 have been established in the Statement of Net Position for the principal and interest balance of loans with a forgiveness clause.

Behavioral Wellness recorded \$2,410 as housing loans receivable and \$131 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 \$2,542 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 \$9,611 in other receivables for governmental activities; the following amounts are not expected to be received within the next fiscal year:

- \$3,431 for impounded disputed property taxes; and
- \$200 deposit with the County's workers' compensation claims administrator.

The County has recorded a total of \$1,036 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, 2020 includes the following adjusted amounts:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Governmental activities:				
Capital assets, non-depreciable:				
Land	\$ 58,933	\$ 1,649	\$ --	\$ 60,582
Land easements	53,133	--	--	53,133
Service concession arrangements	41,126	57	--	41,183
Work in progress	148,695	28,740	(12,705)	164,730
Total capital assets, non-depreciable	<u>301,887</u>	<u>30,446</u>	<u>(12,705)</u>	<u>319,628</u>
Capital assets, depreciable/amortizable:				
Land improvements	29,812	633	--	30,445
Structures and improvements	276,451	3,122	--	279,573
Equipment and software	162,588	12,867	(8,292)	167,163
Infrastructure	404,314	5,315	--	409,629
Total capital assets, depreciable/amortizable	<u>873,165</u>	<u>21,937</u>	<u>(8,292)</u>	<u>886,810</u>
Less accumulated depreciation/amortization for:				
Land improvements	(9,963)	(759)	--	(10,722)
Structures and improvements	(128,158)	(6,115)	--	(134,273)
Equipment and software	(100,626)	(12,183)	7,677	(105,132)
Infrastructure	(129,732)	(6,258)	--	(135,990)
Total accumulated depreciation/amortization	<u>(368,479)</u>	<u>(25,315)</u>	<u>7,677</u>	<u>(386,117)</u>
Total capital assets, depreciable/amortizable, net	<u>504,686</u>	<u>(3,378)</u>	<u>(615)</u>	<u>500,693</u>
Sub-total governmental activities	<u>806,573</u>	<u>27,068</u>	<u>(13,320)</u>	<u>820,321</u>
Business-Type activities:				
Capital assets, non-depreciable:				
Land	15,654	--	--	15,654
Work in progress	53,295	60,043	(92)	113,246
Total capital assets, non-depreciable	<u>68,949</u>	<u>60,043</u>	<u>(92)</u>	<u>128,900</u>
Capital assets, depreciable/amortizable:				
Land improvements	483	--	--	483
Structures and improvements	15,464	2,281	--	17,745
Equipment and software	31,662	2,129	--	33,791
Infrastructure	76,083	658	--	76,741
Total capital assets, depreciable/amortizable	<u>123,692</u>	<u>5,068</u>	<u>--</u>	<u>128,760</u>
Less accumulated depreciation/amortization for:				
Land improvements	(233)	(11)	--	(244)
Structures and improvements	(5,618)	(578)	--	(6,196)
Equipment and software	(18,024)	(1,755)	--	(19,779)
Infrastructure	(27,752)	(1,592)	--	(29,344)
Total accumulated depreciation/amortization	<u>(51,627)</u>	<u>(3,936)</u>	<u>--</u>	<u>(55,563)</u>
Total capital assets, depreciable/amortizable, net	<u>72,065</u>	<u>1,132</u>	<u>--</u>	<u>73,197</u>
Sub-total business-type activities	<u>141,014</u>	<u>61,175</u>	<u>(92)</u>	<u>202,097</u>
Total capital assets, net	<u>\$ 947,587</u>	<u>\$ 88,243</u>	<u>\$ (13,412)</u>	<u>\$ 1,022,418</u>
First 5 Santa Barbara County				
Discrete component unit activities:				
Capital assets, depreciable/amortizable:				
Equipment and software	\$ 25	\$ --	\$ --	\$ 25
Less accumulated depreciation/amortization	(25)	--	--	(25)
Total capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ --</u>	<u>\$ -</u>

Capital assets activity for each major enterprise fund for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Resource Recovery:				
Capital assets, non-depreciable:				
Land	\$ 11,965	\$ --	\$ --	\$ 11,965
Work in progress	48,669	53,916	--	102,585
Total capital assets, non-depreciable	<u>60,634</u>	<u>53,916</u>	<u>--</u>	<u>114,550</u>
Capital assets, depreciable/amortizable:				
Structures and improvements	7,797	2,281	--	10,078
Equipment and software	23,718	1,805	--	25,523
Infrastructure	48,863	--	--	48,863
Total capital assets, depreciable/amortizable	<u>80,378</u>	<u>4,086</u>	<u>--</u>	<u>84,464</u>
Less accumulated depreciation/amortization for:				
Structures and improvements	(2,215)	(358)	--	(2,573)
Equipment and software	(13,991)	(1,371)	--	(15,362)
Infrastructure	(16,499)	(95)	--	(17,494)
Total accumulated depreciation/amortization	<u>(32,705)</u>	<u>(2,724)</u>	<u>--</u>	<u>(35,429)</u>
Total capital assets, depreciable/amortizable, net	<u>47,673</u>	<u>1,362</u>	<u>--</u>	<u>49,035</u>
Sub-total Resource Recovery	<u>108,307</u>	<u>55,278</u>	<u>--</u>	<u>163,585</u>
Laguna Sanitation:				
Capital assets, non-depreciable:				
Land	3,689	--	--	3,689
Work in progress	4,626	6,127	(92)	10,661
Total capital assets, non-depreciable	<u>8,315</u>	<u>6,127</u>	<u>(92)</u>	<u>14,350</u>
Capital assets, depreciable/amortizable:				
Land improvements	483	--	--	483
Structures and improvements	7,667	--	--	7,667
Equipment and software	7,944	324	--	8,268
Infrastructure	27,220	658	--	27,878
Total capital assets, depreciable/amortizable	<u>43,314</u>	<u>982</u>	<u>--</u>	<u>44,296</u>
Less accumulated depreciation/amortization for:				
Land improvements	(233)	(11)	--	(244)
Structures and improvements	(3,403)	(220)	--	(3,623)
Equipment and software	(4,033)	(384)	--	(4,417)
Infrastructure	(11,253)	(597)	--	(11,850)
Total accumulated depreciation/amortization	<u>(18,922)</u>	<u>(1,212)</u>	<u>--</u>	<u>(20,134)</u>
Total capital assets, depreciable/amortizable, net	<u>24,392</u>	<u>(230)</u>	<u>--</u>	<u>24,162</u>
Sub-total Laguna Sanitation	<u>32,707</u>	<u>5,897</u>	<u>(92)</u>	<u>38,512</u>
Total capital assets, net - business-type activities	<u>\$ 141,014</u>	<u>\$ 61,175</u>	<u>\$ (92)</u>	<u>\$ 202,097</u>

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, 2020 was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Internal Service Funds:				
Capital assets, depreciable/amortizable:				
Structures and improvements	\$ 2,606	\$ --	\$ --	\$ 2,606
Equipment and software	72,240	5,997	(2,606)	75,631
Total capital assets, depreciable/amortizable	<u>74,846</u>	<u>5,997</u>	<u>(2,606)</u>	<u>78,237</u>
Less accumulated depreciation/amortization for:				
Structures and improvements	(1,213)	(66)	--	(1,279)
Equipment and software	(40,022)	(6,165)	2,111	(44,076)
Total accumulated depreciation/amortization	<u>(41,235)</u>	<u>(6,231)</u>	<u>2,111</u>	<u>(45,355)</u>
Total capital assets, net - internal service funds	<u>\$ 33,611</u>	<u>\$ (234)</u>	<u>\$ (495)</u>	<u>\$ 32,882</u>

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

	Depreciation/ Amortization (excluding ISF)	ISF Depreciation/ Amortization Allocation (1)	Total
Governmental activities:			
Policy & executive	\$ 471	\$ 93	\$ 564
Public safety	5,153	3,173	8,326
Health & public assistance	2,235	1,458	3,693
Community resources & public facilities	8,420	1,036	9,456
General government & support services	2,732	471	3,203
General county programs	73	--	73
Sub-total governmental activities	<u>19,084</u>	<u>6,231</u>	<u>25,315</u>
Business-Type activities:			
Resource Recovery	2,724	--	2,724
Laguna Sanitation	1,212	--	1,212
Sub-total business-type activities	<u>3,936</u>	<u>--</u>	<u>3,936</u>
Total depreciation expense	<u>\$ 23,020</u>	<u>\$ 6,231</u>	<u>\$ 29,251</u>

(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, 2020 consists of the following projects for the primary government:

Governmental activities:

Capital Outlay projects:		
North County jail	\$ 108,115	
Renewable Energy	865	
Arroyo Burro Ranger & Storage	561	
Other projects (individually less than \$500)	<u>3,939</u>	\$ 113,480
Flood Control projects:		
Mission Creek Corps project	23,881	
Randall Road Debris Basin	4,748	
Maria Ygnacia Basin - Main	759	
Maria Ygnacia Basin - East	711	
SMDB Improvement	620	
North Avenue Drainage	514	
Other projects (individually less than \$500)	<u>1,808</u>	33,041
Roads projects:		
Clark Avenue at 101 Interchange	2,538	
Floridale Avenue bridge	2,460	
Foothill Road Low Water Crossing replacement	2,021	
Fernald Point bridge	1,475	
Bonita School Road Bridge	1,334	
E. Mountain Low Water Crossing replacement	909	
Hollister and State Improvement	824	
Union Valley Parkway Barrier Walls	536	
Other projects (individually less than \$500)	<u>1,124</u>	13,221
General Fund projects		1,342
Other Governmental Funds:		
Fire Hawk Helicopter Retrofitting	3,632	
Other projects (individually less than \$500)	<u>14</u>	3,646
Sub-total governmental activities		<u>164,730</u>

Business-Type activities:

Resource Center		101,082
Other Resource Recovery projects		1,503
Laguna Sanitation projects		<u>10,661</u>
Sub-total business-type activities		<u>113,246</u>
Total work in progress		<u>\$ 277,976</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.

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. A summary of the important details, capital assets, and the present value of installment payments pertaining to this SCA follows.

Cachuma Café - Smoke on Water

On May 7, 2019, the County entered into a 10-year agreement (having an option for an 8-year extension) with Smoke on Water, LLC, under which the SCA has exclusive rights to operate and maintain a food and beverage business. Services are to be provided at reasonable rates. The agreement contains a provision that a marketing credit up to \$500 per month, from the date of commencement through March 31, 2022, may be paid by the County to the SCA for certain pre-approved marketing expenses. 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. 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
Beachside Restaurant	3/25/1985	37 years	3/31/2022	2	6% 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
Mision 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>\$ 23</u>	

Capital assets balances for each SCA for the year ended June 30, 2020 and over the term of the agreement are as follows:

	Balance July 1, 2019	Additions	Balance June 30, 2020
Structures & Structure Improvements			
Santa Barbara County Bowl	\$ 37,617	\$ 57	\$ 37,674
Boathouse Restaurant	1,698	--	1,698
Beachside Restaurant	568	--	568
Jalama Beach Store	55	--	55
Sub-total Structures & Structure Improvements	<u>39,938</u>	<u>57</u>	<u>39,995</u>
Land			
Santa Barbara County Bowl	1,188	--	1,188
Sub-total Land Improvements	<u>1,188</u>	<u>--</u>	<u>1,188</u>
Total SCA Capital Asset Balance	<u>\$ 41,126</u>	<u>\$ 57</u>	<u>\$ 41,183</u>

The deferred inflow of resources activity for each SCA for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Amortization Allocation (1)	Balance June 30, 2020
SCA Capital Assets (1)				
Santa Barbara County Bowl	\$ 32,376	\$ 57	\$ (880)	\$ 31,553
Beachside Restaurant	155	--	(59)	96
Boathouse Restaurant	104	--	(13)	91
Jalama Beach Store	2	--	(1)	1
Sub-total SCA capital assets	<u>32,637</u>	<u>57</u>	<u>(953)</u>	<u>31,741</u>
Present Value of Installment Payments (2):				
Boathouse Restaurant	1,471	--	(173)	1,298
Jalama Beach Store	121	--	(34)	87
Cachuma Café	57	--	(6)	51
Beachside Restaurant	49	--	(17)	32
Mission Rowing	-	28	(1)	27
Sub-total SCA installment payments	<u>1,698</u>	<u>28</u>	<u>(231)</u>	<u>1,495</u>
Total deferred inflows	<u>\$ 34,335</u>	<u>\$ 85</u>	<u>\$ (1,184)</u>	<u>\$ 33,236</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, 2020, the various components of advances from grantors and third parties reported are as follows:

	<u>Advances</u>
General Fund:	
Camping and day use fees	\$ 1,628
Roads Fund:	
Development Impact Fees	5,711
Transportation for road projects	<u>1,087</u>
Total Roads Fund	<u>6,798</u>
Social Services Fund:	
Grant drawdowns prior to meeting eligibility requirements	<u>14,630</u>
Public Health Fund:	
SB Cottage/Marian STEMI/Trauma pre-paid revenue	<u>148</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>11,235</u>
Fire Protection District Fund:	
Developer mitigation fees	1,549
Fire district mitigation fees	<u>707</u>
Total Fire Protection District Fund	<u>2,256</u>
Capital Projects Fund:	
Developer mitigation fees	<u>8,103</u>
Total advances from grantors and third parties	<u>\$ 45,025</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, 2020.

Total rental expenditure/expense for the year ended June 30, 2020 was \$3,636 of which \$427 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, 2020, the building had a carrying amount of \$4,194, net of accumulated depreciation of \$1,974.

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, 2020, the building had a carrying amount of \$256, net of accumulated depreciation of \$635.

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, 2020:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 312
2022	312
2023	312
2024	312
2025	312
2026-2030	1,561
2031-2035	884
Total minimum rentals to be received	<u>\$ 4,005</u>

As of the year ended June 30, 2020, total rental income was \$797 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, 2020:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 143	\$ 56
2022	150	49
2023	158	40
2024	167	32
2025	176	22
2026-2030	281	15
Total present value of minimum lease payments	<u>\$ 1,075</u>	<u>\$ 214</u>

The following is a schedule of capital assets acquired through capital leases as of June 30, 2020:

	<u>Governmental Activities</u>
Land	\$ 1,283
Structures and improvements	3,611
Equipment	10
Total capital assets, gross	4,904
Less: accumulated amortization	(1,390)
Total capital assets, net, acquired through capital leases	<u>\$ 3,514</u>

The current year’s amortization related to capital assets under capital leases for governmental activities was \$19 and is included in the Governmental Activities depreciation/amortization of \$25,315.

10. LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2020 are as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Governmental activities:					
Compensated absences	\$ 36,154	\$ 35,785	\$ (31,902)	\$ 40,037	\$ 31,816
Certificates of participation (COP)	26,007	--	(1,009)	24,998	1,430
Unamortized discount on COP	(99)	--	11	(88)	--
Other long-term obligations	598	--	--	598	--
Bonds from direct borrowings	11,655	--	(3,140)	8,515	3,200
Liability for self-insurance claims	21,367	15,172	(25,908)	10,631	4,568
Sub-total governmental activities	95,682	50,957	(61,948)	84,691	41,014
Business-Type activities:					
Compensated absences	753	774	(731)	796	731
Certificates of participation	150,298	--	(837)	149,461	495
Unamortized premium on COP	16,740	--	(1,164)	15,576	--
Bonds and notes from direct borrowings and direct placements	4,335	--	(822)	3,513	839
Sub-total business-type activities	172,126	774	(3,554)	169,346	2,065
Total long-term liabilities	\$ 267,808	\$ 51,731	\$ (65,502)	\$ 254,037	\$ 43,079
First 5 Santa Barbara County Component unit activities:					
Compensated absences	\$ 53	\$ 62	\$ (52)	\$ 63	\$ 51
Total long-term liabilities	\$ 53	\$ 62	\$ (52)	\$ 63	\$ 51

Changes in long-term liabilities for each major enterprise fund for the year ended June 30, 2020 are as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Resource Recovery:					
Compensated absences	\$ 606	\$ 603	\$ (579)	\$ 630	\$ 579
Certificates of participation	150,298	--	(837)	149,461	495
Unamortized premium on COP	16,740	--	(1,164)	15,576	--
Sub-total Resource Recovery	167,644	603	(2,580)	165,667	1,074
Laguna Sanitation:					
Compensated absences	147	171	(152)	166	152
Bonds and notes from direct borrowings and direct placements	4,335	--	(822)	3,513	839
Sub-total Laguna Sanitation	4,482	171	(974)	3,679	991
Total long-term liabilities - business-type activities	\$ 172,126	\$ 774	\$ (3,554)	\$ 169,346	\$ 2,065

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, 2020 are as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Internal Service Funds:					
Compensated absences	\$ 762	\$ 754	\$ (647)	\$ 869	\$ 647
Bonds from direct borrowings	2,890	--	(350)	2,540	355
Liability for self-insurance claims	21,367	15,172	(25,908)	10,631	4,568
Total long-term liabilities - Internal Service Funds	<u>\$ 25,019</u>	<u>\$ 15,926</u>	<u>\$ (26,905)</u>	<u>\$ 14,040</u>	<u>\$ 5,570</u>

The following is a schedule of total debt service requirements on long-term debt as of June 30, 2020:

Year Ending June 30,	Governmental Activities				Business-Type Activities			
	COP		Bonds from Direct Borrowings		COP		Bonds and Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,430	\$ 1,358	\$ 3,200	\$ 214	\$ 495	\$ 7,334	\$ 839	\$ 133
2022	1,485	1,286	1,375	154	2,970	7,313	863	104
2023	1,545	1,209	1,400	113	3,425	7,209	881	74
2024	1,610	1,129	1,435	79	3,890	7,085	305	44
2025	1,680	1,045	365	38	3,810	6,916	310	28
2026-2030	8,128	3,839	740	31	28,201	30,783	315	12
2031-2035	3,725	2,284	--	--	48,290	21,260	--	--
2036-2040	4,420	1,014	--	--	58,380	6,153	--	--
2041-2045	975	30	--	--	--	--	--	--
Sub-total	24,998	13,194	8,515	629	149,461	94,053	3,513	395
Unamortized premium	--	--	--	--	15,576	--	--	--
Unamortized discount	(88)	--	--	--	--	--	--	--
Total, net	<u>\$ 24,910</u>	<u>\$ 13,194</u>	<u>\$ 8,515</u>	<u>\$ 629</u>	<u>\$ 165,037</u>	<u>\$ 94,053</u>	<u>\$ 3,513</u>	<u>\$ 395</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 bonds payable outstanding at June 30, 2020 is \$1,850.

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, 2020 is \$4,125.

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, 2020 is \$2,540.

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 1st 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, 2020 is \$1,703.

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, 2020 is \$1,810.

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 07-08, 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, 2020.

In FY 09-10, 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 \$394 during the year ended June 30, 2020.

In FY 18-19 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. Pursuant to the trust agreement, a debt service reserve fund was established with a fund requirement in the amount of \$15,197 as of June 30, 2020.

A summary of COP principal outstanding as of June 30, 2020 is as follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of 6/30/2020
Governmental activities:					
2008 Capital Improvements	4.00-4.75	6/25/2008	12/1/2028	\$ 17,000	\$ 10,065
2010 Capital Improvements - RZEDB	6.22-6.25	6/10/2010	12/1/2040	14,935	14,933
Sub-total governmental activities				<u>31,935</u>	<u>24,998</u>
Business-Type activities:					
2008 Capital Improvements	3.00-4.50	6/25/2008	12/1/2023	6,600	2,111
2018 Capital Improvements	3.30-5.25	11/28/2018	12/1/2038	149,000	147,350
Sub-total business-type activities				<u>155,600</u>	<u>149,461</u>
Total COP principal outstanding				<u>\$ 187,535</u>	<u>\$ 174,459</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, 2020.

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, 2020, the conduit debt principal amount outstanding was \$7,760.

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 and medical malpractice. For these risks, the County has chosen to establish risk management internal service funds where assets are set aside for claim settlements associated with such risks of loss up to certain limits. In addition, the County has established separate self-insurance financing funds for unemployment claims and dental insurance benefits for employees and their dependents.

For general liability, medical malpractice, and workers’ compensation claims, excess coverage is provided by the California State Association of Counties Excess Insurance Authority (Authority), a joint powers authority whose purpose is to develop and fund programs of excess insurance for its members, which include 95% of the counties in California and nearly 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 the Authority. The County’s aggregate annual premium, including property insurance, paid to the Authority for the year ended June 30, 2020, was \$19,697. The Authority issues its own audited Comprehensive Annual Financial Report which can be obtained from the Authority located at 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

The Authority retains financial responsibility for general liability claims in excess of the County’s self-insurance retention with a policy limit of \$50,000.

The County purchases property insurance through the Authority from commercial insurance companies via a pool comprised of a majority of California counties and other California Public Agencies. The County is insured up to \$600,000 for all Risk, \$300,000 for Flood coverage, and \$465,000 for Earthquake coverages. All property damage risks are covered on a per occurrence basis and insured at full replacement values up to the policy limits. Deductibles per occurrence are \$10 for fire or other property damage, and \$25 for flood. The earthquake deductible is 5% of total values per separate building per occurrence, subject to a \$100 minimum per facility.

Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

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 and workers’ compensation 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. Premiums are charged to departments using various allocation methods that include actual costs, claims experience, and payroll costs. Premiums 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, 2019	June 30, 2020
Unpaid claims, beginning of year	\$ 19,653	\$ 21,367
Incurred claims	14,605	15,172
Claim payments	(12,891)	(23,584)
Ceded premiums	--	(2,324)
Unpaid claims, end of year	<u>\$ 21,367</u>	<u>\$ 10,631</u>

In FY 19-20, 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. Premiums ceded to reinsurers during FY 19-20 were \$2,274, and the amount deducted from claims liabilities as of June 30, 2020, for reinsurance was \$13,740. As of June 30, 2020, \$11,416 has been paid to the Authority for the reinsurance with a remaining payable balance of \$2,324 to be paid over the next two years.

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 \$331, 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 \$3,251. 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.

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 \$598 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 long-term liabilities payable 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 (10 years).

Contracts

The County has entered into contracts to purchase goods and services from various vendors. Approximately \$163,063 will be payable upon future performance under these contracts, including \$8,085 in contracts for the Resource Center and \$816 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 2018-19 and 2019-20, the County received \$18,200 and \$4,933, respectively, of State and Federal disaster aid payments. While an estimated \$18,008 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, 2020.

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. The declaration made federal disaster assistance available; through the Coronavirus Aid, Relief, and Economic Security (CARES) Act; to the State of California to supplement the County's local recovery efforts. As of June 30, 2020, an estimated \$20,459 of costs may be eligible for State and Federal assistance, of which, no aid payments have yet to be received. 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, 2020.

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 \$33,302 reported as landfill closure and postclosure care liability at June 30, 2020, 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	91%	5	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 \$3,113 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 2020. 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, 2020, restricted cash and investments of \$23,227 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, 2020 is comprised of the following:

Landfill	Closure Cost	Postclosure Care Cost	Corrective Action Cost	Total Restricted Cash
Tajiguas	\$ 16,761	\$ 3,488	\$ 1,050	\$ 21,299
Foxen Canyon	--	746	310	1,056
New Cuyama	--	124	748	872
Total	\$ 16,761	\$ 4,358	\$ 2,108	\$ 23,227

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, 2020 is as follows:

	General	Roads	Public Health	Social Services	Behavioral Wellness	Flood Control District	Affordable Housing	Fire Protection District	Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable in form:											
Receivables	\$ 2,268	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,268
Prepays/Deposits	50	--	--	--	--	--	--	--	--	--	50
Total nonspendable fund balance	2,318	--	--	--	--	--	--	--	--	--	2,318
Restricted for:											
Purpose of Fund	11,780	31,761	853	2,167	6,371	57,013	4,834	15,188	--	28,117	158,084
Allocated for Capital Outlay	1	--	--	--	--	12,790	--	12,274	--	846	25,911
Local Realignment 2011	16,982	--	--	--	566	--	--	--	--	--	17,548
Health Care Programs	177	--	16,669	--	--	--	--	--	--	--	16,846
Probation YOBS	4,251	--	--	--	--	--	--	--	--	--	4,251
Public Safety Prop 172	2,425	--	--	--	--	--	--	--	--	--	2,425
Sheriff Categorical Grants	2,354	--	--	--	--	--	--	--	--	--	2,354
MHSA Prudent Reserve	--	--	--	--	2,023	--	--	--	--	--	2,023
Probation LESF/COPS	1,980	--	--	--	--	--	--	--	--	--	1,980
Housing Trust Funds	--	--	--	--	--	--	1,911	--	--	--	1,911
Measure A Roads Funds	--	1,909	--	--	--	--	--	--	--	--	1,909
DMV/Livescan	--	--	--	--	--	--	--	--	1,802	--	1,802
P&D Offsite Mitigation	1,643	--	--	--	--	--	--	--	--	--	1,643
Recorder Modernization	1,595	--	--	--	--	--	--	--	--	--	1,595
Debt Service	--	--	--	--	--	--	--	--	--	1,413	1,413
Unrealized Gains	--	212	95	40	7	493	118	63	90	211	1,329
Donations	205	--	--	32	--	--	--	--	--	1,067	1,304
GATV Infrastructure	1,154	--	--	--	--	--	--	--	--	--	1,154
Sheriff Asset Forfeiture-State	1,108	--	--	--	--	--	--	--	--	--	1,108
PHD Special Projects	325	--	772	--	--	--	--	--	--	--	1,097
Alcoholism Programs	--	--	--	--	1,083	--	--	--	--	--	1,083
PRC Performance Security	--	--	--	--	--	1,043	--	--	--	--	1,043
Sustainability Programs	1,026	--	--	--	--	--	--	--	--	--	1,026
Hollister Ranch Public Access	--	--	--	--	--	--	--	--	--	1,000	1,000
Recorder Operations	921	--	--	--	--	--	--	--	--	--	921
Maintenance-Casa Nueva Bldg	734	--	--	--	--	--	--	--	--	--	734
Public Arts Program	646	--	--	--	--	--	--	--	--	--	646
Los Prietos Donation	640	--	--	--	--	--	--	--	--	--	640
DA Asset Forfeiture-State	622	--	--	--	--	--	--	--	--	--	622
Sheriff Asset Forfeiture-Fed	583	--	--	--	--	--	--	--	--	--	583
Assessor AB818	504	--	--	--	--	--	--	--	--	--	504
Consumer/Environmental	423	--	--	--	--	--	--	--	--	--	423
FY 12/13,13/14 Operating Plans	--	--	--	--	67	201	--	--	--	101	369
Gaviota Bikeway	342	--	--	--	--	--	--	--	--	--	342
Probation Programs	337	--	--	--	--	--	--	--	--	--	337
Survey Monument	329	--	--	--	--	--	--	--	--	--	329
Recorder Micrographics	321	--	--	--	--	--	--	--	--	--	321
Dispute Resolution	--	--	--	--	--	--	--	--	--	316	316
District Attorney Programs	307	--	--	--	--	--	--	--	--	--	307
Drug Abuse Programs	--	--	--	--	221	--	--	--	--	--	221
DSS Childrens Trust	--	--	--	210	--	--	--	--	--	--	210
CalVet Subvention Program	203	--	--	--	--	--	--	--	--	--	203
Real Estate Fraud	186	--	--	--	--	--	--	--	--	--	186
State Off Hwy Fee	147	--	--	--	--	--	--	--	--	--	147
DSA Surplus Health Allocations	145	--	--	--	--	--	--	--	--	--	145
Recorder ERDS	145	--	--	--	--	--	--	--	--	--	145
Animal Control Programs	137	--	--	--	--	--	--	--	--	--	137
Vital Records	117	--	--	--	--	--	--	--	--	--	117
Parks Projects	--	--	--	--	--	--	--	--	26	61	87
Local Innovation Sub-Account	84	--	--	--	--	--	--	--	--	--	84
Weights and Measures	80	--	--	--	--	--	--	--	--	--	80
Recorder Redaction	59	--	--	--	--	--	--	--	--	--	59
DARE	40	--	--	--	--	--	--	--	--	--	40
Imprest Cash	10	1	3	15	4	--	--	--	--	1	34
COP Proceeds	--	--	--	--	--	--	--	--	--	12	12
	55,068	33,883	18,392	2,464	10,342	71,540	6,863	27,525	1,918	33,145	261,140

A detailed schedule of fund balances at June 30, 2020 continued:

	General	Roads	Public Health	Social Services	Behavioral Wellness	Flood Control District	Affordable Housing	Fire Protection District	Capital Projects	Other Governmental Funds	Total Governmental Funds
Committed to:											
Strategic Reserve	35,645	--	--	--	--	--	--	--	1	--	35,646
Disaster Recovery	22,954	--	--	--	--	--	--	--	--	--	22,954
General Services Projects	1,540	--	--	--	--	--	--	--	13,064	--	14,604
New Jail Operations	12,499	--	--	--	--	--	--	--	--	--	12,499
Litigation	9,803	--	--	--	--	--	--	--	--	--	9,803
Props 215/64 - Cannabis	8,866	--	--	--	--	--	--	--	--	--	8,866
Health Care Programs	--	--	--	--	--	--	--	--	--	7,606	7,606
Purpose of Fund	1,272	--	--	2,506	--	--	--	--	488	543	4,809
Program Stabilization	4,750	--	--	--	--	--	--	--	--	--	4,750
Accumulated Capital Outlay	3,850	--	--	--	--	--	--	--	--	--	3,850
Contingencies	3,724	--	--	--	--	--	--	--	--	--	3,724
Mental Health	3,574	--	--	--	--	--	--	--	--	--	3,574
Parks Projects	1,135	--	--	--	--	--	--	--	1,831	--	2,966
Emerging Issues	2,910	--	--	--	--	--	--	--	--	--	2,910
Tech Replacement & Investment	2,131	--	--	--	--	--	--	--	--	--	2,131
County Executive Programs	2,052	--	--	--	--	--	--	--	--	--	2,052
Auditor Systems Maint/Develop	1,765	--	--	--	--	--	--	--	--	--	1,765
Clerk Record Assessor Projects	1,720	--	--	--	--	--	--	--	--	--	1,720
Unrealized Gains	1,523	--	--	--	--	--	--	--	13	58	1,594
Facilities Maintenance	1,506	--	--	--	--	--	--	--	--	--	1,506
Sheriff Projects	345	--	--	--	--	--	--	--	1,098	--	1,443
General County Programs	1,318	--	--	--	--	--	--	--	--	--	1,318
Planning/Development Projects	1,257	--	--	--	--	--	--	--	--	--	1,257
P&D Land Use System	924	--	--	--	--	--	--	--	--	--	924
Elections Voting Equipment	916	--	--	--	--	--	--	--	--	--	916
Assessment Appeals Support	669	--	--	--	--	--	--	--	--	--	669
Tobacco Settlement	634	--	--	--	--	--	--	--	--	4	638
District Attorney Programs	492	--	--	--	--	--	--	--	--	--	492
Human Resources Programs	365	--	--	--	--	--	--	--	--	--	365
North County Jail Contingency	302	--	--	--	--	--	--	--	--	--	302
Treas Tax Collector Projects	300	--	--	--	--	--	--	--	--	--	300
Housing Programs	223	--	--	--	--	--	--	--	--	--	223
Rental Maintenance	171	--	--	--	--	--	--	--	--	--	171
Ag Commissioner Projects	134	--	--	--	--	--	--	--	--	--	134
Public Defender Programs	104	--	--	--	--	--	--	--	--	--	104
Probation Programs	49	--	--	--	--	--	--	--	--	--	49
Building & Safety Permitting	40	--	--	--	--	--	--	--	--	--	40
Imprest Cash	22	--	--	--	--	--	--	--	--	--	22
	<u>131,484</u>	<u>--</u>	<u>--</u>	<u>2,506</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>16,495</u>	<u>8,211</u>	<u>158,696</u>
Unassigned fund balance:	<u>13,029</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>13,029</u>
Total fund balances	<u>\$ 201,899</u>	<u>\$ 33,883</u>	<u>\$ 18,392</u>	<u>\$ 4,970</u>	<u>\$ 10,342</u>	<u>\$ 71,540</u>	<u>\$ 6,863</u>	<u>\$ 27,525</u>	<u>\$ 18,413</u>	<u>\$ 41,356</u>	<u>\$ 435,183</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, 2020 for governmental activities is as follows:

Restricted for Policy and Executive:		
County Executive Office	<u>\$ 1,164</u>	\$ 1,164
Restricted for Public Safety:		
Fire Protection District	27,525	
Probation	23,629	
Sheriff	12,740	
District Attorney	2,083	
Trial Courts	<u>316</u>	66,293
Restricted for Health & Public Assistance:		
Public Health	23,826	
Behavioral Wellness	10,342	
Social Services	2,472	
Child Support Services	<u>746</u>	37,386
Restricted for Community Resources & Public Facilities:		
Flood Control District	71,468	
Housing	56,076	
Roads	33,883	
Water Agency	11,874	
County Service Areas	4,320	
Other	2,171	
Planning and Development	4,656	
Parks	2,570	
Coastal Resources Enhancement	586	
Behavioral Wellness	<u>72</u>	187,676
Restricted for General Government & Support Services:		
Clerk-Recorder-Assessor	3,662	
General Services	968	
Other	<u>203</u>	4,833
Restricted for General County Programs:		
Other	14,320	
Public and Educational Access	4,017	
Criminal Justice and Courthouse Construction	<u>1,068</u>	19,405
Total restricted component of net position - governmental activities	<u>\$ 316,757</u>	

Included in governmental activities restricted net position at June 30, 2020 is net position restricted by enabling legislation of \$908.

16. DEFICIT IN NET POSITION

Internal Service Funds

The County’s Risk Management and Insurance Fund has a deficit in net position of \$824 at June 30, 2020. The County Liability Self Insurance and the Workers’ Compensation Self Insurance programs both contributed to this deficit due in part to net pension and OPEB liabilities incurred by these programs which are not factored in to rates charged to users. Both the net pension liabilities and OPEB liabilities represent each funds’ proportional share of the County’s total Pension and OPEB liabilities and is funded over time through annual contributions to the retirement system which are included in rates charged to the user departments.

	Balance at July 1, 2019	Balance at June 30, 2020
Workers' Compensation Self-insurance	\$ (564)	\$ (1,558)
County Liability Self-insurance	(1,147)	(1,212)
County Unemployment Self-insurance	(150)	163
Dental Self-insurance	1,091	1,783
	<u>\$ (770)</u>	<u>\$ (824)</u>

17. INTERFUND TRANSACTIONS

Interfund Receivables / Payables

Amounts due to/from other funds at June 30, 2020 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Behavioral Wellness	\$ 8,088
General Fund	Court Operations	1,930
General Fund	Capital Projects	1,545
Court Activities	General Fund	480
Social Services	IHSS Public Authority	420
General Fund	Affordable Housing	358
General Fund	Criminal Justice Construction	44
Roads - Capital Maintenance	County Service Areas	25
Total due to/from other funds		<u>\$ 12,890</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.

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, 2020 are as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Projects Fund	\$ 20,942	Capital Projects
	Roads Fund	10,128	Settlement
	Nonmajor Governmental Funds	9,317	General Fund Contribution
	Social Services Fund	8,668	General Fund Contribution
	Public Health Fund	7,353	General Fund Contribution
	Behavioral Wellness Fund	6,865	General Fund Contribution
	Roads Fund	3,709	Other
	Nonmajor Governmental Funds	2,473	Debt Service
	Flood Control Districts Fund	2,000	Settlement
	Nonmajor Governmental Funds	1,956	Courts
	Internal Service Funds	1,876	Litigation
	Roads Fund	1,821	General Fund Contribution
	Internal Service Funds	582	Capital Projects
	Capital Projects Fund	275	General Fund Contribution
	Internal Service Funds	226	Vehicles
	Internal Service Funds	188	Other
	Behavioral Wellness Fund	167	Other
	Public Health Fund	154	Other
	Nonmajor Governmental Funds	124	Other
	Affordable Housing Fund	70	Other
Fire Protection District Fund	34	Other	
Social Services Fund	20	Other	
		<u>78,948</u>	
Roads Fund	General Fund	223	Other
Public Health Fund	Nonmajor Governmental Funds	7,429	Other
	Capital Projects Fund	54	Capital Projects
	General Fund	32	Other
	Social Services Fund	10	Other
		<u>7,525</u>	
Social Services Fund	Internal Service Funds	882	Capital Projects
	Nonmajor Governmental Funds	265	Other
	Behavioral Wellness Fund	171	Other
	Internal Service Funds	6	Vehicles
		<u>1,324</u>	
Behavioral Wellness Fund	Nonmajor Governmental Funds	468	Debt Service
	General Fund	294	Other
	Internal Service Funds	80	Vehicles
	Capital Projects Fund	71	Other
	Capital Projects Fund	41	Capital Projects
	Social Services Fund	20	Other
		<u>974</u>	
Flood Control District Fund	Internal Service Funds	25	Vehicles
Affordable Housing Fund	General Fund	890	Program Administration
	General Fund	396	Other
	Capital Projects Fund	292	Capital Projects
	Capital Projects Fund	66	Other
	Roads Fund	3	Other
		<u>1,647</u>	

Transfers to/from other funds at June 30, 2020 (continued):

Transfer From	Transfer To	Amount	Purpose
Fire Protection District	General Fund	\$ 1,680	Dispatch Services
	General Fund	339	Joint Air Operations
	Nonmajor Governmental Funds	241	Debt Service
	Internal Service Funds	30	Vehicles
	General Fund	15	Vehicles
	Public Health Fund	12	Other
		<u>2,317</u>	
Capital Projects Fund	General Fund	233	Other
	Internal Service Funds	24	Other
	Internal Service Funds	14	Capital Projects
		<u>271</u>	
Nonmajor Governmental Funds	General Fund	2,333	Other
	Public Health Fund	1,737	Capital Projects
	Nonmajor Governmental Funds	1,240	Debt Service
	Public Health Fund	449	Other
	Fire Protection District Fund	423	Other
	Behavioral Wellness Fund	313	Other
	Capital Projects Fund	306	Other
	Capital Projects Fund	110	Capital Projects
	Roads Fund	88	Other
	Flood Control Districts Fund	48	Other
	Roads Fund	25	19/20 IV Ped Safety Improvement
	General Fund	2	Program Administration
	<u>7,074</u>		
Resource Recovery	Internal Service Funds	21	Vehicles
Internal Service Funds	Internal Service Funds	29	Vehicles
	General Fund	17	Vehicles
		<u>46</u>	
	Total transfers	<u>\$ 100,395</u>	

18. 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 enforceably 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, 2020, the Agricultural Preserve Program tax abatements were \$5,200.

19. 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 Comprehensive Annual Financial Report (CAFR) that may be obtained by writing to SBCERS at 3916 State St. Suite 210, Santa Barbara, CA 93105 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 CAFR.

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, 2020 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 \$131,102 for the year ended June 30, 2020. Active members are plan members who are currently accruing benefits and/or paying contributions into the applicable plan.

For the measurement date June 30, 2019, employer and employee contribution rates and active members for each plan are as follows:

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Active Members</u>
General Plan 2	24.11%	Non-contributory	6
General Plan 5A	35.41%	2.93 - 6.07%	307
General Plan 5B	35.56%	5.86 - 12.15%	196
General Plan 5C	37.15%	2.84 - 6.05%	1174
General Plan 7	36.02%	2.36 - 5.04%	105
General Plan 8	29.03%	8.31%	1236
Safety Plan 4A	56.09%	5.41 - 9.58%	17
Safety Plan 4B	55.01%	10.83 - 19.15%	10
Safety Plan 4C	55.22%	5.23 - 9.45%	292
Safety Plan 6A	64.50%	5.41 - 9.58%	35
Safety Plan 6B	63.98%	5.23 - 9.45%	251
Safety Plan 8	44.19%	14.35%	309

Beginning in FY 18-19, and continuing for FY 19-20, members of certain plans and bargaining units paid a portion of the employer contributions between 0.82% - 5.97% 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, 2020, the County, including its discretely presented component unit, reported a liability of \$789,465 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, updated to June 30, 2019. 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, 2019, the County’s proportion was 92.5287%, which was a decrease of 0.3190% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County, including its discretely presented component unit, recognized pension expense of \$169,066 and \$41, 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, 2020, 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	\$ --	\$ 9,890	\$ --	\$ 18
Changes in assumptions	63,261	--	114	--
Net difference between projected and actual earnings on retirement plan investments	--	29,863	--	54
Changes in proportion and differences between County contributions and proportionate share of contributions	522	2,301	1	4
County contributions subsequent to the measurement date	131,102	--	235	--
	<u>\$ 194,885</u>	<u>\$ 42,054</u>	<u>\$ 350</u>	<u>\$ 76</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 \$131,337 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
2021	\$ 27,966	\$ 50
2022	4,740	9
2023	(11,976)	(22)
2024	999	2
	<u>\$ 21,729</u>	<u>\$ 39</u>

Actuarial Assumptions

The total pension liability, measured as of June 30, 2019, 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 \$5.5 million for the FYE June 30, 2019 with 3.00% wage inflation increases 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 5A, 5B, and 5C, and Safety Plans 4A, 4B, 4C, 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	<p><u>Healthy Lives:</u> Mortality rates for retirees, beneficiaries, terminated vested, and reciprocals are based on the sex distinct 2014 CalPERS Healthy Annuitant Mortality Tables adjusted by 0.95 for males and 0.90 for females, with Generational improvement using Projection Scale MP-2016 from a base year of 2009.</p> <p>Non-duty related mortality rates for active members are based on the sex distinct 2014 CalPERS Preretirement Non-Industrial Mortality Table, with no adjustment, with Generational improvement using Projection Scale MP-2016 from a base year of 2009. Safety members are also subject to the 2014 CalPERS Preretirement Industrial Mortality Table for duty-related deaths, with the same Generational improvements applied.</p> <p><u>Disabled Lives:</u> Mortality rates for disabled retirees are based on 2014 CalPERS Industrial Disabled Annuitant Mortality, with no adjustment (Safety only), 2014 CalPERS Non-Industrial Disabled Annuitant Mortality, with no adjustment (General only), with Generational improvement using Projection Scale MP-2016 from a base year of 2009.</p>

The actuarial assumptions used in the June 30, 2018 valuation, updated to June 30, 2019, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2016. As a result of the June 30, 2016 actuarial experience study, a decrease in the discount rate, decreases in COLA and wage inflation assumptions, and revised mortality assumptions were utilized in the June 30, 2018 actuarial valuation to more closely reflect actual experience.

The long-term expected rate of return, measured as of June 30, 2019, on pension plan investments (7.0 percent) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Broad U.S. equity	19%	4.30%
Developed market non-U.S. equity	11%	5.75%
Emerging markets equity	7%	8.25%
Core fixed income	17%	1.25%
Custom non-core fixed income	11%	3.50%
Custom real return	15%	3.90%
Custom real estate	10%	4.30%
Private equity	10%	7.00%
Cash	0%	-0.25%
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	\$ 1,318,892	\$ 788,048	\$ 354,597
First 5 Children and Families Commission	\$ 2,371	\$ 1,417	\$ 637

Pension Fund Fiduciary Net Position

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

20. 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 Comprehensive Annual 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 3916 State St. Suite 210, Santa Barbara, CA 93105 or on the SBCERS website under the Comprehensive Annual 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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4,141
Inactive employees entitled to but not yet receiving benefit payments	833
Active employees	2,415
	<u>7,389</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, 2020, the County, including its discretely presented component unit, reported a net OPEB liability of \$109,568. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, updated to June 30, 2019.

Actuarial Assumptions

The total OPEB liability measured as of June 30, 2019 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	55% - monthly subsidy of \$15 per year of service; 45% - \$4 cash benefit option
Mortality rates	<u>Healthy Lives:</u> Mortality rates for retirees, beneficiaries, terminated vested, and reciprocals are based on the sex distinct 2014 CalPERS Healthy Annuitant Mortality Tables adjusted by 0.95 for males and 0.90 for females, with Generational improvement using Projection Scale MP-2016 from a base year of 2009.

Non-duty related mortality rates for active members are based on the sex distinct 2014 CalPERS Preretirement Non-Industrial Mortality Table, with no adjustment, with Generational improvement using Projection Scale MP-2016 from a base year of 2009. Safety members are also subject to the 2014 CalPERS Preretirement Industrial Mortality Table for duty-related deaths, with the same Generational improvements applied.

Disabled Lives:

Mortality rates for disabled retirees are based on 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, 2018, updated to June 30, 2019, were based on 1) the demographic assumptions determined in the actuarial experience study of July 1, 2013 – June 30, 2016 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, 2019, 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%	4.10%
Fixed income	40%	0.40%
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, 2019 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	\$ 132,754	\$ 16,291	\$ 116,463	\$ 116,148	\$ 315
Changes for the year:					
Service cost	1,625	-	1,625	1,620	5
Interest	9,057	-	9,057	9,031	26
Differences between expected and actual experience	(2,706)	-	(2,706)	(2,698)	(8)
Contributions - employer	-	13,584	(13,584)	(13,545)	(39)
Net investment income	-	1,666	(1,666)	(1,661)	(5)
Benefit payments	(8,462)	(8,462)	-	-	-
Administrative expense	-	(379)	379	378	1
Allocation basis adjustment*	-	-	-	(22)	22
Net changes	(486)	6,409	(6,895)	(6,897)	2
Balances at 6/30/2020	\$ 132,268	\$ 22,700	\$ 109,568	\$ 109,251	\$ 317

*The percentage allocation basis for the County and First 5's proportionate share change year-over-year. This adjustment corrects for the change in allocation basis percentage from FY 18-19 to FY 19-20.

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

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

Proportionate share - Net OPEB liability	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
County of Santa Barbara	\$ 123,758	\$ 109,251	\$ 97,019
First 5 Children and Families Commission	\$ 359	\$ 317	\$ 282

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, 2020, the County, including its discretely presented component unit, recognized OPEB expense of \$8,142 and \$24, 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, 2020, the County and its discretely presented component unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Proportionate Share			
	County of Santa Barbara		First 5 Children and Families Commission	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,746	\$ -	\$ 11
Net difference between projected and actual earnings on retirement plan investments	-	234	-	1
County contributions subsequent to the measurement date	13,873	-	40	-
	\$ 13,873	\$ 3,980	\$ 40	\$ 12

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
2021	\$ (1,588)	\$ (5)
2022	(1,588)	(5)
2023	(732)	(2)
2024	(72)	--
	<u>\$ (3,980)</u>	<u>\$ (12)</u>

21. 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:

Fiscal Year Ended	Contributions
6/30/2018	\$ 193
6/30/2019	222
6/30/2020	232

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 \$19,000 (in whole dollars) during 2019 (calendar year), and \$19,500 (in whole dollars) during 2020 (calendar year) 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>
6/30/2018	\$ 156
6/30/2019	\$ 154
6/30/2020	\$ 156

22. SUBSEQUENT EVENTS

The County evaluated subsequent events from July 1, 2020 through August 28, 2020, the date the financial statements were available to be issued. The following subsequent event was noted:

Coronavirus Aid, Relief, and Economic Security (CARES) Act

On July 14, 2020, the Board approved to revise the adopted FY 20-21 budget to establish appropriations in the County Executive Office CARES Act Fund for Other Financing Uses funded by unanticipated revenue from the CARES Act Coronavirus Relief Fund. As part of the State’s adopted FY 20-21 budget, approximately \$46,100 in federal funding will be passed from the State to Santa Barbara County in order to support activities and expenses that promote public health and safety in response to the COVID-19 public health emergency.

Required Supplementary Information

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

Last 10 Fiscal Years*							
Measurement date	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 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
County's proportion of the net pension liability	92.5287%	92.8477%	93.1085%	92.7824%	92.8017%	92.6470%	92.3325%
County's proportionate share of the net pension liability	\$ 789,465	\$ 802,341	\$ 875,937	\$ 780,034	\$ 675,252	\$ 565,460	\$ 721,772
County's covered payroll	\$ 340,995	\$ 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	231.52%	251.16%	276.40%	256.20%	228.60%	199.50%	260.30%
Plan fiduciary net position as a percentage of the total pension liability	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

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
For use in	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Actuarially determined contribution	\$ 131,337	\$ 124,021	\$ 122,369	\$ 113,544	\$ 113,889	\$ 114,714	\$ 110,461
Contributions in relation to the actuarially determined contribution	131,337	124,021	122,369	113,544	114,197	114,946	110,756
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (308)	\$ (232)	\$ (295)
County's covered payroll	\$ 360,161	\$ 340,995	\$ 319,452	\$ 316,948	\$ 304,480	\$ 295,365	\$ 283,430
Contributions as a percentage of covered payroll	36.47%	36.37%	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

Last 10 Fiscal Years*

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

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 254,473	\$ 261,040	\$ 263,967	\$ 2,927
Licenses, permits, and franchises	19,655	19,598	16,636	(2,962)
Fines, forfeitures, and penalties	5,302	8,445	8,922	477
Use of money and property	2,942	3,893	5,044	1,151
Intergovernmental	88,168	97,127	91,416	(5,711)
Charges for services	75,344	77,013	71,030	(5,983)
Other	3,228	32,509	33,409	900
Total revenues	<u>449,112</u>	<u>499,625</u>	<u>490,424</u>	<u>(9,201)</u>
Expenditures				
Current:				
Policy & executive	20,292	22,747	21,046	1,701
Public safety	254,449	255,666	246,753	8,913
Health & public assistance	12,323	12,918	11,785	1,133
Community resources & public facilities	60,867	61,732	52,584	9,148
General government & support services	62,003	63,156	57,243	5,913
General county programs	1,629	3,166	2,821	345
Debt service:				
Interest	--	--	9	(9)
Total expenditures	<u>411,563</u>	<u>419,385</u>	<u>392,241</u>	<u>27,144</u>
Excess of revenues over expenditures	<u>37,549</u>	<u>80,240</u>	<u>98,183</u>	<u>17,943</u>
Other financing sources (uses)				
Transfers in	6,179	7,119	6,454	(665)
Transfers out	(56,061)	(83,920)	(78,948)	4,972
Sale of capital assets	8	8	8	--
Total other financing uses, net	<u>(49,874)</u>	<u>(76,793)</u>	<u>(72,486)</u>	<u>4,307</u>
Net change in fund balances	(12,325)	3,447	25,697	22,250
Fund balances - beginning	176,202	176,202	176,202	--
Fund balances - ending	<u>\$ 163,877</u>	<u>\$ 179,649</u>	<u>\$ 201,899</u>	<u>\$ 22,250</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 7,435	\$ 7,565	\$ 7,843	\$ 278
Licenses, permits, and franchises	374	374	502	128
Use of money and property	272	404	555	151
Intergovernmental	34,850	37,350	22,103	(15,247)
Charges for services	5,083	5,083	6,680	1,597
Other	112	112	148	36
Total revenues	<u>48,126</u>	<u>50,888</u>	<u>37,831</u>	<u>(13,057)</u>
Expenditures				
Current:				
Community resources & public facilities	56,527	58,229	44,127	14,102
Total expenditures	<u>56,527</u>	<u>58,229</u>	<u>44,127</u>	<u>14,102</u>
Deficiency of revenues under expenditures	<u>(8,401)</u>	<u>(7,341)</u>	<u>(6,296)</u>	<u>1,045</u>
Other financing sources (uses)				
Transfers in	7,022	19,950	17,486	(2,464)
Transfers out	(982)	(3,897)	(1,935)	1,962
Sale of capital assets	40	40	60	20
Total other financing sources, net	<u>6,080</u>	<u>16,093</u>	<u>15,611</u>	<u>(482)</u>
Net change in fund balances	(2,321)	8,752	9,315	563
Fund balances - beginning	24,568	24,568	24,568	--
Fund balances - ending	<u>\$ 22,247</u>	<u>\$ 33,320</u>	<u>\$ 33,883</u>	<u>\$ 563</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	\$ 37,831
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(5,174)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 32,657</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 44,127
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(5,174)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 38,953</u>
Actual amounts (budgetary basis) Total Other Financing Sources, Net	\$ 15,611
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(1,712)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	1,712
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 15,611</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits, and franchises	\$ 56	\$ 56	\$ 55	\$ (1)
Fines, forfeitures, and penalties	437	637	592	(45)
Use of money and property	201	261	263	2
Intergovernmental	20,511	22,795	23,131	336
Charges for services	49,196	46,689	47,567	878
Other	70	70	190	120
Total revenues	<u>70,471</u>	<u>70,508</u>	<u>71,798</u>	<u>1,290</u>
Expenditures				
Current:				
Health & public assistance	81,635	84,050	82,139	1,911
Total expenditures	<u>81,635</u>	<u>84,050</u>	<u>82,139</u>	<u>1,911</u>
Deficiency of revenues under expenditures	<u>(11,164)</u>	<u>(13,542)</u>	<u>(10,341)</u>	<u>3,201</u>
Other financing sources (uses)				
Transfers in	9,898	10,056	9,705	(351)
Transfers out	(147)	(218)	(7,525) *	(7,307)
Total other financing sources, net	<u>9,751</u>	<u>9,838</u>	<u>2,180</u>	<u>(7,658)</u>
Net change in fund balances	(1,413)	(3,704)	(8,161)	(4,457)
Fund balances - beginning	26,553	26,553	26,553	--
Fund balances - ending	<u>\$ 25,140</u>	<u>\$ 22,849</u>	<u>\$ 18,392</u>	<u>\$ (4,457)</u>

* Beginning in FY 2019-20 the activities of Tobacco Settlement fund, which were previously reported in the Public Health Special Revenue, are now accounted for in a new special revenue fund, this non-budgeted transfer actualizes the creation of the special revenue fund.

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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits, and franchises	\$ 66	\$ 66	\$ 57	\$ (9)
Fines, forfeitures, and penalties	13	13	11	(2)
Use of money and property	241	262	238	(24)
Intergovernmental	154,797	155,104	146,091	(9,013)
Charges for services	111	111	96	(15)
Other	416	416	691	275
Total revenues	<u>155,644</u>	<u>155,972</u>	<u>147,184</u>	<u>(8,788)</u>
Expenditures				
Current:				
Health & public assistance	167,653	169,362	156,873	12,489
Total expenditures	<u>167,653</u>	<u>169,362</u>	<u>156,873</u>	<u>12,489</u>
Deficiency of revenues under expenditures	<u>(12,009)</u>	<u>(13,390)</u>	<u>(9,689)</u>	<u>3,701</u>
Other financing sources (uses)				
Transfers in	8,721	8,967	8,829	(138)
Transfers out	(174)	(1,567)	(1,435)	132
Total other financing sources, net	<u>8,547</u>	<u>7,400</u>	<u>7,394</u>	<u>(6)</u>
Net change in fund balances	(3,462)	(5,990)	(2,295)	3,695
Fund balances - beginning	7,265	7,265	7,265	--
Fund balances - ending	<u>\$ 3,803</u>	<u>\$ 1,275</u>	<u>\$ 4,970</u>	<u>\$ 3,695</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	\$ 7,394
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(111)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	111
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 7,394</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Fines, forfeitures, and penalties	\$ 25	\$ 45	\$ 41	\$ (4)
Use of money and property	366	351	497	146
Intergovernmental	54,588	51,752	52,783	1,031
Charges for services	65,236	65,355	59,617	(5,738)
Other	81	1,419	3,020	1,601
Total revenues	<u>120,296</u>	<u>118,922</u>	<u>115,958</u>	<u>(2,964)</u>
Expenditures				
Current:				
Health & public assistance	132,321	137,005	129,298	7,707
Total expenditures	<u>132,321</u>	<u>137,005</u>	<u>129,298</u>	<u>7,707</u>
Deficiency of revenues under expenditures	<u>(12,025)</u>	<u>(18,083)</u>	<u>(13,340)</u>	<u>4,743</u>
Other financing sources (uses)				
Transfers in	9,703	13,422	9,330	(4,092)
Transfers out	(3,439)	(4,576)	(2,788)	1,788
Sale of capital assets	--	--	1	1
Total other financing sources, net	<u>6,264</u>	<u>8,846</u>	<u>6,543</u>	<u>(2,303)</u>
Net change in fund balances	(5,761)	(9,237)	(6,797)	2,440
Fund balances - beginning	17,139	17,139	17,139	--
Fund balances - ending	<u>\$ 11,378</u>	<u>\$ 7,902</u>	<u>\$ 10,342</u>	<u>\$ 2,440</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	\$ 115,958
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(13,112)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 102,846</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 129,298
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(13,112)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 116,186</u>
Actual amounts (budgetary basis) Total Other Financing Sources, Net	\$ 6,543
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>(1,814)</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>1,814</u>
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 6,543</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 11,660	\$ 11,660	\$ 12,631	\$ 971
Licenses, permits, and franchises	--	--	17	17
Fines, forfeitures, and penalties	--	--	1	1
Use of money and property	687	957	1,333	376
Intergovernmental	7,766	7,766	7,555	(211)
Charges for services	3,575	3,575	3,909	334
Other	2	1,252	1,261	9
Total revenues	<u>23,690</u>	<u>25,210</u>	<u>26,707</u>	<u>1,497</u>
Expenditures				
Current:				
Community resources & public facilities	29,539	32,901	20,430	12,471
Total expenditures	<u>29,539</u>	<u>32,901</u>	<u>20,430</u>	<u>12,471</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,849)</u>	<u>(7,691)</u>	<u>6,277</u>	<u>13,968</u>
Other financing sources (uses)				
Transfers in	57	2,057	2,048	(9)
Transfers out	--	(24)	(25)	(1)
Sale of capital assets	20	20	23	3
Total other financing sources, net	<u>77</u>	<u>2,053</u>	<u>2,046</u>	<u>(7)</u>
Net change in fund balances	(5,772)	(5,638)	8,323	13,961
Fund balances - beginning	63,217	63,217	63,217	--
Fund balances - ending	<u>\$ 57,445</u>	<u>\$ 57,579</u>	<u>\$ 71,540</u>	<u>\$ 13,961</u>

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

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	\$ 26,707
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(3,218)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 23,489</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 20,430
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(3,218)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 17,212</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 40	\$ 124	\$ 314	\$ 190
Intergovernmental	9,796	12,017	7,797	(4,220)
Charges for services	50	50	571	521
Other	442	632	816	184
Total revenues	<u>10,328</u>	<u>12,823</u>	<u>9,498</u>	<u>(3,325)</u>
Expenditures				
Current:				
Community resources & public facilities	9,514	9,514	6,942	2,572
Total expenditures	<u>9,514</u>	<u>9,514</u>	<u>6,942</u>	<u>2,572</u>
Excess of revenues over expenditures	814	3,309	2,556	(753)
Other financing sources (uses)				
Transfers in	--	70	70	--
Transfers out	(1,688)	(4,139)	(1,647)	2,492
Total other financing uses, net	<u>(1,688)</u>	<u>(4,069)</u>	<u>(1,577)</u>	<u>2,492</u>
Net change in fund balances	(874)	(760)	979	1,739
Fund balances - beginning	5,884	5,884	5,884	--
Fund balances - ending	<u>\$ 5,010</u>	<u>\$ 5,124</u>	<u>\$ 6,863</u>	<u>\$ 1,739</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 58,052	\$ 58,052	\$ 59,158	\$ 1,106
Licenses, permits, and franchises	20	20	21	1
Fines, forfeitures, and penalties	--	--	6	6
Use of money and property	53	349	330	(19)
Intergovernmental	672	1,657	1,473	(184)
Charges for services	26,487	26,586	24,440	(2,146)
Other	501	1,442	1,375	(67)
Total revenues	<u>85,785</u>	<u>88,106</u>	<u>86,803</u>	<u>(1,303)</u>
Expenditures				
Current:				
Public safety	85,484	87,692	84,857	2,835
Total expenditures	<u>85,484</u>	<u>87,692</u>	<u>84,857</u>	<u>2,835</u>
Excess of revenues over expenditures	<u>301</u>	<u>414</u>	<u>1,946</u>	<u>1,532</u>
Other financing sources (uses)				
Transfers in	446	446	457	11
Transfers out	(10,082)	(10,088)	(2,317)	7,771
Sale of capital assets	--	--	21	21
Total other financing uses, net	<u>(9,636)</u>	<u>(9,642)</u>	<u>(1,839)</u>	<u>7,803</u>
Net change in fund balances	(9,335)	(9,228)	107	9,335
Fund balances - beginning	27,418	27,418	27,418	--
Fund balances - ending	<u>\$ 18,083</u>	<u>\$ 18,190</u>	<u>\$ 27,525</u>	<u>\$ 9,335</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, 2020, no instances existed in which expenditures exceeded appropriations.

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



Other Supplementary Information



Other Major Governmental Fund

COUNTY OF SANTA BARBARA, CALIFORNIA
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 5	\$ 303	\$ 315	\$ 12
Intergovernmental	5,169	6,062	206	(5,856)
Charges for services	1,606	2,278	503	(1,775)
Other	128	356	--	(356)
Total revenues	<u>6,908</u>	<u>8,999</u>	<u>1,024</u>	<u>(7,975)</u>
Expenditures				
Capital outlay	32,981	38,633	16,110	22,523
Total expenditures	<u>32,981</u>	<u>38,633</u>	<u>16,110</u>	<u>22,523</u>
Deficiency of revenues under expenditures	<u>(26,073)</u>	<u>(29,634)</u>	<u>(15,086)</u>	<u>14,548</u>
Other financing sources (uses)				
Transfers in	20,684	31,806	22,157	(9,649)
Transfers out	(212)	(396)	(271)	125
Long-term debt issued	3,200	3,200	--	(3,200)
Total other financing sources, net	<u>23,672</u>	<u>34,610</u>	<u>21,886</u>	<u>(12,724)</u>
Net change in fund balances	(2,401)	4,976	6,800	1,824
Fund balances - beginning	11,613	11,613	11,613	--
Fund balances - ending	<u>\$ 9,212</u>	<u>\$ 16,589</u>	<u>\$ 18,413</u>	<u>\$ 1,824</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 CAFR:

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.

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. In early 1993, the Planning Commission approved a supplemental needs assessment that, pursuant to Board of Supervisors adopted FEF Guidelines, recommends specific 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.

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.

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.

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, 2020 (in thousands)

	Special Revenue						
	Fish and Game	Petroleum	Public and Educational Access	Special Aviation	IHSS Public Authority	Child Support Services	Fishermen Assistance
Assets							
Assets:							
Cash and investments	\$ 115	\$ 568	\$ 1,065	\$ 64	\$ 355	\$ 455	\$ 424
Accounts receivable, net:							
Fines, forfeitures, and penalties	--	--	--	--	--	--	--
Use of money and property	2	2	3	--	(1)	3	1
Intergovernmental	--	--	--	79	149	567	--
Charges for services	--	--	--	--	--	95	--
Other	--	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--	--
Other receivables	--	--	--	--	--	--	--
Restricted cash and investments	--	--	--	--	--	--	--
Total assets	<u>\$ 117</u>	<u>\$ 570</u>	<u>\$ 1,068</u>	<u>\$ 143</u>	<u>\$ 503</u>	<u>\$ 1,120</u>	<u>\$ 425</u>
Liabilities and fund balances							
Liabilities:							
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ 75	\$ 16	\$ --
Salaries and benefits payable	--	18	--	--	--	358	--
Due to other funds	--	--	--	--	420	--	--
Customer deposits payable	--	--	--	--	--	--	--
Total liabilities	<u>--</u>	<u>18</u>	<u>--</u>	<u>--</u>	<u>495</u>	<u>374</u>	<u>--</u>
Fund balances:							
Restricted	117	552	1,068	143	8	746	425
Committed	--	--	--	--	--	--	--
Total fund balances	<u>117</u>	<u>552</u>	<u>1,068</u>	<u>143</u>	<u>8</u>	<u>746</u>	<u>425</u>
Total liabilities and fund balances	<u>\$ 117</u>	<u>\$ 570</u>	<u>\$ 1,068</u>	<u>\$ 143</u>	<u>\$ 503</u>	<u>\$ 1,120</u>	<u>\$ 425</u>

Special
Revenue

Coastal Resources Enhancement	Court Activities	Criminal Justice Construction	Courthouse Construction	Inmate Welfare	Tobacco Settlement	County Service Areas	
\$ 2,562	\$ 1,795	\$ 1	\$ 3,961	\$ 3,301	\$ 7,665	\$ 4,892	Assets
--	85	44	44	--	--	--	Assets:
8	(4)	(1)	12	10	29	16	Cash and investments
--	--	--	--	--	--	--	Accounts receivable, net:
--	79	--	--	--	--	--	Fines, forfeitures, and penalties
--	--	--	--	76	--	--	Use of money and property
--	476	--	--	--	4	--	Intergovernmental
--	--	--	--	--	--	9	Charges for services
--	--	--	--	--	--	--	Other
--	--	--	--	--	--	--	Due from other funds
--	--	--	--	--	--	--	Other receivables
--	--	--	--	--	--	--	Restricted cash and investments
<u>\$ 2,570</u>	<u>\$ 2,431</u>	<u>\$ 44</u>	<u>\$ 4,017</u>	<u>\$ 3,387</u>	<u>\$ 7,698</u>	<u>\$ 4,917</u>	Total assets
							Liabilities and fund balances
\$ --	\$ 179	\$ --	\$ --	\$ 125	\$ 35	\$ 227	Liabilities:
--	--	--	--	25	--	--	Accounts payable
--	1,930	44	--	--	--	25	Salaries and benefits payable
--	--	--	--	--	--	--	Due to other funds
--	--	--	--	--	--	--	Customer deposits payable
--	<u>2,109</u>	<u>44</u>	<u>--</u>	<u>150</u>	<u>35</u>	<u>252</u>	Total liabilities
2,570	316	--	4,017	3,237	--	4,665	Fund balances:
--	6	--	--	--	7,663	--	Restricted
<u>2,570</u>	<u>322</u>	<u>--</u>	<u>4,017</u>	<u>3,237</u>	<u>7,663</u>	<u>4,665</u>	Committed
<u>\$ 2,570</u>	<u>\$ 2,431</u>	<u>\$ 44</u>	<u>\$ 4,017</u>	<u>\$ 3,387</u>	<u>\$ 7,698</u>	<u>\$ 4,917</u>	Total fund balances
							Total liabilities and fund balances

COUNTY OF SANTA BARBARA, CALIFORNIA
 COMBINING BALANCE SHEET (Continued)
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2020 (in thousands)

	Community Facilities Districts	Lighting Districts	Special Revenue Sandyland Seawall Maintenance District	Water Agency	Special Revenue Total	Debt Service Santa Barbara County Finance Corporation	Total Nonmajor Governmental Funds
Assets							
Assets:							
Cash and investments	\$ 645	\$ 587	\$ 777	\$ 12,442	\$ 41,674	\$ 115	\$ 41,789
Accounts receivable, net:							
Fines, forfeitures, and penalties	--	--	--	--	173	--	173
Use of money and property	2	2	2	38	124	--	124
Intergovernmental	--	--	--	42	837	--	837
Charges for services	--	--	--	--	174	--	174
Other	--	--	--	--	76	--	76
Due from other funds	--	--	--	--	480	--	480
Other receivables	--	4	--	42	55	--	55
Restricted cash and investments	--	--	--	4	4	1,413	1,417
Total assets	<u>\$ 647</u>	<u>\$ 593</u>	<u>\$ 779</u>	<u>\$ 12,568</u>	<u>\$ 43,597</u>	<u>\$ 1,528</u>	<u>\$ 45,125</u>
Liabilities and fund balances							
Liabilities:							
Accounts payable	\$ --	\$ 140	\$ --	\$ 99	\$ 896	\$ --	\$ 896
Salaries and benefits payable	--	--	--	49	450	--	450
Due to other funds	--	--	--	--	2,419	--	2,419
Customer deposits payable	--	--	--	4	4	--	4
Total liabilities	<u>--</u>	<u>140</u>	<u>--</u>	<u>152</u>	<u>3,769</u>	<u>--</u>	<u>3,769</u>
Fund balances:							
Restricted	647	453	779	11,874	31,617	1,528	33,145
Committed	--	--	--	542	8,211	--	8,211
Total fund balances	<u>647</u>	<u>453</u>	<u>779</u>	<u>12,416</u>	<u>39,828</u>	<u>1,528</u>	<u>41,356</u>
Total liabilities and fund balances	<u>\$ 647</u>	<u>\$ 593</u>	<u>\$ 779</u>	<u>\$ 12,568</u>	<u>\$ 43,597</u>	<u>\$ 1,528</u>	<u>\$ 45,125</u>



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, 2020 (in thousands)

	Special Revenue						
	Fish and Game	Petroleum	Public and Educational Access	Special Aviation	IHSS Public Authority	Child Support Services	Fishermen Assistance
Revenues							
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses, permits, and franchises	--	4	--	--	--	--	--
Fines, forfeitures, and penalties	49	44	--	--	--	--	--
Use of money and property	9	9	21	2	15	15	8
Intergovernmental	--	--	--	97	8,216	9,728	--
Charges for services	--	712	--	--	--	35	--
Other	--	--	--	--	--	5	--
Total revenues	<u>58</u>	<u>769</u>	<u>21</u>	<u>99</u>	<u>8,231</u>	<u>9,783</u>	<u>8</u>
Expenditures							
Current:							
Public safety	--	--	--	--	--	--	--
Health & public assistance	--	--	--	--	9,942	9,506	--
Community resources & public facilities	18	494	--	--	--	--	4
General government & support services	--	--	--	91	--	--	--
General county programs	--	--	4	--	--	--	--
Debt service:							
Principal	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--
Total expenditures	<u>18</u>	<u>494</u>	<u>4</u>	<u>91</u>	<u>9,942</u>	<u>9,506</u>	<u>4</u>
Excess (deficiency) of revenues over (under) expenditures	<u>40</u>	<u>275</u>	<u>17</u>	<u>8</u>	<u>(1,711)</u>	<u>277</u>	<u>4</u>
Other financing sources (uses)							
Transfers in	--	--	--	--	1,057	--	--
Transfers out	--	--	--	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,057</u>	<u>--</u>	<u>--</u>
Net change in fund balances	<u>40</u>	<u>275</u>	<u>17</u>	<u>8</u>	<u>(654)</u>	<u>277</u>	<u>4</u>
Fund balances - beginning	77	277	1,051	135	662	469	421
Fund balances - ending	<u>\$ 117</u>	<u>\$ 552</u>	<u>\$ 1,068</u>	<u>\$ 143</u>	<u>\$ 8</u>	<u>\$ 746</u>	<u>\$ 425</u>

Special Revenue							
Coastal Resources Enhancement	Court Activities	Criminal Justice Construction	Courthouse Construction	Inmate Welfare	Tobacco Settlement	County Service Areas	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,587	Revenues
--	--	--	--	--	--	--	Taxes
--	1,525	887	887	--	--	--	Licenses, permits, and franchises
50	29	(1)	75	580	152	94	Fines, forfeitures, and penalties
--	--	--	--	--	--	6	Use of money and property
--	2,480	--	--	--	--	543	Intergovernmental
449	1,297	--	--	1,317	4,169	22	Charges for services
499	5,331	886	962	1,897	4,321	2,252	Other
							Total revenues
							Expenditures
							Current:
--	15,081	--	--	1,636	--	--	Public safety
--	--	--	--	--	--	--	Health & public assistance
372	--	--	--	--	--	869	Community resources & public facilities
--	--	1	(1)	--	104	--	General government & support services
--	--	--	--	--	--	--	General county programs
							Debt service:
--	--	--	--	--	--	--	Principal
--	--	--	--	--	--	--	Interest
372	15,081	1	(1)	1,636	104	869	Total expenditures
							Excess (deficiency) of revenues over (under) expenditures
127	(9,750)	885	963	261	4,217	1,383	
							Other financing sources (uses)
--	9,763	134	--	--	7,429	--	Transfers in
--	--	(1,019)	(221)	--	(3,983)	(915)	Transfers out
--	9,763	(885)	(221)	--	3,446	(915)	Total other financing sources (uses)
127	13	--	742	261	7,663	468	Net change in fund balances
2,443	309	--	3,275	2,976	--	4,197	Fund balances - beginning
\$ 2,570	\$ 322	\$ --	\$ 4,017	\$ 3,237	\$ 7,663	\$ 4,665	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, 2020 (in thousands)

	Special Revenue				Special Revenue Total	Debt Service Santa Barbara County Finance Corporation	Total Nonmajor Governmental Funds
	Community Facilities Districts	Lighting Districts	Sandyland Seawall Maintenance District	Water Agency			
Revenues							
Taxes	\$ 795	\$ 554	\$ --	\$ 3,285	\$ 6,221	\$ --	\$ 6,221
Licenses, permits, and franchises	--	--	--	4	8	--	8
Fines, forfeitures, and penalties	--	--	--	--	3,392	--	3,392
Use of money and property	15	10	15	232	1,330	14	1,344
Intergovernmental	--	2	--	561	18,610	1,377	19,987
Charges for services	--	--	--	266	4,036	--	4,036
Other	--	--	--	5	7,264	--	7,264
Total revenues	810	566	15	4,353	40,861	1,391	42,252
Expenditures							
Current:							
Public safety	--	--	--	--	16,717	--	16,717
Health & public assistance	--	--	--	--	19,448	--	19,448
Community resources & public facilities	189	536	2	3,293	5,777	--	5,777
General government & support services	--	--	--	--	91	--	91
General county programs	--	--	--	--	108	13	121
Debt service:							
Principal	--	--	--	--	--	4,034	4,034
Interest	--	--	--	--	--	1,657	1,657
Total expenditures	189	536	2	3,293	42,141	5,704	47,845
Excess (deficiency) of revenues over (under) expenditures	621	30	13	1,060	(1,280)	(4,313)	(5,593)
Other financing sources (uses)							
Transfers in	--	--	--	603	18,986	4,527	23,513
Transfers out	(909)	--	--	(27)	(7,074)	--	(7,074)
Total other financing sources (uses)	(909)	--	--	576	11,912	4,527	16,439
Net change in fund balances	(288)	30	13	1,636	10,632	214	10,846
Fund balances - beginning	935	423	766	10,780	29,196	1,314	30,510
Fund balances - ending	\$ 647	\$ 453	\$ 779	\$ 12,416	\$ 39,828	\$ 1,528	\$ 41,356



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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Fines, forfeitures, and penalties	\$ 11	\$ 11	\$ 49	\$ 38
Use of money and property	1	1	9	8
Total revenues	<u>12</u>	<u>12</u>	<u>58</u>	<u>46</u>
Expenditures				
Current:				
Community resources & public facilities	27	27	18	9
Total expenditures	<u>27</u>	<u>27</u>	<u>18</u>	<u>9</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15)</u>	<u>(15)</u>	<u>40</u>	<u>55</u>
Net change in fund balances	(15)	(15)	40	55
Fund balances - beginning	77	77	77	--
Fund balances - ending	<u>\$ 62</u>	<u>\$ 62</u>	<u>\$ 117</u>	<u>\$ 55</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits, and franchises	\$ 15	\$ 15	\$ 4	\$ (11)
Fines, forfeitures, and penalties	10	10	44	34
Use of money and property	2	4	9	5
Charges for services	645	645	712	67
Total revenues	<u>672</u>	<u>674</u>	<u>769</u>	<u>95</u>
Expenditures				
Current:				
Community resources & public facilities	643	643	494	149
Total expenditures	<u>643</u>	<u>643</u>	<u>494</u>	<u>149</u>
Excess of revenues over expenditures	<u>29</u>	<u>31</u>	<u>275</u>	<u>244</u>
Net change in fund balances	29	31	275	244
Fund balances - beginning	277	277	277	--
Fund balances - ending	<u>\$ 306</u>	<u>\$ 308</u>	<u>\$ 552</u>	<u>\$ 244</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 3	\$ 24	\$ 21	\$ (3)
Total revenues	<u>3</u>	<u>24</u>	<u>21</u>	<u>(3)</u>
Expenditures				
Current:				
General county programs	8	8	4	4
Total expenditures	<u>8</u>	<u>8</u>	<u>4</u>	<u>4</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5)</u>	<u>16</u>	<u>17</u>	<u>1</u>
Net change in fund balances	(5)	16	17	1
Fund balances - beginning	1,051	1,051	1,051	--
Fund balances - ending	<u>\$ 1,046</u>	<u>\$ 1,067</u>	<u>\$ 1,068</u>	<u>\$ 1</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ --	\$ --	\$ 2	\$ 2
Intergovernmental	195	252	97	(155)
Total revenues	<u>195</u>	<u>252</u>	<u>99</u>	<u>(153)</u>
Expenditures				
Current:				
General government & support services	195	255	91	164
Total expenditures	<u>195</u>	<u>255</u>	<u>91</u>	<u>164</u>
Excess (deficiency) of revenues over (under) expenditures	--	(3)	8	11
Net change in fund balances	--	(3)	8	11
Fund balances - beginning	135	135	135	--
Fund balances - ending	<u>\$ 135</u>	<u>\$ 132</u>	<u>\$ 143</u>	<u>\$ 11</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ --	\$ 2	\$ 15	\$ 13
Intergovernmental	8,057	8,426	8,216	(210)
Total revenues	<u>8,057</u>	<u>8,428</u>	<u>8,231</u>	<u>(197)</u>
Expenditures				
Current:				
Health & public assistance	8,952	10,139	9,942	197
Total expenditures	<u>8,952</u>	<u>10,139</u>	<u>9,942</u>	<u>197</u>
Deficiency of revenues under expenditures	(895)	(1,711)	(1,711)	--
Other financing sources				
Transfers in	794	1,057	1,057	--
Total other financing sources	<u>794</u>	<u>1,057</u>	<u>1,057</u>	<u>--</u>
Net change in fund balances	(101)	(654)	(654)	--
Fund balances - beginning	662	662	662	--
Fund balances - ending	<u>\$ 561</u>	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ --</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 16	\$ 18	\$ 15	\$ (3)
Intergovernmental	9,520	9,520	9,728	208
Charges for services	--	--	35	35
Other	--	--	5	5
Total revenues	<u>9,536</u>	<u>9,538</u>	<u>9,783</u>	<u>245</u>
Expenditures				
Current:				
Health & public assistance	<u>9,601</u>	<u>9,601</u>	<u>9,506</u>	<u>95</u>
Total expenditures	<u>9,601</u>	<u>9,601</u>	<u>9,506</u>	<u>95</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(65)</u>	<u>(63)</u>	<u>277</u>	<u>340</u>
Net change in fund balances	(65)	(63)	277	340
Fund balances - beginning	469	469	469	--
Fund balances - ending	<u>\$ 404</u>	<u>\$ 406</u>	<u>\$ 746</u>	<u>\$ 340</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 3	\$ 5	\$ 8	\$ 3
Other	12	12	--	(12)
Total revenues	<u>15</u>	<u>17</u>	<u>8</u>	<u>(9)</u>
Expenditures				
Current:				
Community resources & public facilities	30	30	4	26
Total expenditures	<u>30</u>	<u>30</u>	<u>4</u>	<u>26</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15)</u>	<u>(13)</u>	<u>4</u>	<u>17</u>
Net change in fund balances	(15)	(13)	4	17
Fund balances - beginning	421	421	421	--
Fund balances - ending	<u>\$ 406</u>	<u>\$ 408</u>	<u>\$ 425</u>	<u>\$ 17</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 6	\$ 15	\$ 50	\$ 35
Other	450	450	449	(1)
Total revenues	<u>456</u>	<u>465</u>	<u>499</u>	<u>34</u>
Expenditures				
Current:				
Community resources & public facilities	1,353	1,353	372	981
Total expenditures	<u>1,353</u>	<u>1,353</u>	<u>372</u>	<u>981</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(897)</u>	<u>(888)</u>	<u>127</u>	<u>1,015</u>
Net change in fund balances	(897)	(888)	127	1,015
Fund balances - beginning	2,443	2,443	2,443	--
Fund balances - ending	<u>\$ 1,546</u>	<u>\$ 1,555</u>	<u>\$ 2,570</u>	<u>\$ 1,015</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Fines, forfeitures, and penalties	\$ 1,374	\$ 1,610	\$ 1,525	\$ (85)
Use of money and property	22	28	29	1
Charges for services	2,811	2,811	2,480	(331)
Other	1,076	1,076	1,297	221
Total revenues	<u>5,283</u>	<u>5,525</u>	<u>5,331</u>	<u>(194)</u>
Expenditures				
Current:				
Public safety	<u>14,695</u>	<u>15,496</u>	<u>15,081</u>	<u>415</u>
Total expenditures	<u>14,695</u>	<u>15,496</u>	<u>15,081</u>	<u>415</u>
Deficiency of revenues under expenditures	<u>(9,412)</u>	<u>(9,971)</u>	<u>(9,750)</u>	<u>221</u>
Other financing sources				
Transfers in	<u>9,413</u>	<u>9,913</u>	<u>9,763</u>	<u>(150)</u>
Total other financing sources	<u>9,413</u>	<u>9,913</u>	<u>9,763</u>	<u>(150)</u>
Net change in fund balances	1	(58)	13	71
Fund balances - beginning	309	309	309	--
Fund balances - ending	<u>\$ 310</u>	<u>\$ 251</u>	<u>\$ 322</u>	<u>\$ 71</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Fines, forfeitures, and penalties	\$ 600	\$ 600	\$ 887	\$ 287
Use of money and property	--	--	(1)	(1)
Total revenues	<u>600</u>	<u>600</u>	<u>886</u>	<u>286</u>
Expenditures				
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>885</u>	<u>285</u>
Other financing sources (uses)				
Transfers in	421	421	134	(287)
Transfers out	(1,021)	(1,021)	(1,019)	2
Total other financing uses, net	<u>(600)</u>	<u>(600)</u>	<u>(885)</u>	<u>(285)</u>
Net change in fund balances	--	--	--	--
Fund balances - beginning	--	--	--	--
Fund balances - ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Fines, forfeitures, and penalties	\$ 600	\$ 850	\$ 887	\$ 37
Use of money and property	30	46	75	29
Total revenues	<u>630</u>	<u>896</u>	<u>962</u>	<u>66</u>
Expenditures				
Current:				
General county programs	--	--	(1)	1
Total expenditures	<u>--</u>	<u>--</u>	<u>(1)</u>	<u>1</u>
Excess of revenues over expenditures	<u>630</u>	<u>896</u>	<u>963</u>	<u>67</u>
Other financing uses				
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	674	742	68
Fund balances - beginning	<u>3,275</u>	<u>3,275</u>	<u>3,275</u>	<u>--</u>
Fund balances - ending	<u>\$ 3,683</u>	<u>\$ 3,949</u>	<u>\$ 4,017</u>	<u>\$ 68</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 673	\$ 685	\$ 580	\$ (105)
Other	1,200	1,200	1,317	117
Total revenues	<u>1,873</u>	<u>1,885</u>	<u>1,897</u>	<u>12</u>
Expenditures				
Current:				
Public safety	2,040	2,040	1,636	404
Total expenditures	<u>2,040</u>	<u>2,040</u>	<u>1,636</u>	<u>404</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(167)</u>	<u>(155)</u>	<u>261</u>	<u>416</u>
Net change in fund balances	(167)	(155)	261	416
Fund balances - beginning	2,976	2,976	2,976	--
Fund balances - ending	<u>\$ 2,809</u>	<u>\$ 2,821</u>	<u>\$ 3,237</u>	<u>\$ 416</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 120	\$ 147	\$ 152	\$ 5
Other	4,486	4,486	4,169	(317)
Total revenues	<u>4,606</u>	<u>4,633</u>	<u>4,321</u>	<u>(312)</u>
Expenditures				
Current:				
Health & public assistance	--	7,423	--	7,423
General county programs	105	(7,319)	104	(7,423)
Total expenditures	<u>105</u>	<u>104</u>	<u>104</u>	<u>--</u>
Excess of revenues over expenditures	<u>4,501</u>	<u>4,529</u>	<u>4,217</u>	<u>(312)</u>
Other financing sources (uses)				
Transfers in	--	--	7,429 *	7,429
Transfers out	(4,151)	(4,151)	(3,983)	168
Total other financing sources (uses)	<u>(4,151)</u>	<u>(4,151)</u>	<u>3,446</u>	<u>7,597</u>
Net change in fund balances	350	378	7,663	7,285
Fund balances - beginning	--	--	--	--
Fund balances - ending	<u>\$ 350</u>	<u>\$ 378</u>	<u>\$ 7,663</u>	<u>\$ 7,285</u>

* Beginning in FY 2019-20 the activities of Tobacco Settlement fund, which were previously reported in the Public Health Special Revenue, are now accounted for in a new special revenue fund, this non-budgeted transfer actualizes the creation of the special revenue fund.

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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,516	\$ 1,516	\$ 1,587	\$ 71
Use of money and property	36	54	94	40
Intergovernmental	6	6	6	--
Charges for services	531	531	543	12
Other	--	--	22	22
Total revenues	<u>2,089</u>	<u>2,107</u>	<u>2,252</u>	<u>145</u>
Expenditures				
Current:				
Community resources & public facilities	1,141	1,116	869	247
Total expenditures	<u>1,141</u>	<u>1,116</u>	<u>869</u>	<u>247</u>
Excess of revenues over expenditures	<u>948</u>	<u>991</u>	<u>1,383</u>	<u>392</u>
Other financing uses				
Transfers out	(1,252)	(1,362)	(915)	447
Total other financing uses, net	<u>(1,252)</u>	<u>(1,362)</u>	<u>(915)</u>	<u>447</u>
Net change in fund balances	(304)	(371)	468	839
Fund balances - beginning	4,197	4,197	4,197	--
Fund balances - ending	<u>\$ 3,893</u>	<u>\$ 3,826</u>	<u>\$ 4,665</u>	<u>\$ 839</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 802	\$ 802	\$ 795	\$ (7)
Use of money and property	2	3	15	12
Total revenues	<u>804</u>	<u>805</u>	<u>810</u>	<u>5</u>
Expenditures				
Current:				
Community resources & public facilities	207	207	189	18
Total expenditures	<u>207</u>	<u>207</u>	<u>189</u>	<u>18</u>
Excess of revenues over expenditures	<u>597</u>	<u>598</u>	<u>621</u>	<u>23</u>
Other financing uses				
Transfers out	(914)	(914)	(909)	5
Total other financing uses	<u>(914)</u>	<u>(914)</u>	<u>(909)</u>	<u>5</u>
Net change in fund balances	(317)	(316)	(288)	28
Fund balances - beginning	935	935	935	--
Fund balances - ending	<u>\$ 618</u>	<u>\$ 619</u>	<u>\$ 647</u>	<u>\$ 28</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 543	\$ 543	\$ 554	\$ 11
Use of money and property	5	7	10	3
Intergovernmental	2	2	2	--
Total revenues	<u>550</u>	<u>552</u>	<u>566</u>	<u>14</u>
Expenditures				
Current:				
Community resources & public facilities	595	595	536	59
Total expenditures	<u>595</u>	<u>595</u>	<u>536</u>	<u>59</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45)</u>	<u>(43)</u>	<u>30</u>	<u>73</u>
Net change in fund balances	(45)	(43)	30	73
Fund balances - beginning	423	423	423	--
Fund balances - ending	<u>\$ 378</u>	<u>\$ 380</u>	<u>\$ 453</u>	<u>\$ 73</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 2	\$ 20	\$ 15	\$ (5)
Total revenues	<u>2</u>	<u>20</u>	<u>15</u>	<u>(5)</u>
Expenditures				
Current:				
Community resources & public facilities	175	175	2	173
Total expenditures	<u>175</u>	<u>175</u>	<u>2</u>	<u>173</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(173)</u>	<u>(155)</u>	<u>13</u>	<u>168</u>
Net change in fund balances	(173)	(155)	13	168
Fund balances - beginning	766	766	766	--
Fund balances - ending	<u>\$ 593</u>	<u>\$ 611</u>	<u>\$ 779</u>	<u>\$ 168</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 3,052	\$ 3,052	\$ 3,285	\$ 233
Licenses, permits, and franchises	--	--	4	4
Use of money and property	108	157	232	75
Intergovernmental	6,637	6,637	561	(6,076)
Charges for services	133	133	266	133
Other	--	--	5	5
Total revenues	<u>9,930</u>	<u>9,979</u>	<u>4,353</u>	<u>(5,626)</u>
Expenditures				
Current:				
Community resources & public facilities	11,088	11,317	3,293	8,024
Total expenditures	<u>11,088</u>	<u>11,317</u>	<u>3,293</u>	<u>8,024</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,158)</u>	<u>(1,338)</u>	<u>1,060</u>	<u>2,398</u>
Other financing sources (uses)				
Transfers in	603	603	603	--
Transfers out	(71)	(71)	(27)	44
Total other financing sources, net	<u>532</u>	<u>532</u>	<u>576</u>	<u>44</u>
Net change in fund balances	(626)	(806)	1,636	2,442
Fund balances - beginning	10,780	10,780	10,780	--
Fund balances - ending	<u>\$ 10,154</u>	<u>\$ 9,974</u>	<u>\$ 12,416</u>	<u>\$ 2,442</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, 2020 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 30	\$ 31	\$ 14	\$ (17)
Intergovernmental	1,378	1,378	1,377	(1)
Total revenues	<u>1,408</u>	<u>1,409</u>	<u>1,391</u>	<u>(18)</u>
Expenditures				
Current:				
General county programs	65	65	13	52
Debt service:				
Principal	4,035	4,035	4,034	1
Interest	1,659	1,659	1,657	2
Total expenditures	<u>5,759</u>	<u>5,759</u>	<u>5,704</u>	<u>55</u>
Deficiency of revenues under expenditures	<u>(4,351)</u>	<u>(4,350)</u>	<u>(4,313)</u>	<u>37</u>
Other financing sources				
Transfers in	4,558	4,558	4,527	(31)
Total other financing sources	<u>4,558</u>	<u>4,558</u>	<u>4,527</u>	<u>(31)</u>
Net change in fund balances	207	208	214	6
Fund balances - beginning	1,314	1,314	1,314	--
Fund balances - ending	<u>\$ 1,521</u>	<u>\$ 1,522</u>	<u>\$ 1,528</u>	<u>\$ 6</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, 2020 (in thousands)

	Information Technology Services	Vehicle Operations and Maintenance	Risk Management and Insurance	Communi- cations Services	Utilities	Total
Assets						
Current assets:						
Cash and investments (Note 3)	\$ 6,323	\$ 24,807	\$ 14,293	\$ 9,781	\$ 1,394	\$ 56,598
Accounts receivable, net:						
Use of money and property	20	75	41	29	4	169
Charges for services	--	2	71	--	38	111
Inventories	--	128	--	110	--	238
Total current assets	<u>6,343</u>	<u>25,012</u>	<u>14,405</u>	<u>9,920</u>	<u>1,436</u>	<u>57,116</u>
Noncurrent assets:						
Other receivables	--	--	254	--	66	320
Restricted cash and investments (Note 4)	--	10	--	--	--	10
Capital assets, net of accumulated depreciation/amortization (Note 6)	5,547	19,052	3	5,297	2,983	32,882
Total noncurrent assets	<u>5,547</u>	<u>19,062</u>	<u>257</u>	<u>5,297</u>	<u>3,049</u>	<u>33,212</u>
Total assets	<u>11,890</u>	<u>44,074</u>	<u>14,662</u>	<u>15,217</u>	<u>4,485</u>	<u>90,328</u>
Deferred outflows of resources						
Deferred pensions (Note 19)	1,396	638	372	430	68	2,904
Deferred OPEB (Note 20)	114	47	29	44	7	241
Total deferred outflows of resources	<u>1,510</u>	<u>685</u>	<u>401</u>	<u>474</u>	<u>75</u>	<u>3,145</u>
Liabilities						
Current liabilities:						
Accounts payable	544	70	935	7	3	1,559
Salaries and benefits payable	244	99	56	65	8	472
Compensated absences (Note 10)	285	126	60	164	12	647
Other Short - Term Liabilities	--	--	2,324	--	--	2,324
Bonds and notes payable (Note 10)	--	--	--	--	355	355
Liability for self-insurance claims (Note 11)	--	--	4,568	--	--	4,568
Total current liabilities	<u>1,073</u>	<u>295</u>	<u>7,943</u>	<u>236</u>	<u>378</u>	<u>9,925</u>
Noncurrent liabilities:						
Compensated absences (Note 10)	63	56	63	26	14	222
Bonds and notes payable (Note 10)	--	--	--	--	2,185	2,185
Liability for self-insurance claims (Note 11)	--	--	6,063	--	--	6,063
Net pension liability (Note 19)	5,647	2,581	1,505	1,738	274	11,745
Net OPEB liability (Note 20)	897	368	225	345	56	1,891
Total noncurrent liabilities	<u>6,607</u>	<u>3,005</u>	<u>7,856</u>	<u>2,109</u>	<u>2,529</u>	<u>22,106</u>
Total liabilities	<u>7,680</u>	<u>3,300</u>	<u>15,799</u>	<u>2,345</u>	<u>2,907</u>	<u>32,031</u>
Deferred inflows of resources						
Deferred pensions (Note 19)	301	138	80	93	15	627
Deferred OPEB (Note 20)	33	13	8	13	2	69
Total deferred inflows of resources	<u>334</u>	<u>151</u>	<u>88</u>	<u>106</u>	<u>17</u>	<u>696</u>
Net position						
Net investment in capital assets	5,547	19,052	4	5,297	443	30,343
Unrestricted	(161)	22,256	(828)	7,943	1,193	30,403
Total net position	<u>\$ 5,386</u>	<u>\$ 41,308</u>	<u>\$ (824)</u>	<u>\$ 13,240</u>	<u>\$ 1,636</u>	<u>\$ 60,746</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, 2020 (in thousands)

	Information Technology Services	Vehicle Operations and Maintenance	Risk Management and Insurance	Communi- cations Services	Utilities	Total
Operating revenues						
Charges for services	\$ 9,694	\$ 12,325	\$ 33,048	\$ 4,936	\$ 6,235	\$ 66,238
Self-insurance recovery	--	--	1,525	--	--	1,525
Other operating revenues	122	136	--	33	7	298
Total operating revenues	<u>9,816</u>	<u>12,461</u>	<u>34,573</u>	<u>4,969</u>	<u>6,242</u>	<u>68,061</u>
Operating expenses						
Salaries and benefits	5,390	2,237	1,308	1,600	86	10,621
Services and supplies	4,315	5,786	20,066	2,162	5,943	38,272
Self-insurance claims	--	--	15,172	--	--	15,172
Contractual services	176	10	146	340	--	672
Depreciation and amortization	1,336	3,592	--	927	376	6,231
County overhead allocation	209	207	311	111	15	853
Total operating expenses	<u>11,426</u>	<u>11,832</u>	<u>37,003</u>	<u>5,140</u>	<u>6,420</u>	<u>71,821</u>
Operating income (loss)	<u>(1,610)</u>	<u>629</u>	<u>(2,430)</u>	<u>(171)</u>	<u>(178)</u>	<u>(3,760)</u>
Non-operating revenues (expenses)						
Use of money and property	116	478	383	328	25	1,330
Interest expense	--	--	--	--	(111)	(111)
Gain (loss) on sale of capital assets	--	25	--	(304)	--	(279)
Other non-operating revenues (expenses)	--	16	117	2	330	465
Total non-operating revenues (expenses)	<u>116</u>	<u>519</u>	<u>500</u>	<u>26</u>	<u>244</u>	<u>1,405</u>
Income (loss) before transfers	<u>(1,494)</u>	<u>1,148</u>	<u>(1,930)</u>	<u>(145)</u>	<u>66</u>	<u>(2,355)</u>
Transfers in	1,094	417	1,876	596	--	3,983
Transfers out	(29)	(17)	--	--	--	(46)
Total transfers in, net	<u>1,065</u>	<u>400</u>	<u>1,876</u>	<u>596</u>	<u>--</u>	<u>3,937</u>
Change in net position	<u>(429)</u>	<u>1,548</u>	<u>(54)</u>	<u>451</u>	<u>66</u>	<u>1,582</u>
Total net position - beginning	<u>5,815</u>	<u>39,760</u>	<u>(770)</u>	<u>12,789</u>	<u>1,570</u>	<u>59,164</u>
Total net position - ending	<u>\$ 5,386</u>	<u>\$ 41,308</u>	<u>\$ (824)</u>	<u>\$ 13,240</u>	<u>\$ 1,636</u>	<u>\$ 60,746</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED June 30, 2020 (in thousands)

	Information Technology Services	Vehicle Operations and Maintenance	Risk Management and Insurance	Communi- cations Services	Utilities	Total
Cash flows from operating activities						
Receipts from interfund services provided	\$ 9,816	\$ 12,463	\$ 32,995	\$ 4,970	\$ 6,219	\$ 66,463
Receipts from self-insurance recovery	--	--	1,525	--	--	1,525
Payments to employees	(4,790)	(2,109)	(1,207)	(1,522)	(206)	(9,834)
Payments to suppliers	(4,144)	(6,083)	(20,190)	(2,835)	(5,965)	(39,217)
Payments for self-insurance claims	--	--	(23,584)	--	--	(23,584)
County overhead allocation						
payments (to) from the General Fund	(209)	(207)	(311)	(111)	(15)	(853)
Other receipts	--	16	117	2	330	465
Net cash provided (used) by operating activities	<u>673</u>	<u>4,080</u>	<u>(10,655)</u>	<u>504</u>	<u>363</u>	<u>(5,035)</u>
Cash flows from noncapital financing activities						
Transfers from other funds	1,094	417	1,876	596	--	3,983
Transfers to other funds	(29)	(17)	--	--	--	(46)
Net cash provided by noncapital financing activities	<u>1,065</u>	<u>400</u>	<u>1,876</u>	<u>596</u>	<u>--</u>	<u>3,937</u>
Cash flows from capital and related financing activities						
Purchase of capital assets	(1,829)	(3,276)	--	(894)	--	(5,999)
Proceeds from sales of capital assets	--	211	--	4	--	215
Principal paid on bonds and notes payable	--	--	--	--	(350)	(350)
Interest paid on bonds and notes payable	--	--	--	--	(111)	(111)
Net cash used by capital and related financing activities	<u>(1,829)</u>	<u>(3,065)</u>	<u>--</u>	<u>(890)</u>	<u>(461)</u>	<u>(6,245)</u>
Cash flows from investing activities						
Use of money and property received	107	424	441	306	23	1,301
Changes in fair value of investments	22	90	19	35	5	171
Net cash provided by investing activities	<u>129</u>	<u>514</u>	<u>460</u>	<u>341</u>	<u>28</u>	<u>1,472</u>
Net change in cash and cash equivalents	38	1,929	(8,319)	551	(70)	(5,871)
Cash and cash equivalents - beginning	6,285	22,888	22,612	9,230	1,464	62,479
Cash and cash equivalents - ending	<u>\$ 6,323</u>	<u>\$ 24,817</u>	<u>\$ 14,293</u>	<u>\$ 9,781</u>	<u>\$ 1,394</u>	<u>\$ 56,608</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position						
Cash and investments per Statement of Net Position	\$ 6,323	\$ 24,807	\$ 14,293	\$ 9,781	\$ 1,394	\$ 56,598
Restricted cash and investments per Statement of Net Position	--	10	--	--	--	10
Total cash and cash equivalents per Statement of Net Position	<u>\$ 6,323</u>	<u>\$ 24,817</u>	<u>\$ 14,293</u>	<u>\$ 9,781</u>	<u>\$ 1,394</u>	<u>\$ 56,608</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (1,610)	\$ 629	\$ (2,430)	\$ (171)	\$ (178)	\$ (3,760)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	1,336	3,592	--	927	376	6,231
Other non-operating revenue	--	16	117	2	330	465
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:						
Accounts and other receivables	--	--	(53)	--	(24)	(77)
Accounts payable	347	(287)	22	(333)	(22)	(273)
Salaries and benefits payable	600	130	101	79	(119)	791
Liability for self-insurance claims	--	--	(8,412)	--	--	(8,412)
Net cash provided (used) by operating activities	<u>\$ 673</u>	<u>\$ 4,080</u>	<u>\$ (10,655)</u>	<u>\$ 504</u>	<u>\$ 363</u>	<u>\$ (5,035)</u>
Noncash investing, capital, and financing activities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

Agency Funds

AGENCY FUNDS

Agency funds are custodial in nature and do not involve the measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals and entities at some future time.

Clearing and Revolving Funds provide clearing facilities for items such as payroll withholdings and warrant redemption. These funds are used to temporarily accumulate and hold resources for distribution to third parties.

Deposits Funds account for deposits under the control of the County departments. Dispositions of the deposits are governed by the terms of the statutes and ordinances establishing the deposit requirement.

Other Agency Funds account for assets held by the County in a fiduciary capacity for other entities.

State and City Revenue Funds temporarily hold 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.

Tax Collection Funds account for monies received for current and delinquent taxes, which must be held pending authority for distribution. Included are prepaid taxes, disputed taxes, duplicate payment of taxes, etc. These funds also account for monies deposited by third parties pending settlement of litigation and claims. Upon final settlement, monies are dispersed as directed by the courts or by parties to the dispute.

COUNTY OF SANTA BARBARA, CALIFORNIA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED June 30, 2020 (in thousands)

	July 1, 2019	Additions	Deductions	June 30, 2020
Clearing and revolving funds				
Assets:				
Cash and investments	\$ 17,586	\$ 1,372,937	\$ 1,374,108	\$ 16,415
Interest receivable	14	44	51	7
Total assets	<u>\$ 17,600</u>	<u>\$ 1,372,981</u>	<u>\$ 1,374,159</u>	<u>\$ 16,422</u>
Liabilities:				
Accounts payable	\$ 10,367	\$ 324,948	\$ 327,522	\$ 7,793
Funds held as agent for others	7,233	1,700,503	1,699,107	8,629
Total liabilities	<u>\$ 17,600</u>	<u>\$ 2,025,451</u>	<u>\$ 2,026,629</u>	<u>\$ 16,422</u>
Deposits funds				
Assets:				
Cash and investments	\$ 2,126	\$ 17,806	\$ 16,212	\$ 3,720
Interest receivable	2	10	10	2
Total assets	<u>\$ 2,128</u>	<u>\$ 17,816</u>	<u>\$ 16,222</u>	<u>\$ 3,722</u>
Liabilities:				
Accounts payable	\$ -	\$ 3,778	\$ 3,778	\$ -
Funds held as agent for others	2,128	21,594	20,000	3,722
Total liabilities	<u>\$ 2,128</u>	<u>\$ 25,372</u>	<u>\$ 23,778</u>	<u>\$ 3,722</u>
Other agency funds				
Assets:				
Cash and investments	\$ 9,183	\$ 229,799	\$ 229,774	\$ 9,208
Interest receivable	33	108	121	20
Total assets	<u>\$ 9,216</u>	<u>\$ 229,907</u>	<u>\$ 229,895</u>	<u>\$ 9,228</u>
Liabilities:				
Accounts payable	\$ 77	\$ 3,911	\$ 3,988	\$ -
Funds held as agent for others	9,139	233,895	233,806	9,228
Total liabilities	<u>\$ 9,216</u>	<u>\$ 237,806</u>	<u>\$ 237,794</u>	<u>\$ 9,228</u>
State and city revenue funds				
Assets:				
Cash and investments	\$ 28,405	\$ 238,754	\$ 235,427	\$ 31,732
Interest receivable	205	584	641	148
Total assets	<u>\$ 28,610</u>	<u>\$ 239,338</u>	<u>\$ 236,068</u>	<u>\$ 31,880</u>
Liabilities:				
Accounts payable	\$ 28	\$ 108,011	\$ 107,991	\$ 48
Funds held as agent for others	28,582	347,329	344,079	31,832
Total liabilities	<u>\$ 28,610</u>	<u>\$ 455,340</u>	<u>\$ 452,070</u>	<u>\$ 31,880</u>
Tax collection funds				
Assets:				
Cash and investments	\$ 28,360	\$ 3,170,188	\$ 3,174,360	\$ 24,188
Interest receivable	481	1,284	1,539	226
Total assets	<u>\$ 28,841</u>	<u>\$ 3,171,472</u>	<u>\$ 3,175,899</u>	<u>\$ 24,414</u>
Liabilities:				
Accounts payable	\$ -	\$ 30,034	\$ 29,646	\$ 388
Funds held as agent for others	28,841	3,201,118	3,205,933	24,026
Total liabilities	<u>\$ 28,841</u>	<u>\$ 3,231,152</u>	<u>\$ 3,235,579</u>	<u>\$ 24,414</u>
Total - all agency funds				
Assets:				
Cash and investments	\$ 85,660	\$ 5,029,484	\$ 5,029,881	\$ 85,263
Interest receivable	735	2,030	2,362	403
Total assets	<u>\$ 86,395</u>	<u>\$ 5,031,514</u>	<u>\$ 5,032,243</u>	<u>\$ 85,666</u>
Liabilities:				
Accounts payable	\$ 10,472	\$ 470,682	\$ 472,925	\$ 8,229
Funds held as agent for others	75,923	5,504,439	5,502,925	77,437
Total liabilities	<u>\$ 86,395</u>	<u>\$ 5,975,121</u>	<u>\$ 5,975,850</u>	<u>\$ 85,666</u>

See accompanying independent auditor's report.



STATISTICAL SECTION



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 Comprehensive Annual 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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<p>These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.</p>	
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<p>These schedules contain trend information to help the reader assess the County’s most significant local revenue source, the property tax.</p>	
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<p>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.</p>	
<u>Demographic and Economic Information</u>	189
<p>These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the County’s financial activities take place.</p>	
<u>Operating Information</u>	191
<p>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.</p>	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual 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)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Governmental activities										
Net investment in capital assets	\$ 480,240	\$ 493,753	\$ 511,144	\$ 578,314	\$ 588,989	\$ 612,548	\$ 648,420	\$ 692,549	\$ 736,255	\$ 755,491
Restricted for:										
Policy & executive	--	--	--	--	--	--	436	716	972	1,164
Public safety	9,533	13,450	19,594	24,107	28,640	38,927	49,093	54,810	62,243	66,293
Health & public assistance	42,328	33,627	33,734	31,005	37,477	35,910	36,411	36,848	48,951	37,386
Community resources & public facilities	106,691	95,892	97,710	103,497	152,739	149,668	154,523	154,848	163,959	187,676
General government & support services	4,523	5,240	3,886	4,951	4,960	5,242	5,804	5,447	6,164	4,833
General county programs	15,271	15,957	14,959	15,596	12,736	16,232	18,352	18,373	20,052	19,405
Unrestricted	16,708	37,170	30,976	62,497	(551,588)	(529,641)	(532,968)	(562,947)	(534,700)	(537,682)
Total governmental activities net position	\$ 675,294	\$ 695,089	\$ 712,003	\$ 819,967	\$ 273,953	\$ 328,886	\$ 380,071	\$ 400,644	\$ 503,896	\$ 534,566
Business-Type activities										
Net investment in capital assets	\$ 60,029	\$ 64,943	\$ 65,806	\$ 70,562	\$ 73,988	\$ 78,188	\$ 80,852	\$ 83,764	\$ 82,723	\$ 88,655
Unrestricted	12,353	16,606	21,648	25,191	14,062	19,888	21,326	34,638	45,582	57,723
Total business-type activities net position	\$ 72,382	\$ 81,549	\$ 87,454	\$ 95,753	\$ 88,050	\$ 98,076	\$ 102,178	\$ 118,402	\$ 128,305	\$ 146,378
Primary government										
Net investment in capital assets	\$ 540,269	\$ 558,696	\$ 576,950	\$ 648,876	\$ 662,977	\$ 690,736	\$ 729,272	\$ 776,313	\$ 818,978	\$ 844,146
Restricted for:										
Policy & executive	--	--	--	--	--	--	436	716	972	1,164
Public safety	9,533	13,450	19,594	24,107	28,640	38,927	49,093	54,810	62,243	66,293
Health & public assistance	42,328	33,627	33,734	31,005	37,477	35,910	36,411	36,848	48,951	37,386
Community resources & public facilities	106,691	95,892	97,710	103,497	152,739	149,668	154,523	154,848	163,959	187,676
General government & support services	4,523	5,240	3,886	4,951	4,960	5,242	5,804	5,447	6,164	4,833
General county programs	15,271	15,957	14,959	15,596	12,736	16,232	18,352	18,373	20,052	19,405
Unrestricted	29,061	53,776	52,624	87,688	(537,526)	(509,753)	(511,642)	(528,309)	(489,118)	(479,959)
Total primary government net position	\$ 747,676	\$ 776,638	\$ 799,457	\$ 915,720	\$ 362,003	\$ 426,962	\$ 482,249	\$ 519,046	\$ 632,201	\$ 680,944

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

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Expenses										
Governmental activities:										
Policy & executive	\$ 11,074	\$ 11,635	\$ 14,455	\$ 14,057	\$ 10,721	\$ 13,056	\$ 14,315	\$ 18,938	\$ 17,878	\$ 19,074
Public safety	215,903	224,486	271,326	282,251	276,688	275,809	314,026	361,703	341,931	376,065
Health & public assistance	308,149	304,747	307,239	319,565	335,132	363,789	364,675	360,185	361,494	397,009
Community resources & public facilities	83,770	88,871	89,382	92,377	88,788	94,254	94,387	110,529	119,654	122,448
General government & support services	31,123	28,965	29,585	33,931	37,766	37,131	37,716	39,023	37,982	46,294
General county programs	20,694	15,077	5,664	3,980	2,462	2,807	2,206	2,514	963	1,819
Interest on long-term debt	4,926	4,146	3,712	3,505	2,651	2,275	2,152	2,024	1,895	1,772
Subtotal governmental activities expenses	722,869	723,982	721,363	749,666	754,208	789,121	829,477	894,916	881,797	964,481
Business-type activities:										
Resource Recovery	21,258	20,601	20,529	20,300	26,250	23,017	29,196	24,507	32,819	34,258
Laguna Sanitation	5,946	5,793	6,181	6,176	6,270	5,631	6,822	6,564	7,204	7,356
Subtotal business-type activities expenses	27,204	26,394	26,710	26,476	32,520	28,648	36,018	31,071	40,023	41,614
Total expenses	\$ 750,073	\$ 750,376	\$ 748,073	\$ 776,142	\$ 786,728	\$ 817,769	\$ 865,495	\$ 925,987	\$ 921,820	\$ 1,006,095
Program revenues										
Governmental activities:										
Charges for services										
Health & public assistance	\$ --	\$ --	\$ --	\$ 75,536	\$ 86,215	\$ 93,580	\$ 97,921	\$ 94,589	\$ 108,234	\$ 104,073
Public safety	--	--	--	43,635	44,118	51,704	55,405	59,746	57,201	55,358
Other	--	--	--	54,704	54,258	54,348	57,559	61,750	66,119	94,762
Operating grants & contributions	306,564	308,610	325,138	332,533	346,620	349,865	364,316	386,829	416,369	380,748
Capital grants & contributions	209	57	50	52,352	44	85	3,201	200	58	81
Subtotal governmental activities	482,922	471,369	325,188	558,760	531,255	549,582	578,402	603,114	647,981	635,022
Business-type activities:										
Charges for services										
Resource Recovery	21,151	21,370	22,381	23,439	23,184	24,617	26,053	30,721	31,060	38,096
Laguna Sanitation	7,304	7,688	8,662	9,907	11,069	12,377	12,644	13,183	14,091	15,228
Operating grants & contributions	1,245	6,202	1,732	1,038	987	1,150	1,155	1,049	2,437	4,253
Subtotal business-type activities	29,700	35,260	32,775	34,384	35,240	38,144	39,852	44,953	47,588	57,577
Total program revenues	\$ 512,622	\$ 506,629	\$ 357,963	\$ 593,144	\$ 566,495	\$ 587,726	\$ 618,254	\$ 648,067	\$ 695,569	\$ 692,599
Net (expense) / revenue										
Governmental activities	\$ (239,947)	\$ (252,613)	\$ (396,175)	\$ (190,906)	\$ (222,953)	\$ (239,539)	\$ (251,075)	\$ (291,802)	\$ (233,816)	\$ (329,459)
Business-type activities	2,496	8,866	6,065	7,908	2,720	9,496	3,834	13,882	7,565	15,963
Total net expense	\$ (237,451)	\$ (243,747)	\$ (390,110)	\$ (182,998)	\$ (220,233)	\$ (230,043)	\$ (247,241)	\$ (277,920)	\$ (226,251)	\$ (313,496)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 208,595	\$ 186,047	\$ 227,452	\$ 231,247	\$ 244,139	\$ 254,166	\$ 267,613	\$ 284,284	\$ 290,046	\$ 309,150
Motor vehicle in-lieu tax	--	931	187	155	150	147	167	198	182	--
Sales taxes	12,756	14,700	13,527	14,039	15,306	16,332	18,172	18,118	18,995	19,068
Transient occupancy tax	6,977	7,570	6,993	7,539	8,550	9,072	10,068	8,364	10,320	10,182
Cannabis tax	--	--	--	--	--	--	--	--	6,761	12,182
Unrestricted investment earnings	1,372	1,048	453	1,407	1,661	854	335	753	4,356	3,484
Transfers	1,002	6	2	(34)	--	(15)	--	36	80	21
Other	11,877	39,268	8,419	8,100	8,474	9,494	5,905	5,778	5,834	6,042
Subtotal governmental activities	242,579	249,570	257,033	262,453	278,280	290,050	302,260	317,531	336,574	360,129
Business-type activities:										
Unrestricted investment earnings	286	290	(95)	344	254	416	265	405	2,370	2,109
Transfers	(1,002)	(6)	(2)	13	--	15	--	(36)	(80)	(21)
Other	1	17	38	34	(38)	99	3	--	48	22
Subtotal business-type activities	(715)	301	(59)	391	216	530	268	369	2,338	2,110
Total primary government	\$ 241,864	\$ 249,871	\$ 256,974	\$ 262,844	\$ 278,496	\$ 290,580	\$ 302,528	\$ 317,900	\$ 338,912	\$ 362,239
Extraordinary Items										
RDA dissolution transactions	\$ --	\$ 16,345	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Changes in net position										
Governmental activities	\$ 2,632	\$ 13,302	\$ 16,309	\$ 71,547	\$ 55,327	\$ 50,511	\$ 51,185	\$ 25,729	\$ 102,758	\$ 30,670
Business-Type activities	1,781	9,167	6,006	8,299	2,936	10,026	4,102	14,251	9,903	18,073
Total primary government	\$ 4,413	\$ 22,469	\$ 22,315	\$ 79,846	\$ 58,263	\$ 60,537	\$ 55,287	\$ 39,980	\$ 112,661	\$ 48,743

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

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
General Fund										
Nonspendable	\$ 25,570	\$ 8,780	\$ 9,618	\$ 10,138	\$ 11,042	\$ 12,130	\$ 13,619	\$ 11,977	\$ 11,407	\$ 2,318
Restricted	7,844	17,536	19,800	21,245	22,946	27,527	31,529	38,002	44,054	55,068
Committed	46,096	52,002	50,298	58,018	61,887	67,703	60,161	69,305	102,087	131,484
Assigned	--	--	--	--	--	--	--	--	--	--
Unassigned	4,330	7,591	8,092	3,405	3,242	7,684	7,761	10,591	18,654	13,029
Subtotal General Fund	<u>83,840</u>	<u>85,909</u>	<u>87,808</u>	<u>92,806</u>	<u>99,117</u>	<u>115,044</u>	<u>113,070</u>	<u>129,875</u>	<u>176,202</u>	<u>201,899</u>
All Other Governmental Funds (1)										
Nonspendable	681	586	1,084	791	1,129	1,496	1,942	1,714	--	--
Restricted	182,036	149,010	145,842	151,021	162,156	163,656	175,173	175,660	193,207	206,072
Committed	13,623	9,604	18,930	18,630	18,642	19,236	30,864	29,378	20,960	27,212
Assigned	883	1,817	1,287	--	--	--	--	--	--	--
Unassigned	(26,600)	(2,822)	(2,850)	--	--	--	--	--	--	--
Subtotal all other governmental funds	<u>170,623</u>	<u>158,195</u>	<u>164,293</u>	<u>170,442</u>	<u>181,927</u>	<u>184,388</u>	<u>207,979</u>	<u>206,752</u>	<u>214,167</u>	<u>233,284</u>
Total governmental fund balance	<u>\$ 254,463</u>	<u>\$ 244,104</u>	<u>\$ 252,101</u>	<u>\$ 263,248</u>	<u>\$ 281,044</u>	<u>\$ 299,432</u>	<u>\$ 321,049</u>	<u>\$ 336,627</u>	<u>\$ 390,369</u>	<u>\$ 435,183</u>

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)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues (by source)										
Taxes	\$ 234,354	\$ 241,142	\$ 249,414	\$ 254,177	\$ 269,412	\$ 281,279	\$ 295,066	\$ 309,983	\$ 325,337	\$ 349,820
Licenses, permits, and franchises	12,639	12,966	14,011	14,030	13,660	14,282	14,221	16,758	17,281	17,296
Fines, forfeitures, and penalties	13,299	10,990	9,582	10,883	9,581	9,160	9,141	11,281	8,883	12,965
Use of money and property	4,582	4,307	2,321	4,995	4,902	4,809	3,332	4,324	12,047	10,233
Intergovernmental	304,347	306,609	321,765	380,785	340,807	345,428	361,392	382,633	402,412	369,325
Charges for services	164,630	139,685	135,625	141,839	161,637	181,022	189,834	189,613	201,067	200,162
Other	22,872	25,920	19,582	20,804	19,033	16,149	16,177	16,255	20,252	48,174
Total revenues	756,723	741,619	752,300	827,513	819,032	852,129	889,163	930,847	987,279	1,007,975
Expenditures (by function)										
Policy & executive	15,661	15,172	15,349	15,408	15,563	16,484	16,585	21,242	21,707	21,046
Public safety	248,359	250,145	259,968	270,605	281,211	288,174	303,151	329,172	330,711	348,327
Health & public assistance	307,900	300,536	304,982	317,322	343,584	351,911	361,796	353,241	361,345	386,431
Community resources & public facilities	97,672	97,130	100,838	145,572	93,443	106,380	99,463	108,561	122,690	121,468
General government & support services	47,073	42,643	43,691	44,194	47,357	50,104	52,597	53,563	53,640	57,334
General county programs	18,957	12,287	5,091	8,199	3,190	2,679	2,167	1,590	334	2,942
Debt service										
Principal	5,621	23,749	4,133	4,502	15,318	3,764	3,874	3,951	4,026	4,034
Interest	4,918	4,183	3,518	3,308	2,516	2,111	2,002	1,889	1,775	1,666
Capital outlay	18,094	15,795	7,290	7,079	8,353	6,229	24,983	39,756	35,416	16,110
Total expenditures	764,255	761,640	744,860	816,189	810,535	827,836	866,618	912,965	931,644	959,358
Excess (deficiency) of revenues over (under) expenditures	(7,532)	(20,021)	7,440	11,324	8,497	24,293	22,545	17,882	55,635	48,617
Other financing sources (uses)										
Transfers in	88,586	96,986	86,395	49,715	60,305	54,535	68,603	57,082	52,729	96,412
Transfers out	(91,204)	(96,912)	(86,338)	(49,965)	(61,278)	(55,935)	(69,673)	(59,669)	(55,282)	(100,328)
Proceeds from sale of capital assets	174	220	500	73	347	205	142	283	166	113
Long-term debt issued	--	16,957	--	--	9,925	10	--	--	--	--
Long-term receivable collected	--	356	--	--	--	--	--	--	--	--
Total other financing sources (uses)	(2,444)	17,607	557	(177)	9,299	(1,185)	(928)	(2,304)	(2,387)	(3,803)
Extraordinary Items										
RDA dissolution transactions	--	(13,092)	--	--	--	--	--	--	--	--
Net change in fund balance	\$ (9,976)	\$ (2,414)	\$ 7,997	\$ 11,147	\$ 17,796	\$ 23,108	\$ 21,617	\$ 15,578	\$ 53,248	\$ 44,814
Debt service as a percentage of noncapital expenditures (1):	1.44%	3.84%	1.07%	1.06%	2.27%	0.74%	0.71%	0.68%	0.65%	0.65%
Expenditures (2)										
General government	\$ 64,450	\$ 48,395	\$ 64,886	\$ 65,289	\$ 64,462	\$ 68,216	\$ 74,054	\$ 74,874	\$ 82,831	\$ 87,194
Public protection	296,982	303,442	302,982	316,926	328,238	336,139	353,536	386,355	382,468	403,545
Public ways and facilities	32,489	35,540	29,814	28,226	25,750	30,620	23,720	29,672	37,417	36,655
Health and sanitation	157,961	157,298	155,560	157,460	171,631	173,590	180,615	180,185	186,688	205,917
Public assistance	145,085	138,397	139,800	148,702	159,753	165,569	166,155	158,593	161,040	167,035
Education	3,410	2,734	3,199	3,128	3,132	3,568	3,800	4,097	3,866	4,106
Recreational and cultural services	11,089	10,866	10,504	11,422	12,811	14,237	14,022	16,306	14,776	15,603
Debt service	10,539	27,933	7,651	7,809	17,834	5,875	5,876	5,840	5,801	5,700
Capital outlay	42,250	37,035	30,464	77,227	26,924	30,021	44,840	57,043	56,757	33,603
Total expenditures	\$ 764,255	\$ 761,640	\$ 744,860	\$ 816,189	\$ 810,535	\$ 827,835	\$ 866,618	\$ 912,965	\$ 931,644	\$ 959,358

Notes:

- (1) In FY 16-17 the calculation for debt service as a percentage of noncapital expenditures was revised to include the appropriate amounts. This change impacted all years reported.
(2) By State Controller function.

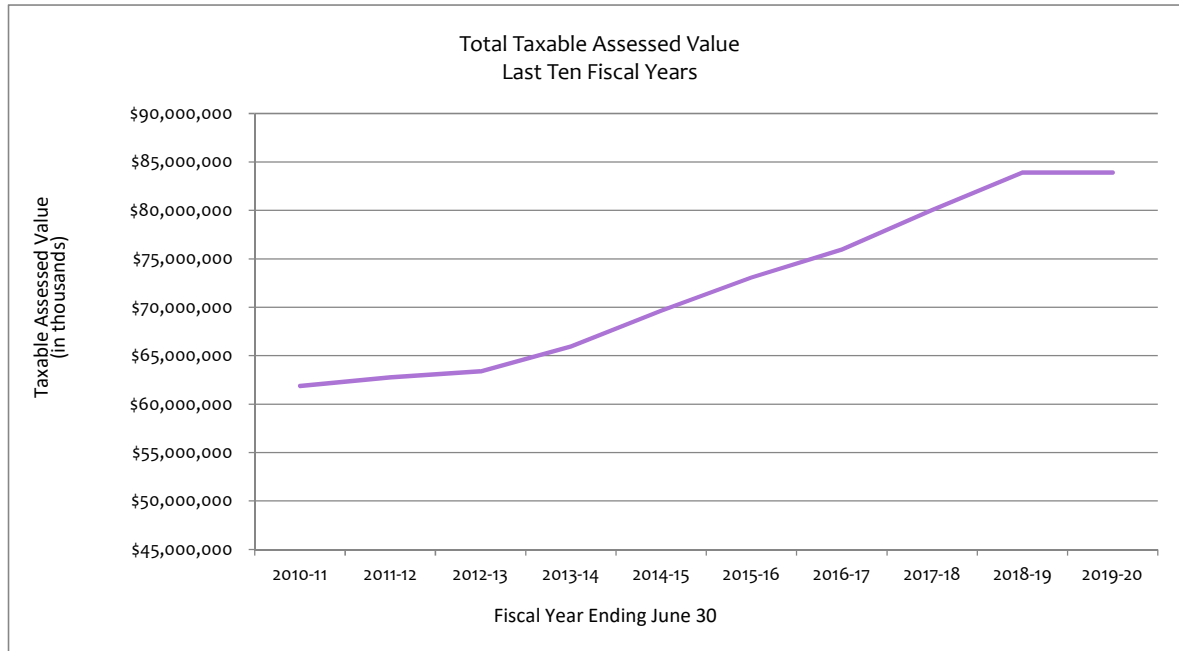
COUNTY OF SANTA BARBARA, CALIFORNIA
ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF PROPERTY (UNAUDITED)
LAST TEN FISCAL YEARS (in thousands)

Due to the 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the consumer price index (CPI) on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

Fiscal Year	(1) Secured	(2) Unsecured	(3) Unitary	(4) Exempt	Total Taxable Assessed Value	Total Direct Tax Rate (%)
2010 - 2011	\$ 60,558,017	\$ 2,901,856	\$ 746,117	\$ (2,322,086)	\$ 61,883,904	100.00%
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%

Notes:

- (1) Local assessed secured property is generally real property, defined as land, mines, minerals, timber, and improvements such as buildings, structures, crops, trees, and vines.
- (2) Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.
- (3) Unitary properties are railroads and utilities crossing the County and are assessed by the State Board of Equalization. Most of the amount reported is unitary but includes a small amount of other state-assessed property.
- (4) Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.



Source:
Auditor-Controller, County of Santa Barbara

COUNTY OF SANTA BARBARA, CALIFORNIA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (UNAUDITED)
(\$1 PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Fiscal Year	County Direct Rates	Overlapping Rates		Total
	Santa Barbara County General	Cities (1)	Schools (2)	
2010 - 2011	1.00000%	0.00012%	0.01284%	1.01296%
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%

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, 2020 AND June 30, 2011 (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, 2020 and June 30, 2011

June 30, 2020:

Taxpayers	Type of Business	(1) Net Assessed Secured Property Value	Percentage of Total Net Assessed Value	(2) Total Secured Tax Levy Fiscal Year 2019-20	Percentage of Total Secured Tax Levy Fiscal Year 2019-20
Cwi Santa Barbara Hotel LP (Bacara)	Hotel	\$ 380,675	0.43%	\$ 4,119	0.49%
Southern California Edison Co	Utility	337,274	0.38%	4,462	0.53%
Southern California Gas Company	Utility	275,672	0.31%	3,650	0.44%
United Launch Alliance LLC	Aerospace	261,093	0.30%	3,053	0.36%
1260 Bb Property LLC (Biltmore)	Hotels	227,840	0.26%	2,937	0.35%
Windset Farms California Inc	Agriculture	224,087	0.25%	2,494	0.30%
Miramar Acquisition Co, LLC	Utility	177,557	0.20%	1,837	0.22%
Pacific Gas & Electric Co	Utility	176,159	0.20%	2,332	0.28%
Celite Corporation	Mining	136,269	0.15%	1,639	0.20%
Exxon Corporation	Petroleum & Gas	125,173	0.14%	1,302	0.16%
Ten largest taxpayers		2,321,799	2.62%	27,825	3.33%
All other taxpayers		85,744,334	97.38%	810,089	96.67%
Total		\$ 88,066,133	100.00%	\$ 837,914	100.00%

June 30, 2011:

Taxpayers	Type of Business	(1) Net Assessed Secured Property Value	Percentage of Total Net Assessed Value	(2) Total Secured Tax Levy Fiscal Year 2009-10	Percentage of Total Secured Tax Levy Fiscal Year 2009-10
Exxon Corporation	Petroleum & Gas	\$ 329,189	0.53%	\$ 3,379	0.58%
United Launch Alliance LLC	Aerospace	212,972	0.34%	2,504	0.43%
Southern California Gas Company	Utility	176,685	0.29%	2,020	0.35%
Fairway Bb Property LLC	Residential Estate	149,386	0.24%	1,530	0.26%
Southern California Edison Co	Utility	142,150	0.23%	1,660	0.29%
Verizon California Inc	Utility	139,585	0.23%	1,635	0.28%
1260 Bb Property LLC (Biltmore)	Hotels	135,000	0.22%	1,704	0.29%
Ht-Santa Barbara Inc (Bacara)	Hotels	118,000	0.19%	1,278	0.22%
Pacific Gas & Electric Company	Utility	117,234	0.19%	1,369	0.24%
Pacific Offshore Pipeline Co	Petroleum & Gas	115,422	0.19%	1,183	0.20%
Ten largest taxpayers		1,635,623	2.65%	18,262	3.14%
All other taxpayers		60,248,281	97.35%	561,639	96.86%
Total		\$ 61,883,904	100.00%	\$ 579,901	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
2010 - 2011	\$ 579,901	\$ 573,537	98.90%	\$ 6,360	\$ 579,897	100.00%
2011 - 2012	590,345	583,214	98.79%	7,094	590,308	99.99%
2012 - 2013	599,416	593,841	99.07%	5,537	599,378	99.99%
2013 - 2014	626,258	621,794	99.29%	4,374	626,168	99.99%
2014 - 2015	658,542	653,778	99.28%	4,593	658,371	99.97%
2015 - 2016	690,326	684,131	99.10%	5,824	689,955	99.95%
2016 - 2017	720,855	714,505	99.12%	5,662	720,167	99.90%
2017 - 2018	759,352	751,947	99.02%	6,002	757,949	99.82%
2018 - 2019	796,449	788,819	99.04%	5,163	793,982	99.69%
2019 - 2020	837,914	827,552	98.76%	--	827,552	98.76%

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	Long-Term Settlement (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	0.84%	465	
2019 - 2020	24,910	1,075	--	598	8,515	165,037	--	--	3,513	203,648	0.81%	450	

- 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
 - (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)

Fiscal Year	(1) Assessed Value	(2) Legal Debt Limit	Total Net Applicable Debt	(3) Legal Debt Margin	Legal Debt Margin / Debt Limit
2010 - 2011	61,883,904	773,549	--	773,549	1
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	--	1,100,827	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, 2020

2019-2020 Assessed Valuation: \$ 88,066,133

	Percent	
	Applicable (1)	Debt
Overlapping Tax and Assessment Debt:		
Allan Hancock Joint Community College District	99.625%	\$ 135,446
Santa Barbara Community College District	100%	56,985
Santa Barbara High School District	100%	107,273
Santa Maria Joint Union High School District	99.998%	108,012
Santa Ynez Valey Union High School District	100%	12,780
Carpenteria Unified School District	100%	58,160
Cuyama Joint Unified School District	67.881%	2,681
Lompoc Unified School District	100%	13,451
Santa Barbara Unified School District & High School District	100%	89,970
Santa Barbara Unified School District SFID#1 & Elementary School District	100%	85,734
Buellton Union School District	100%	6,321
Cold Spring School District	100%	3,687
College School District	100%	5,976
Goleta Union School District	100%	11,670
Guadalupe Union School District	100%	6,942
Hope Elementary School District	100%	21,369
Los Olivos School District	100%	3,225
Montecito Union School District	100%	1,915
Orcutt Union School District	100%	43,840
Santa Maria-Bonita Joint School District	99.996%	44,998
Solvang School District	100%	6,174
Lompoc Healthcare District	100%	67,000
City and Special District 1915 Act Bonds	100%	5,450
Total Overlapping Tax and Assessment Debt		<u>899,058</u>
Direct and Overlapping General Fund Debt		
Santa Maria-Bonita School District Certificates of Participation	99.996%	29,129
Cuyama Joint Unified School District Certificates of Participation	67.881%	1,079
Santa Ynez Valley Union High School District Certificates of Participation	100%	1,765
Santa Maria Joint Union High School District Certificates of Participation	99.998%	1,889
College School District Certificates of Participation	100%	1,919
Guadalupe Union School District Certificates of Participation	100%	3,175
City of Santa Barbara Certificates of Participation	100%	28,835
Carpinteria Sanitary District General Fund Obligations	98.370%	6,187
Total Gross Overlapping General Fund Obligation Debt		73,978
Less: Less: Santa Barbara County utility supported obligations		(2,540)
Less: City of Santa Barbara revenue bonds supported by airport revenues		(28,835)
Less: Carpinteria Sanitary District revenue bonds supported by wastewater system revenues		(6,187)
Total Net Overlapping General Fund Obligation Debt		<u>36,415</u>
Total Net Overlapping Tax and Assessment and General Fund Obligation Debt		<u>935,474</u>
Overlapping Tax Increment Debt:		<u>28,010</u>
Direct General Fund Obligation Debt:		
Governmental Activities Certificates of Participation and Bonds and Notes Payable		33,519
Business-type Activities Certificates of Participation (3)		2,111
Total Direct General Fund Obligation Debt		<u>35,630</u>
Total Net Combined Overlapping and Direct Debt		<u>\$ 999,114</u>
Total Gross Combined Overlapping and Direct Debt		<u>\$ 1,036,676 (2)</u>

Ratio to 2018-19 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.02%

Ratios to Adjusted Assessed Valuation:

Total Gross Direct Debt 0.04%

Total Net Direct Debt 0.04%

Gross Combined Total Debt 1.18%

Net Combined Total Debt 1.13%

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 2010 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
DEMOGRAPHICS AND ECONOMIC STATISTICS (UNAUDITED)
LAST FISCAL TEN YEARS (in thousands)

(1) Year	(2) Population	(3),(4) Personal Income	Per Capita Personal Income	(5) School Enrollment	(6) Unemployment Rate
2011	426	\$ 19,000,000	\$ 44.6	66	8.9%
2012	427	19,000,000	44.5	66	7.9%
2013	429	19,300,000	45.0	66	6.3%
2014	433	20,600,000	47.6	67	5.4%
2015	437	21,700,000	49.7	68	4.7%
2016	447	22,300,000	49.9	69	4.9%
2017	451	24,200,000	53.7	69	4.3%
2018	453	25,000,000	55.2	70	3.9%
2019	455	26,646,853	58.6	69	3.5%
2020	452	27,992,849	61.9	69	11.6%

Detail of estimated population, as of January 1, 2020 (whole numbers):

(2) Incorporated Cities	
Buellton	5,464
Carpinteria	13,335
Goleta	32,223
Guadalupe	8,081
Lompoc	43,786
Santa Barbara	93,511
Santa Maria	107,407
Svang	5,562
Total of Incorporated Cities	309,369
Total of Unincorporated Areas	142,471
Total Population	451,840

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, 2020 AND June 30, 2011

June 30, 2020

Company or Organization	Type of Business	Jobs (1, 2)	Percent of Total County Employment
University of California, Santa Barbara	Education	4,300	2.33%
County of Santa Barbara	Government	4,255	2.31%
Cottage Health Organization	Health	3,245	1.76%
Vandenberg Air Force Base	Defense	2,500	1.35%
Marian Regional Medical Center	Health	2,170	1.18%
Chumash Casino Resort	Recreation/Hospitality	2,000	1.08%
Santa Barbara Unified School District	Education	1,400	0.76%
Sansum Clinic	Health	1,200	0.65%
City of Santa Barbara	Government	1,200	0.65%
Santa Barbara City College	Education	1,193	0.65%
Total ten largest		23,463	12.71%
Total all other		161,127	87.29%
Total companies or organizations		184,590	100.00%

June 30, 2011

Company or Organization	Type of Business	Jobs (3)	Percent of Total County Employment
Vandenberg Air Force Base	Defense	6,330	3.17%
University of California, Santa Barbara	Education	4,334	2.17%
County of Santa Barbara	Government	4,025	2.01%
Cottage Health System	Health	3,440	1.72%
Santa Barbara School Districts	Education	2,500	1.25%
Santa Barbara City College	Education	2,252	1.13%
Santa Maria-Bonita School District	Education	1,886	0.94%
City of Santa Barbara	Government	1,687	0.84%
Raytheon	Defense	1,450	0.72%
Marian Medical Center	Health	1,436	0.72%
Total ten largest		29,340	14.68%
Total all other		170,460	85.32%
Total companies or organizations		199,800	100.00%

Sources:

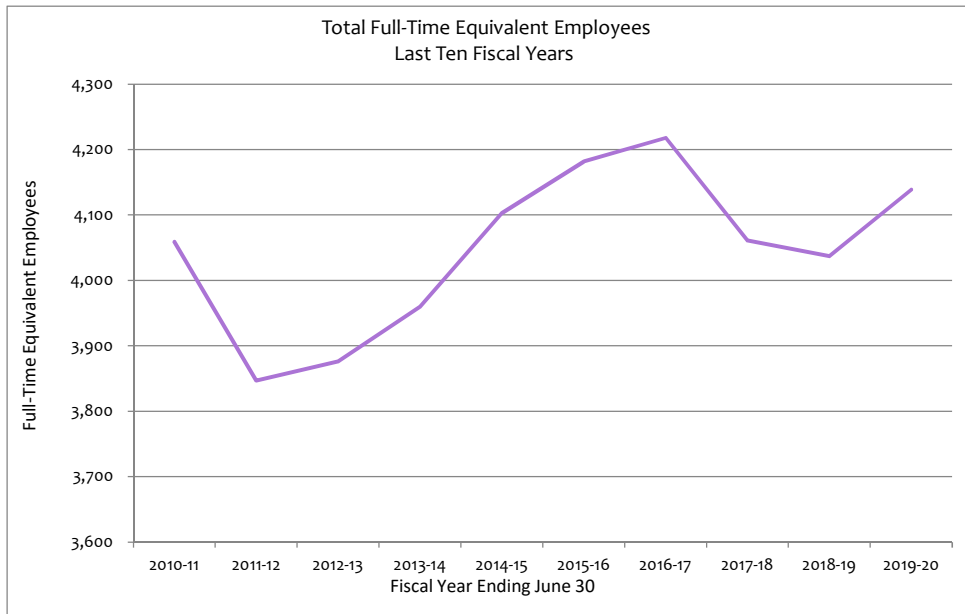
- (1) Pacific Coast Business Times "Book of Lists" - individual company data
- (2) University of California, Santa Barbara "Economic Summit" - total employment data
- (3) County of Santa Barbara CAFR for fiscal year presented

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

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Paid employees (1)										
Policy & executive	93	92	94	96	99	105	103	106	109	109
Public safety	1,524	1,455	1,467	1,478	1,498	1,521	1,540	1,540	1,550	1,594
Health & public assistance	1,779	1,634	1,732	1,799	1,926	1,973	1,961	1,806	1,751	1,780
Community resources & public facilities	432	416	419	424	419	424	443	442	453	464
General government & support services	385	343	334	334	350	359	361	348	341	351
General county programs	15	17	6	5	3	6	6	5	5	7
Resource Recovery	83	81	79	83	81	77	80	77	78	82
Laguna Sanitation	16	16	16	16	16	15	16	17	18	18
Total County employees	4,327	4,054	4,147	4,235	4,392	4,480	4,510	4,341	4,305	4,405
Actual full-time equivalent employees (2)										
Policy & executive	86	85	88	88	91	94	93	93	97	97
Public safety	1,455	1,390	1,386	1,394	1,415	1,433	1,448	1,452	1,463	1,509
Health & public assistance	1,637	1,548	1,608	1,679	1,796	1,841	1,842	1,697	1,652	1,681
Community resources & public facilities	404	391	389	392	382	389	402	402	413	426
General government & support services	369	328	315	313	326	335	339	325	320	330
General county programs	14	13	--	--	1	1	1	1	--	--
Resource Recovery	78	76	74	78	77	74	77	74	75	78
Laguna Sanitation	16	16	16	16	15	15	16	17	17	18
Total County employees	4,059	3,847	3,876	3,960	4,103	4,182	4,218	4,061	4,037	4,139

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	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Public safety										
Other:										
Filed felonies-District Attorney	2,462	2,741	2,979	3,176	2,499	2,898	2,835	2,659	2,801	2,582
Filed misdemeanors-District Attorney	13,264	10,983	10,022	9,838	11,347	12,355	12,404	11,124	10,065	8,935
Public Defender's total new caseload (2)	23,563	21,642	18,963	20,973	23,391	24,024	23,414	24,014	12,316	12,247
Fire emergency responses	11,512	12,714	13,989	13,842	13,927	14,307	15,123	15,763	15,634	14,723
Sheriff:										
Total miles patrolled	1,519,651	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
Processed and booked adult offenders	17,552	15,763	16,677	16,780	17,117	17,744	15,623	14,130	13,710	11,108
Probation:										
Juvenile referrals processed	4,978	4,122	3,449	3,070	3,313	3,371	3,150	2,964	2,656	1,987
Adult and Juvenile cases supervised	9,480	8,364	8,321	8,331	8,196	8,114	8,112	7,358	6,088	7,318
Institutional care for minors	65,313	58,923	52,268	38,763	34,894	37,372	34,214	26,695	22,147	16,344
Submit written reports to courts on Adults	5,544	5,146	6,582	6,628	6,838	6,856	7,337	6,763	5,238	3,911
Health & public assistance										
ADMHS clients served	12,063	11,825	12,313	12,647	13,936	14,653	15,344	13,004	14,711	14,052
Established orders for child support	13,648	12,963	12,565	11,922	11,544	11,452	11,317	11,270	11,227	10,964
Assistance claims paid to eligible recipients	80,025	76,762	72,678	70,924	99,513	99,597	97,127	91,623	88,672	85,710
Patient encounters at Public Health clinics	131,489	120,540	120,700	114,000	111,000	107,000	115,000	111,000	118,500	11,350
Community resources & public facilities										
Building inspections	19,450	19,736	20,689	23,752	22,431	22,583	21,804	24,230	26,930	24,952
Enhanced or maintained road lanes (miles)	96	81	67	82	73	24	23	21	44	64
Flood control work requests (1)	90	95	--	--	--	--	--	--	--	--
General government & support services										
Clerk-Recorder-Assessor										
Recorded documents & vital copies issued	117,932	119,522	135,053	103,060	102,694	110,846	110,089	95,912	90,740	104,052
Resource Recovery										
Waste recycled (tons per month)	7,312	7,824	7,043	7,244	6,792	5,084	5,241	5,825	7,645	7,882
Landfill waste disposal (tons per month)	14,614	13,891	14,607	14,894	15,163	16,690	17,172	19,050	19,215	17,744

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	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Policy & executive										
Buildings	Occupied with general government and support services									
Public safety										
Court buildings	7	7	7	7	7	7	7	7	7	7
Other buildings	5	5	5	5	5	5	5	5	5	5
Fire stations	16	16	16	16	16	16	16	16	16	16
Fire trucks	42	42	42	42	42	41	41	43	43	45
Ambulances	4	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	49	52	52	60	60	59	63
Aircrafts	6	6	6	6	6	6	6	6	7	6
Jail and detention facilities	6	6	6	6	6	6	6	6	6	6
Administration buildings	9	9	9	9	9	9	9	9	10	10
Health & public assistance										
Clinics	7	7	7	7	7	9	9	9	11	12
Administration buildings	5	5	5	5	5	5	5	5	3	3
Community resources & public facilities										
Public parks & open space acreage	1,798	2,027	2,122	2,122	2,122	2,122	2,122	2,122	2,122	2,122
Day use & camping parks	25	26	26	26	26	26	26	26	26	26
Open space areas (County developed)	42	43	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	1,685	1,670	1,671	1,671	1,671	1,671	1,651	1,650	1,650	1,650
Bridges	113	113	115	115	115	115	115	118	120	120
Traffic signals	26	43	44	44	44	44	44	43	43	43
Roads heavy equipment	51	51	43	43	43	43	43	48	48	49
Sanitary sewers (miles of collection)	121	121	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	73	78	72	69	57	58	59	71	72	77
General government & support services										
Buildings	5	7	7	7	7	7	7	7	7	7

Notes:

Buildings include those that are capitalized but exclude real property that is leased.

Sources:

Various Department Personnel, County of Santa Barbara



GLOSSARY



ACCOUNTS PAYABLE - A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNTS RECEIVABLE - An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

ACCRUAL BASIS OF ACCOUNTING - The recording of the financial effects of a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

ACCUMULATED DEPRECIATION - A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

ACTIVE EMPLOYEES - Individuals employed at the end of the reporting or measurement period, as applicable.

ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT PAYMENTS - Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.

ACTUARIAL VALUATION - The determination, as of a point in time (the actuarial valuation date), of the service cost, total pension liability or total OPEB liability, and related actuarial present value of projected benefit payments for pensions or OPEB performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.

ACTUARIAL VALUATION DATE - The date as of which an actuarial valuation is performed.

ACTUARIALLY DETERMINED CONTRIBUTION - A target or recommended contribution to either a defined benefit pension plan or a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

AGENCY FUND - A fund normally used to account for assets held by a government as an agent for individuals, private organizations, or other governments and/or other funds.

AGENT MULTIPLE-EMPLOYER PLAN - A multiple-employer defined benefit OPEB plan that is administered through a trust that meets the criteria of GASB Statement No. 75 and in which OPEB plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.

AMORTIZATION - The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

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 CAFRs/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.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) - A CAFR 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.

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.

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 agency 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, and trust and agency.

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 agency 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 CAFR/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.



