

Attachment A

Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025

Please see the attached printed publication.

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025
Santa Barbara County, CA



one
COUNTY
one
FUTURE

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

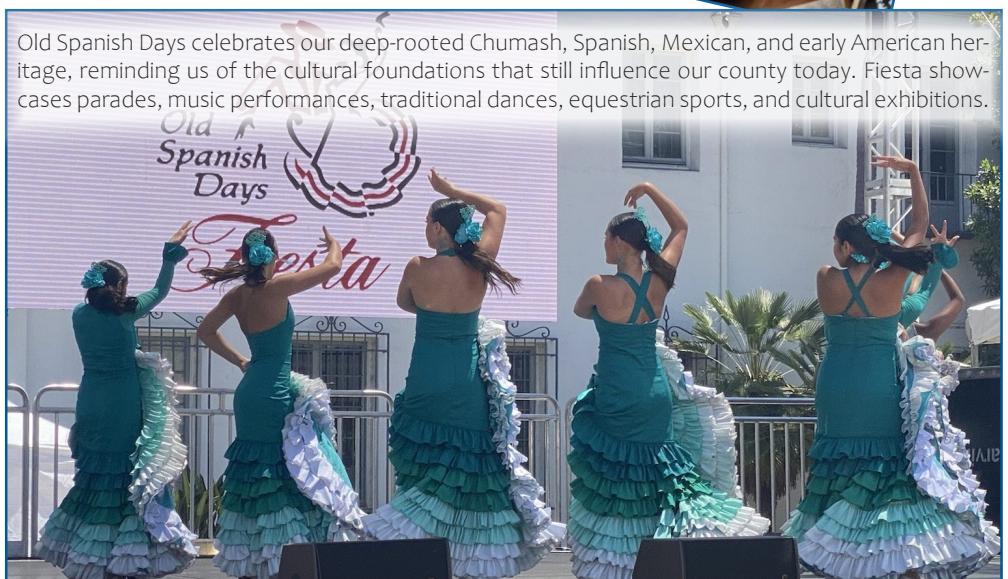
C. Edwin Price, Jr., CPA, CPFO
Assistant Auditor-Controller

DEDICATION

This Santa Barbara County Annual Comprehensive Financial Report is dedicated to the citizens of Santa Barbara County—past, present, and future—who continue to shape its evolving identity. It is our diverse geographic features, as well as our residents, who embody a remarkable range of talents and traditions that make our county truly one of a kind.

We cherish our traditions: Fiesta, movies in the Sunken Gardens, live concerts by the beach, the Strawberry Festival, the Lemon Festival, the Avocado Festival, the Elks Festival, the Dolphin Derby, and many more.

The contrasts that define us—from islands to mountains, farms to space launches, fires to snowfall, and sailing to backpacking—reveal a county of rare and dynamic balance. It is the unique makeup of this county that has inspired national movements in environmental preservation and helped shape Santa Barbara County's enduring identity on the world stage.



COUNTY OF SANTA BARBARA
STATE OF CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2025



PREPARED UNDER THE SUPERVISION OF

BETSY M. SCHAFFER, CPA, CPFO, CFE
Auditor-Controller

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



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INTRODUCTORY SECTION





Office of the Auditor-Controller

County of Santa Barbara

One Office. One County. One Future.

Betsy M. Schaffer, CPA
Auditor-Controller

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

October 13, 2025

To the Honorable Board of Supervisors and the Citizens of Santa Barbara County:

The Annual Comprehensive Financial Report (ACFR) of the County of Santa Barbara (County) for the fiscal year ended June 30, 2025, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework it established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Independent Auditor's Report is located at the front of the financial section of this report. Brown Armstrong Accountancy Corporation has issued an unmodified ("clean") opinion on the County's financial statements for the year ended June 30, 2025. 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 three supervisors elected in presidential election years and two supervisors elected in gubernatorial (mid-term) years. The County has five elected department directors serving four-year terms: Auditor-Controller, Clerk-Recorder-Assessor, District Attorney, Sheriff-Coroner, and Treasurer-Tax Collector-Public Administrator. The organization chart on the following page reflects the various functional categories reported in the governmentwide Statement of Activities as well as identifies principal officials.

Geography and Industry

The County, located approximately 100 miles north of Los Angeles and 300 miles south of San Francisco, was established by an act of the State Legislature on February 18, 1850. It occupies 2,734 square miles, one-third of which is located in the Los Padres National Forest. The County has a population of 447,132, and it includes four of the eight Channel Islands: San Miguel, Santa Cruz, Santa Rosa, and Santa Barbara.

Eight incorporated cities are within the County: Buellton, Carpinteria, Goleta, Guadalupe, Lompoc, Santa Barbara, Santa Maria, and Solvang. The largest industries include Government, Farming, Private Education and Health Services, and Leisure and Hospitality. The mild climate, picturesque coastline, scenic mountains, and numerous parks and beaches make the County a popular tourist and recreational area.

Policy & Executive

Joan Hartmann
Third DistrictRoy Lee
First DistrictLaura Capps
Second District
ChairBob Nelson
Fourth District
Vice-ChairSteve Lavagnino
Fifth District

Roy Lee
First District
Supervisor

Laura Capps
Second District
Supervisor

Joan Hartmann
Third District
Supervisor

Bob Nelson
Fourth District
Supervisor

Steve Lavagnino
Fifth District
Supervisor

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

Rachel Van Mullem
County Counsel

Public Safety

John T. Savrnoch
District Attorney*

William F. Brown
Sheriff-Coroner*

Darrel E. Parker
Court Special Services

Mark A. Hartwig
Fire

Holly Benton
Probation

Tracy M. Macuga
Public Defender

*Elected Official

Health & Human Services

Toni Navarro LMFT
Behavioral Wellness

Mette Richardson
Child Support Services

Mouhanad Hammami
Public Health Services

Daniel Nielson, MPA
Social Services

Community Resources & Public Facilities

Jose Chang
Agriculture Commissioner /
Weights & Measures

Jesús Armas
Community Services

Lisa Plowman
Planning & Development

Chris Sneddon
Public Works

General Government & Support Services

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

Joseph E. Holland, CPFO
Clerk-Recorder-Assessor*

Harry E. Hagen, CPA, CPFO
Treasurer-Tax Collector & Public
Administrator*

Kirk Lagerquist
General Services

Kristine Schmidt
Human Resources

Chris Chirgwin
Information Technology

Component Units

The County, with an average of 4,461 full-time equivalent employees, provides a full range of services to its residents as the organization chart on the previous page depicts. Included in operations are various component units which provide specific services Countywide or to distinct geographic areas within the County. They include Flood Control and Water Conservation Districts, Santa Barbara County Fire Protection District, In-Home Supportive Services Public Authority, County Service Areas, Community Facilities Districts, Lighting Districts, Sandylane Seawall Maintenance District, Water Agency, Santa Barbara County Finance Corporation, Laguna County Sanitation District, First 5 Children and Families Commission (First 5) (separately presented and not included in the County's operations).

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, and Santa Barbara County Association of Governments conduct their own day-to-day operations, answer to their own governing boards, and thus are not included in the County's financial statements.

Budget

The County is required by state law to adopt a final budget each year. This annual budget serves as the foundation for the County's financial planning and control. Budgets are adopted for all governmental and proprietary funds and are prepared in accordance with generally accepted accounting principles (GAAP) as required in the United States of America. The legal level of budgetary control is maintained at the fund, department, and object level with more stringent control over capital assets and fund balance categories, which are maintained at the line-item level.

The Board must approve amendments or transfers of appropriations between funds or departments as well as items related to capital assets or fund balances. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must also be approved by the Board. The Board has delegated authority to approve transfers of appropriations between object levels within the same department to the CEO.

Tax Abatement

The County administers its Agriculture Preserve Program under the California Land Conservation Act of 1965, better known as the Williamson Act. The purpose of the Williamson Act is the long-term conservation of agricultural and open space lands. Conservation of agricultural and open space land benefits the public by discouraging premature conversion of land to urban land uses, thereby curtailing sprawl and promoting logical urban growth and provision of urban services. The Agricultural Preserve Program both protects agriculture and retains open space for its scenic qualities and value as wildlife habitat. Most directly, it contributes to the state's agricultural economy and the availability of fresh, nutritious, varied, and affordable food.

FACTORS AFFECTING ECONOMIC CONDITION

The following highlights and graphs are indications of the changing economy on a Countywide basis that includes both the unincorporated area and the eight incorporated cities.

During Fiscal Year (FY) 2024-25, the County experienced steady improvement across various sectors. Despite a slight rise in unemployment, wages grew, retail sales increased, housing prices showed consistent growth, and the tourism sector experienced positive growth.

“We’ve seen very slow growth, actually, in employment. It’s something we should be worried about.”

Peter Rupert, May 12, 2025, Santa Barbara County Economic Summit

Employment

- The County’s average unemployment rate during FY 2024-25 increased from 4.3% to 4.5%.
- The June 2025 County unemployment rate of 4.70% was between the State unemployment rate of 5.7% and the national unemployment rate of 4.4%.
- As of September 2024, Leisure and Hospitality employment decreased by 1% from last year to 29,000 jobs.

Income

- The County’s average annual wages increased to \$71,250 in the 2024 calendar year from \$68,900 in 2023.

Retail Sales

- Countywide estimated retail sales increased by 0.2% to \$9.66 billion during FY 2024-25.
- California retail sales decreased by 0.6% between January 1 and December 31, 2024.

Real Estate

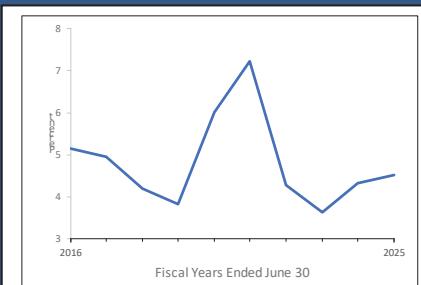
- According to the Zillow Home Value Index for Santa Barbara County, the median home value increased 4% to \$1,000,893.
- The real estate market continued its upward trend with price growth slowing down compared to recent years.

Tourism

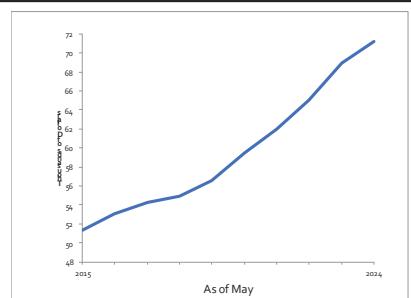
- Countywide estimated room sales increased by 7.8% to \$769.9 million.
- Countywide estimated Transient Occupancy Tax (TOT) revenue increased by 9.8% to \$92.6 million.
- Southern Santa Barbara County hotel room rates increased by 2.6% and available hotel rooms increased by 0.8% from the previous fiscal year with a hotel occupancy rate of 70.9%, an increase of 1.6%.

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

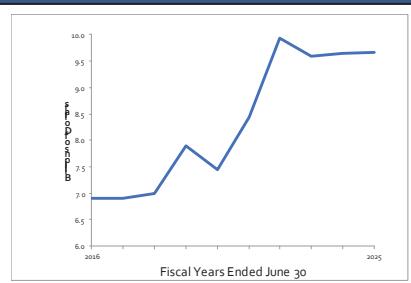
Avg. Unemployment Rate



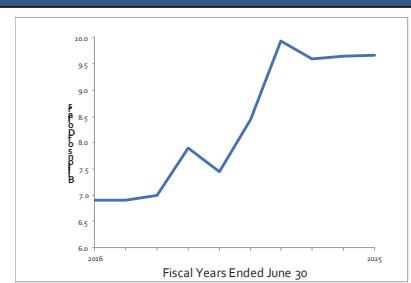
Average Salary



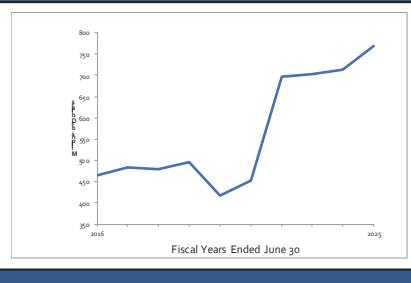
Retail Sales



Median Home Value



Hotel / Motel Room Sales



ECONOMIC INDICATORS

California's 2025-26 budget is currently balanced, supported by higher revenues, but long-term challenges remain as spending growth is projected to outpace revenue growth. Higher earnings among high-income residents, aided by stock market gains, have contributed to stronger tax revenues. These factors support near-term stability, yet annual spending growth is projected at 5.8%, compared to an average of 3.5% in past outlooks. With revenue growth expected to be just above 4%, below the historical average, spending may outpace revenues soon. While the budget is balanced this year, future adjustments may be required through either increased revenues or reduced spending. The current plan also leaves limited capacity for new or long-term commitments.

Santa Barbara County's 2025-26 budget reflects an emphasis on stability while preparing for future uncertainties. The recommended operating budget of \$1.69 billion represents a 4.8% increase from the prior year and supports a workforce of up to 4,745 full-time equivalent positions. Several departments have reduced vacant positions to preserve essential services and better position the County to address potential fiscal constraints. These actions reflect a continued focus on long-term fiscal sustainability.

In Santa Barbara County, housing affordability remains a significant challenge. According to the California Association of Realtors, the county's Housing Affordability Index declined from 11% to 10% from the third quarter of 2023. This places Santa Barbara County's index among the least affordable in California, alongside Monterey and San Luis Obispo Counties, with only Mono County reporting a lower affordability index at 6%.

Uncertainty related to tariffs presents another factor affecting local businesses and households. As noted at the 2025 UCSB Economic Summit, supply chains could be adjusted if tariffs become permanent, though short-term uncertainty may delay such changes. Other perspectives at the summit suggested that tariffs could have positive effects if implemented in coordination with broader tax reforms. In addition to these concerns, housing costs and homelessness remain ongoing issues for both the state and Santa Barbara County. At the same event, UCLA professor Lee Ohanian outlined potential approaches to address housing affordability, including reducing regulatory costs, encouraging development in areas with more affordable land, and adopting modern construction technologies to increase efficiency.

On the County level, recent shifts in federal policy and budget shortfalls are causing County departments such as County Health and Social Services to face budget reductions and potential employee layoffs. This could result in the elimination of unfilled positions as well as layoffs between two departments. While these do not involve Countywide, widespread layoffs, these are difficult proposals with impacts on affected employees and departments. Additional departments are currently participating in a budget exercise that is separate from the adjustments considered by County Health and Social Services. Departments are currently reviewing what budget and operations look like with reduced General Fund Contributions. The exercise is not a change to the budget, but a planning tool to help create a multi-year budget framework that will be presented to the Board of Supervisors in early 2026.

California's near-term budget stability is supported by higher revenues, but spending growth continues to exceed historical averages and may increase faster than revenue growth in future years. In Santa Barbara County, housing affordability remains among the lowest in the state, creating ongoing challenges for households and employers. Tariff uncertainty adds another factor that may influence local business decisions and investments. Continued attention to housing, cost of living, and long-term budget planning will be important to maintaining economic stability at both the state and local level.

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:

Renew is a countywide initiative focused on improving how the County utilizes technology, personnel, and processes to meet new expectations, community needs, and evolving economic, social, and environmental conditions. This initiative continues the work of the County's five-year Renew '22 strategic plan, which was implemented from 2017 to 2022. After Renew '22 concluded, County leadership conducted workshops with department heads to review progress and update the County's strategies, rebranding the ongoing effort as Renew. Since 2023, Renew has guided the County's operations through the implementation of four key goals and departmental performance reviews.

- Re-Balance our resources
- Re-Designing how we do our work
- Responding to residents and customers with the highest quality of services within our means
- Retaining high-performing employees while preparing the next generation of leaders

The County is dedicated to mitigating the housing crisis by funding several programs, including a local preference program, workforce and farmworker housing partnerships, and incentives for affordable housing development. Aiming to accelerate construction and reduce costs, the County is creating pre-approved Accessory Dwelling Unit (ADU) plans and increasing ministerial permit options. Furthermore, the expansion of online permitting tools and updates to zoning and ordinances will facilitate the housing development process. The County is allocating over \$23 million to address homelessness and its impact. This funding supports projects like Hope Village in Santa Maria and La Posada in the Goleta Valley, which together offer 174 cabin units with wraparound services.

The County has set aside \$604 million for safety net programs for all residents and is also investing in mental health services to support the inpatient mental health care, with \$16.6 million being allocated to mental health treatment beds and seven new beds. Moreover, the County's Farmworker Resource Center will offer in-person assistance via a mobile center that provides mental health services for farm workers, their families, and employers to address their needs.

Diversion continues focusing on public safety programs that connect individuals with legal support before their initial court hearing, including the READY pilot program. This program has reduced the population in jail by approximately 14 beds. Medication-Assisted Treatment (MAT) in County jail keeps expanding, with a participation rise from 83 to 215 in one year. This program helps people with substance use disorders mitigate addiction to opioids through a combination of medication and counseling measures. These efforts reduced overdose deaths in County jails by 36% from 2023 to 2024. Under a new contract, Jail healthcare is being improved with 22 new positions and expanded mental healthcare.

The County is committing resources to implementing the Climate Action Plan, including investment in electric vehicle (EV) infrastructure upgrades and energy efficiency projects. This included the addition of over 150 electric vehicle chargers to the County's current network of 250.

Recreation projects include a parking lot replacement at Goleta Beach Park, ballfield lighting at Orcutt Community Park, restroom and infrastructure improvements at Rincon Park, and amphitheater renovations at Cachuma lake. Transportation projects include Bonita School Road Bridge that connects San Luis Obispo County and the cities of Santa Maria and Guadalupe; phase two of the Modoc Multiuse Path offering safer ADA-compliant access across the area. The Regional Fire Communication Center construction was finalized in FY 24-25. It centralizes dispatch for countywide fire and emergency medical services. In FY 25-26 the new probation building and improvements to the Santa Barbara South County Jail will be under construction, and the design phase for expansion of the Northern Branch Jail is set to begin.

The County is finalizing a Countywide Recreational Master Plan as a guidance for future park and trail development and enhance access and equity. These projects will promote tourism and community wellness. The implementation of the Agricultural Enterprise Ordinance offers local farms more approaches to welcome the community and boost business.

The County is going to maintain its \$47.5 million strategic reserve, which is 8% of General Fund operating revenue. The County is investing in technology and innovation by initiating new budgeting and financial systems in 2025 to improve efficiency and transparency and allocating \$450K to strengthen cybersecurity to protect County data and systems.

The County is also upgrading the Public Safety Radio Network (PSRN). This major upgrade has an expected cost of about \$60 million and will be the largest upgrade to the existing infrastructure in over 25 years. This project is vital to public safety operations across departments such as the Sheriff's Office, Fire, Health, Probation, Parks, General Services, District Attorney, and local cities.

SIGNIFICANT CAPITAL PROJECTS

The County completed \$64.2 million in capital projects in FY 2024-25 and has approved \$152.7 million for capital projects in FY 2025-26 including:

- Approximately \$40.9 million for maintaining County buildings, roads and parks with over \$29.0 million of that going towards road maintenance projects.
- Approximately \$4.7 million for the expansion of Electric Vehicle Charging Infrastructure for Government Fleet and Public Use.
- Approximately \$12 million for implementing the RdMAP projects (completed), including Rehabilitation with 19 lane miles, Preventive Maintenance with 31 lane miles, and Countywide Hardscape Improvements.

Additional FY 2025-26 capital and capital maintenance projects, equipment, software, and information systems projects can be found in Section E “Capital Budget Summary” of the County’s Recommended Budget (available at <https://www.countyofsb.org/4584/2025-2026>

LONG-TERM FINANCIAL PLANNING

The FY 2025-26 County of Santa Barbara Recommended Budget is projecting local property tax revenue growth of 5.45%, which is supported by a projected 2.53% increase in retail sales tax, and an increase of 21.21% related to TOT taxes.

The County has committed to building and maintaining a strategic reserve equal to 8% of annual General Fund revenues, or approximately 30 days’ working capital. During FY 2024-25, the strategic reserve balance reached \$45.6 million, an increase of \$1.6 million from the prior year; an additional \$1.9 million increase has been budgeted for FY 2025-26. The County is also addressing capital needs by continuing to incorporate a policy which earmarks 18% of available discretionary General Fund revenue growth for deferred maintenance.

RELEVANT FINANCIAL POLICIES

The County benchmarks its financial policies to a set of Best Financial Management Practices for Governmental Issuers of Municipal Debt published by Fitch Ratings.

Fund Balance Reserve

The County is committed to building a strategic reserve as discussed previously in Long-Term Financial Planning.

Multiyear Financial Forecasting

The County prepares a five-year financial forecast annually focusing on discretionary revenues and their uses to aid in current year decisions.

Quarterly Financial Reporting and Monitoring

The CEO and Budget Director review each department's year-to-date actual and projected revenues and expenditures quarterly. These meetings also focus on their operations and performance measures.

Contingency Planning

The County does not have a formal contingency policy and maintains only a small operating contingency of less than 1% in the General Fund. However, the County has established a strategic reserve policy and is in the process of building a strategic reserve that will equal 8% of annual General Fund revenues (approximately 30 days working capital). The County also has other significant fund balances in its special revenue funds. The most noteworthy is the Flood Control District fund balance used to hedge against storm related disasters.

Nonrecurring Revenue

One of the principal budget tenets is that nonrecurring revenue should be used for one-time needs and that ongoing expenditures should have identified ongoing sources. Additionally, the County's General Fund Allocation Policy states that "Requests for additional FTE's ... will identify the ongoing funding source."

Financial Reporting Awards

The Government Finance Officers Association (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to the County for its ACFR annually since 1991, and the Certificate of Achievement in Popular Annual Financial Reporting for the Financial Highlights annually since 1995.

Debt Affordability

The County established a Debt Advisory Committee (DAC) to provide advice to the Board on debt issuance and management. The DAC looks at repayment sources as one of the key criteria for approval of new debt issues. In addition, all long-term equipment or real property leases are reviewed for lease vs. purchase decisions.

Superior Debt Disclosure Practices

The County maintains a complex set of debt disclosures in the County's Recommended Budget and the Annual Comprehensive Financial Report (ACFR) statistical section. We believe that time is of the essence in the publication of these documents. The budget is adopted before June 30th and loaded into the financial system before the close of the first month of the new fiscal year. The County's major financial documents are available on the web at [Santa Barbara County, CA - Official Website | Official Website \(countyofsb.org\)](http://Santa Barbara County, CA - Official Website | Official Website (countyofsb.org))

Capital and Maintenance Funding

The County has an informal pay-as-you-go policy for funding capital. However, many of the County's funds only utilize pay-as-you-go financing. Beginning in FY 2015-16, the Board established a budget policy to set aside 18% of general revenue growth to address aging infrastructure and facilities.

Debt Repayment Plan

The County's current outstanding debt schedule features a debt repayment plan that will reduce debt by 61.6% over the next ten years with 100% reduction in 16 years.

Five-Year Capital Improvement Program

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

Budgeting Awards

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

AWARDS AND ACKNOWLEDGMENTS

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

GFOA Financial Reporting Certificate of Achievement

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to the County's ACFR for the fiscal year ended June 30, 2024. This award has been achieved annually since 1991. To receive this prestigious award, a government must publish an easily readable and efficiently organized ACFR that satisfied both 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 ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

GFOA Budget Presentation Award

The County received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2024. 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, 2024. This award has been achieved annually since 1995. To receive this prestigious award, a government must publish a Popular Annual Financial Report that conforms to program standards of creativity, presentation, understandability, and reader appeal.

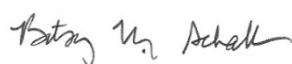
Acknowledgments

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

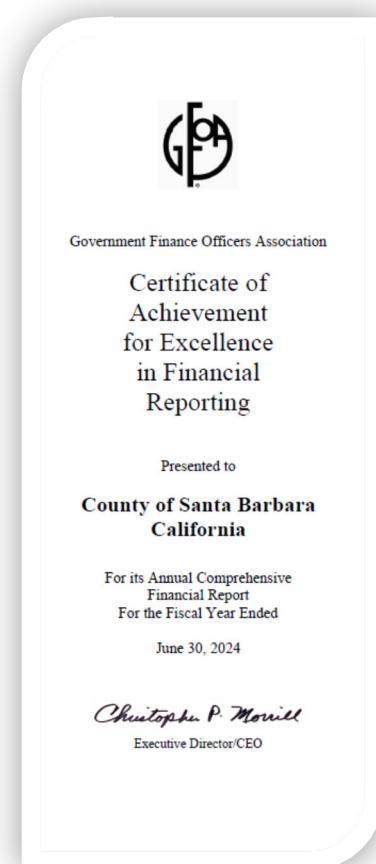
Respectfully submitted,



Mona Miyasato
County Executive



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





FINANCIAL SECTION

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Santa Barbara, California, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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STOCKTON
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Stockton, CA 95207
209-451-4833

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Santa Barbara County Employees' Retirement System Schedule of the County's Proportionate Share of the Net Pension Liability, the Santa Barbara County Employees' Retirement System Schedule of the County's Contributions, Other Postemployment Benefits (OPEB) Plan Schedule of Changes in the County's Net OPEB Liability and Related Ratios, and the respective budgetary comparison for the General and Major Special Revenue Funds be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules and the budgetary comparison for the Capital Projects Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the budgetary comparison for the Capital Projects Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
October 13, 2025



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The information in this section is not covered by the Independent Auditor's Report, but is presented as required supplementary information for the benefit of the readers of the ACFR.

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended June 30, 2025. 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, 2025, several major projects and revenue sources were of special significance to the County's operations and net position. Over time, net position can be a useful indicator of the County's financial condition. Net position increased this year by \$221,218. The major elements that impacted the financial position during the year are detailed below.

Changes to Net Investment in Capital Assets +\$107.9M (represents the County's investment in capital assets, less (1) accumulated depreciation/amortization, (2) related outstanding debt used to acquire those assets, and (3) related deferred inflows of resources) were primarily due to:

- OEM & Regional Fire Dispatch Center (Net impact = +17.9M)
Construction completed on the new Regional Fire Communication Center located in Goleta that centralizes dispatch from multiple public safety agencies, making operations more efficient and effective in serving County residents.
- Probation New Headquarters Building (Net impact = +14.1M)
Construction completed on the new Probation headquarters building located in Santa Barbara that consolidates all South County services into a central location to serve both adult and juvenile clients.
- Santa Maria Debris Basin Improvement (Net impact = +8.8M)
Construction completed on the Santa Maria Debris Basin Improvement project to improve safety for Santa Maria residents and traveling public by reducing potential flooding and debris flow impacts.
- Tajiguas Sanitary Landfill Phase IV (Net impact = +8.6M)
Construction continued on the fourth phase of the Santa Maria Tajiguas Sanitary Landfill upgrade project. The upgrade and expansion of the landfill will increase waste capacity and extend the life of the landfill.

Changes to Unrestricted Net Position +\$77.6M (represents the County's available resources for ongoing obligations related to programs with external restrictions of their use) were primarily due to:

- Increases to Secured Property Tax Revenue (+\$15.3M)
Property taxes exceeded estimates, resulting in decreased use of revenues due to the timing related to the budget and contributing to an increase in unrestricted net position. Funds are expected to be committed by the Board of Supervisors for various purposes in the upcoming budget year.
- Increases to Unrestricted Investment Earnings (+\$4.2M)
Earnings from unrestricted investments increased due to higher interest income earnings as well as greater unrealized gains compared to unrealized losses in the prior fiscal year.

Detailed information and analysis of the changes in net position can be found in the subsequent sections, which reflect the impact of these major financial highlights.

DESCRIPTION OF THE BASIC FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the County's Basic Financial Statements, which include the following three components:

- Governmentwide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

Governmentwide Financial Statements

The Governmentwide Financial Statements provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the County's Assets and Deferred Outflows of Resources and Liabilities and Deferred Inflows of Resources with the difference reported as Net Position.

$$\text{Net Position} = (\text{Assets} + \text{Deferred Outflows of Resources}) - (\text{Liabilities} + \text{Deferred Inflows of Resources})$$

The Statement of Activities presents the most recent fiscal year's changes in the County's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (Accrual Basis of Accounting). The statement reports items resulting in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave) as revenues and expenses.

The Governmentwide Financial Statements distinguish functions of the County principally supported by taxes and intergovernmental revenues (governmental activities) from other functions intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities grouped by function of the County include Policy and Executive, Public Safety, Health and Human Services, Community Resources and Public Facilities, General Government and Support Services, and General County Programs. The business-type activities of the County include Resource Recovery and Waste Management (Resource Recovery) and Laguna County Sanitation District (Laguna Sanitation).

Component units are included in the financial statements and are legally separate entities for which the County is financially accountable. If a component unit's total debt is expected to be repaid entirely by the County, if the component unit provides services entirely to the County, or if the component unit has substantially the same governing board as the County and there is a financial benefit or burden relationship or County management has operational responsibility for a component unit, then the component unit will be classified as a blended component unit. If a component unit does not meet any of the preceding requirements, it will be presented as a discrete component unit.

The County's only discretely presented component unit is the First 5 Children and Families Commission. The County's only fiduciary component unit is the Santa Barbara County Employees' Retirement System (SBCERS).

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.

The County maintains 78 individual governmental funds combined into 32 funds for financial reporting purposes. The County segregates from the General Fund a number of significant functions in 9 major funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the following major funds: General, Roads, Public Health, Social Services, Behavioral Wellness, Flood Control District, Affordable Housing, Fire Protection District, and Capital Projects. Data for the other 23 governmental funds are combined into a single, aggregated presentation. Individual fund data for these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all of its operating funds. The budget and actual comparison schedules provided for the General Fund and major special revenue funds demonstrate performance against this budget.

Proprietary Funds

The County maintains two different types of proprietary funds: enterprise funds and internal service funds. The County has two enterprise funds, both of which 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.

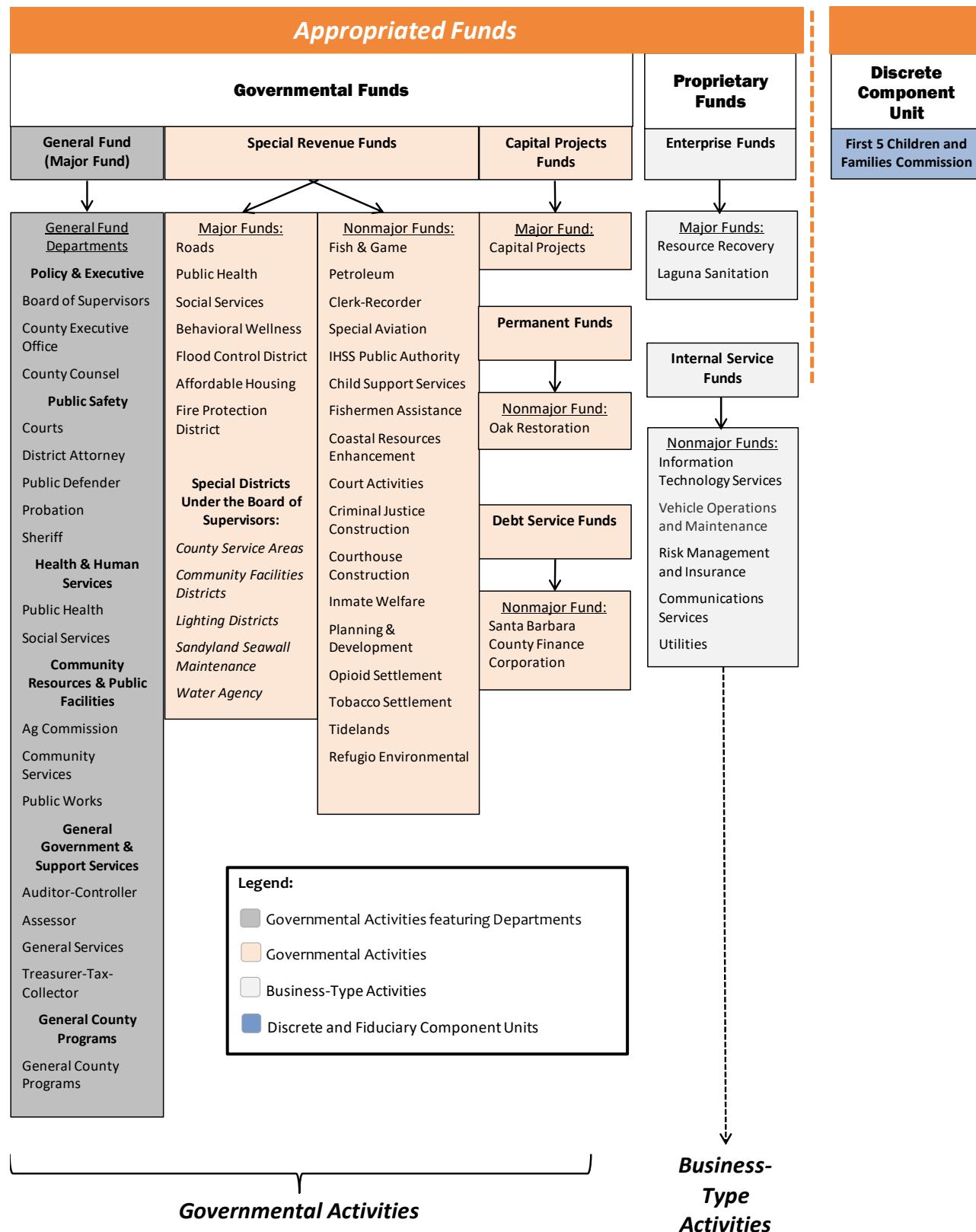
Fiduciary Funds

Fiduciary funds account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the Governmentwide Financial Statements because the resources of those funds are not available to support the County's own programs. Fiduciary fund accounting is similar to proprietary fund accounting. Fiduciary funds report the external portions of the Treasurer's investment pool, a private-purpose trust fund, and custodial funds.

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.

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	
	2024	2025	2024	2025	2024	2025	Dollar Change	Percent Change
	as restated		as restated		as restated			
Assets:								
Current and other assets	\$ 1,132,642	\$ 1,159,052	\$ 126,826	\$ 127,170	\$ 1,259,468	\$ 1,286,222	\$ 26,754	2.1%
Capital assets, net of depreciation	1,033,698	1,123,419	305,231	317,054	1,338,929	1,440,473	101,544	7.6%
Total assets	2,166,340	2,282,471	432,057	444,224	2,598,397	2,726,695	128,298	4.9%
Deferred outflows of resources:	256,443	256,110	4,396	4,475	260,839	260,585	(254)	(.1%)
Liabilities:								
Current and other liabilities	234,890	213,015	7,911	10,064	242,801	223,079	(19,722)	(8.1%)
Long-term liabilities	1,026,867	934,666	221,842	209,503	1,248,709	1,144,169	(104,540)	(8.4%)
Total liabilities	1,261,757	1,147,681	229,753	219,567	1,491,510	1,367,248	(124,262)	(8.3%)
Deferred inflows of resources:	46,679	76,974	247	1,040	46,926	78,014	31,088	66.2%
Net position:								
Net investment in capital assets	828,960	919,009	145,420	163,276	974,380	1,082,285	107,905	11.1%
Restricted for:								
Policy & executive	262	256	--	--	262	256	(6)	(2.3%)
Public safety	99,507	112,151	--	--	99,507	112,151	12,644	12.7%
Health & human services	97,897	100,030	--	--	97,897	100,030	2,133	2.2%
Community resources & public facilities	223,408	249,020	--	--	223,408	249,020	25,612	11.5%
General government & support services	6,363	6,640	--	--	6,363	6,640	277	4.4%
General county programs	123,000	88,683	--	--	123,000	88,683	(34,317)	(27.9%)
Total Restricted	550,437	556,780			550,437	556,780	6,343	1.2%
Unrestricted	(265,050)	(161,863)	61,033	64,816	(204,017)	(97,047)	106,970	52.4%
Total net position, as restated	\$ 1,114,347	\$ 1,313,926	\$ 206,453	\$ 228,092	\$ 1,320,800	\$ 1,542,018	\$ 221,218	16.7%

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 \$1,542,018 at the close of the current fiscal year.

Analysis of Net Position

The County's total net position increased by \$221,218, or 16.7%, during the fiscal year. The significant changes are detailed below by the classification of net position that was affected by each. This increase is higher than the prior five-year average of net position increases of \$139,172, primarily due to increase of net investment in capital assets and receipt of CalAIM PATH program state funding. Please see the Statistical section for a 10-year trend on changes in net position.

Assets

Current and other assets increased by \$26,754, or 2.1%, due primarily to the receipt of additional grant funding for new infrastructure projects and tax revenues.

Deferred outflows of resources

Deferred outflows of resources decreased by \$254, or 0.1%, due primarily to the slightly lower than expected returns on net investments for pension and other postemployment benefits (OPEB) investments.

Liabilities

Total liabilities decreased by \$124,262 or 8.3%, due primarily to a \$12,660, or 4.31%, decrease in long-term certificates of participation and a \$3,471, or 46.7% increase in subscription liability. Simultaneously, liabilities decreased due primarily to a \$29,837, or 38.3% decrease in advances from grantors or third parties, and \$4,136, or 14.0% decrease in Landfill closure/post-closure care costs.

Deferred inflows of resources

Total deferred inflows of resources increased by \$31,088, or 66.2%, due primarily to higher than expected returns on net investments for pension and OPEB investments and a \$2,930, or 51.1% increase in lease proceeds primarily from new lease agreements.

Net Investment in Capital Assets

The largest portion of the County's net position is invested in capital assets (e.g., land, buildings, roads, bridges, flood control channels and debris basins, machinery, equipment, and intangible assets), less the related and outstanding debt used to acquire those assets, related payables, and related deferred inflows of resources. The County uses these capital assets to provide services to citizens; as such, these assets are not available for future spending. Although the County's net investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's net investment in capital assets increased by \$107,905, or 11.1%, and consisted of the following:

	2024	2025	Dollar Change	Percentage Change
Investment in Capital Assets (net of accumulated depreciation)	\$ 1,338,929	\$ 1,440,473	\$ 101,544	7.6%
Less:				
Related Debt	327,981	323,450	(4,531)	(1.4%)
Related Payables	7,670	3,036	(4,634)	(60.4%)
Related Deferred Inflows of Resources	28,898	31,702	2,804	9.7%
Net Investment in Capital Assets	<u>\$ 974,380</u>	<u>\$ 1,082,285</u>	<u>\$ 107,905</u>	<u>11.1%</u>

Restricted Net Position

Restricted net position of \$556,780 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:

- \$176,247 (31.7%) for property taxes dedicated to specific services such as flood control and fire protection;
- \$106,756 (19.2%) for federal and State allocations for roads and health services;
- \$84,155 (15.1%) for grant, land use, and permit agreements;
- \$80,558 (14.5%) for federally imposed restrictions for health and housing programs;
- \$79,421 (14.3%) for numerous State imposed restrictions;
- \$27,181 (4.9%) for various other restrictions imposed on the County; and
- \$2,462 (0.4%) for donations.

Restricted net position increased \$6,343, or 1.2%. Significant changes to restricted net position, by function, include:

- The General County Programs function decreased \$34,317 due primarily to the use of proceeds from certificates of participation restricted for capital improvement projects.
- The Community Resources and Public Facilities function increased \$25,612 due primarily to community resource services funding restricted for general community resource and public facilities purposes.
- The Health and Public Assistance function increased \$2,133 due primarily to public health funding restricted for opioid settlement special projects.

Unrestricted Net Position

Due primarily to the adoption of GASB 101 prior period adjustment (Note 21) and unrealized gains on investments, unrestricted net position increased by \$106,970, or 52.4%, from negative \$204,017 to negative \$97,047. The majority of the balance of negative unrestricted net position is the result of the County's unfunded net pension liabilities (\$623,470) and net OPEB liabilities (\$47,458).

Analysis of Governmental Activities

The net position of the County's governmental activities increased by \$199,579 to \$1,313,926, or 17.9%, over the prior year as a result of operating revenues exceeding operating expenses in addition to prior period adjustments (see Note 21).

Changes in Net Position (in thousands)

	Governmental Activities		Total	
	2024 as restated	2025	Dollar Change	Percent Change
Revenues				
Program revenues:				
Charges for services	\$ 267,660	\$ 302,616	\$ 34,956	13.1%
Operating grants and contributions	587,848	625,903	38,055	6.5%
Capital grants and contributions	152	272	120	78.9%
Total program revenues	<u>855,660</u>	<u>928,791</u>	<u>73,131</u>	<u>8.5%</u>
General revenues:				
Property taxes	389,407	409,966	20,559	5.3%
Sales taxes	25,713	26,606	893	3.5%
Transient occupancy tax	17,746	22,179	4,433	25.0%
Cannabis	5,770	5,185	(585)	(10.1%)
Payments in-lieu of taxes	2,359	2,427	68	2.9%
Franchise fees	4,428	4,095	(333)	(7.5%)
Unrestricted investment earnings	14,954	17,944	2,990	20.0%
Other	559	(997)	(1,556)	(278.4%)
Total general revenues	<u>460,936</u>	<u>487,405</u>	<u>26,469</u>	<u>5.7%</u>
Total revenues	<u>1,316,596</u>	<u>1,416,196</u>	<u>99,600</u>	<u>7.6%</u>
Expenses				
Policy & executive	16,074	10,479	(5,595)	(34.8%)
Public safety	417,010	423,720	6,710	1.6%
Health & human services	477,109	510,951	33,842	7.1%
Community resources & public facilities	179,035	149,798	(29,237)	(16.3%)
General government & support services	48,202	45,996	(2,206)	(4.6%)
General county programs	60,257	68,521	8,264	13.7%
Interest on long-term debt	3,157	7,020	3,863	122.4%
	<u>1,200,844</u>	<u>1,216,485</u>	<u>15,641</u>	<u>1.3%</u>
Excess (deficiency) of revenues over (under) expenses	115,752	199,711	83,959	72.5%
Transfers	(129)	(132)	(3)	2.3%
Change in net position	115,623	199,579	83,956	72.6%
Net position - beginning, as previously reported	998,340	1,143,025	144,685	14.5%
Error correction adjustment	384	823	439	114.3%
Cumulative effect of change in accounting principle	--	(29,501)	(29,501)	(100.0%)
Net position - beginning, as restated	998,724	1,114,347	115,623	11.6%
Net position - ending	\$ 1,114,347	\$ 1,313,926	\$ 199,579	17.9%

Revenues

Total revenues for the County's Governmental Activities had an overall increase from the prior year of \$99,600, or 7.6%, to \$1,416,196. Revenues are divided into two categories: Program Revenues, which are the revenues derived directly from the functional programs or from parties outside the County's taxpayers or community; and General Revenues, which are the revenues that do not meet the requirements of program revenues, most of which are taxes.

Program Revenues had an overall increase of \$73,131 or 8.5%, to \$928,791 from the prior year. As an arm of the State government, a significant portion of charges for services and operating grants and contributions are tied to mandated programs such as public assistance, health, and behavioral wellness services. Total program revenues represent 65.58% of the County's funding for governmental activities.

- Charges for services increased \$34,956, or 13.1%, to \$302,616 primarily due to:
 - \$8,150 increase of fire incident services; and
 - \$5,339 increase of litigation settlements
- Operating grants and contributions (intergovernmental revenues) increased a net \$38,055, or 6.5%, to \$625,903 primarily due to:
 - \$8,751 increase of Federal-other;
 - \$6,588 increase of state grants;
 - \$6,353 increase of interest income; and
 - \$6,210 increase of federal aid for disasters.
- Capital grants and contributions (intergovernmental revenues) increased \$120, or 78.9%, to \$272 primarily due to planned capital maintenance road projects and other capital outlay grants.

General Revenues had an overall increase of \$26,469, or 5.7%, to \$487,405. 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 \$20,559, or 5.3%, to \$409,966 primarily from assessed valuation growth;
- Transit Occupancy Tax increased \$4,433, or 25.0% to \$22,179 primarily due to increased hotel/lodging related receipts;
- Cannabis Tax decreased \$585, or 10.1%, to \$5,185 primarily due to decreased cannabis related operations; and
- Unrestricted investment gain increased by \$2,990 primarily due to an increase in the fair value of investments, as well as increases in interest income.

Expenses had an overall increase for governmental activities of \$15,641, or 1.3%, to \$1,216,485 from the prior year. This change was mainly driven by increases in accrued pension expense of \$28,323, administrative expense of \$24,456, contractual services of \$21,950 and road services provided of \$18,926.

Transfers (out) had an overall increase for governmental activities of \$3, or 2.3%, to \$132 from prior year. This change was driven by an ARPA revenue reimbursement to Enterprise fund, Laguna Sanitation District and vehicle reimbursement from Enterprise fund, Resource Recovery to General Services.

As a service delivery entity, the County's major cost component is salaries and benefits, amounting to 59.8% of the total County expenses. The average full-time equivalent (FTE) count for the County (including business-type activities) had a net increase of 168 FTEs from 4,294 in the prior year to 4,463 at June 30, 2025. A 10-year trend chart on average FTEs can be found in the Statistical section.

Analysis of Business-type Activities

The net position of business-type activities increased by \$21,639, or 10.5%, to \$228,092, which indicates these activities generated revenues sufficient to cover the costs of operations.

Changes in Net Position (in thousands)					
	Business-Type Activities		Total		
	2024 as restated	2025	Dollar Change	Percent Change	
Revenues					
Program revenues:					
Charges for services	\$ 65,774	\$ 70,434	\$ 4,660	7.1%	
Operating grants and contributions	1,898	1,624	(274)	(14.4%)	
Total program revenues	<u>67,672</u>	<u>72,058</u>	<u>4,386</u>	<u>6.5%</u>	
General revenues:					
Unrestricted investment earnings	4,747	5,914	1,167	24.6%	
Other	38	1	(37)	(97.4%)	
Total general revenues	<u>4,785</u>	<u>5,915</u>	<u>1,130</u>	<u>23.6%</u>	
Total revenues	72,457	77,973	5,516	7.6%	
Expenses					
Resource Recovery	39,244	46,652	7,408	18.9%	
Laguna Sanitation	9,426	9,814	388	4.1%	
	<u>48,670</u>	<u>56,466</u>	<u>7,796</u>	<u>16.0%</u>	
Excess of revenues over expenses	23,787	21,507	(2,280)	(9.6%)	
Transfers	129	132	3	2.3%	
Change in net position	23,916	21,639	(2,277)	(9.5%)	
Net position - beginning, as previously reported	182,537	207,111	24,574	13.5%	
Error correction adjustment	--	5	5	100.0%	
Cumulative effect of change in accounting principle	--	(663)	(663)	(100.0%)	
Net position - beginning, as restated	182,537	206,453	23,916	13.1%	
Net position - ending	\$ 206,453	\$ 228,092	\$ 21,639	10.5%	

- Charges for services increased by \$4,660, or 7.1%, to \$70,434 primarily due to increases in charges for sanitation services in Resource Recovery from increases in commercial related revenues.
- Operating grants and contributions decreased by \$274, or 14.4%, to \$1,624 primarily due to a decrease of State grant revenues.
- Unrestricted investment gain increased by \$1,167, or 24.6%, to \$5,914 primarily due to greater interest income and unrealized gains on investments in the County treasury.
- Expenses increased by \$7,796, or 16.0%, to \$56,466 primarily due to an increase in closure/post-closure landfill costs, structure and ground maintenance, and regular salaries.
- Transfers increased by \$3, or 2.3%, to \$132 primarily due to an ARPA revenue reimbursement from General Fund.

Analysis of Capital Assets

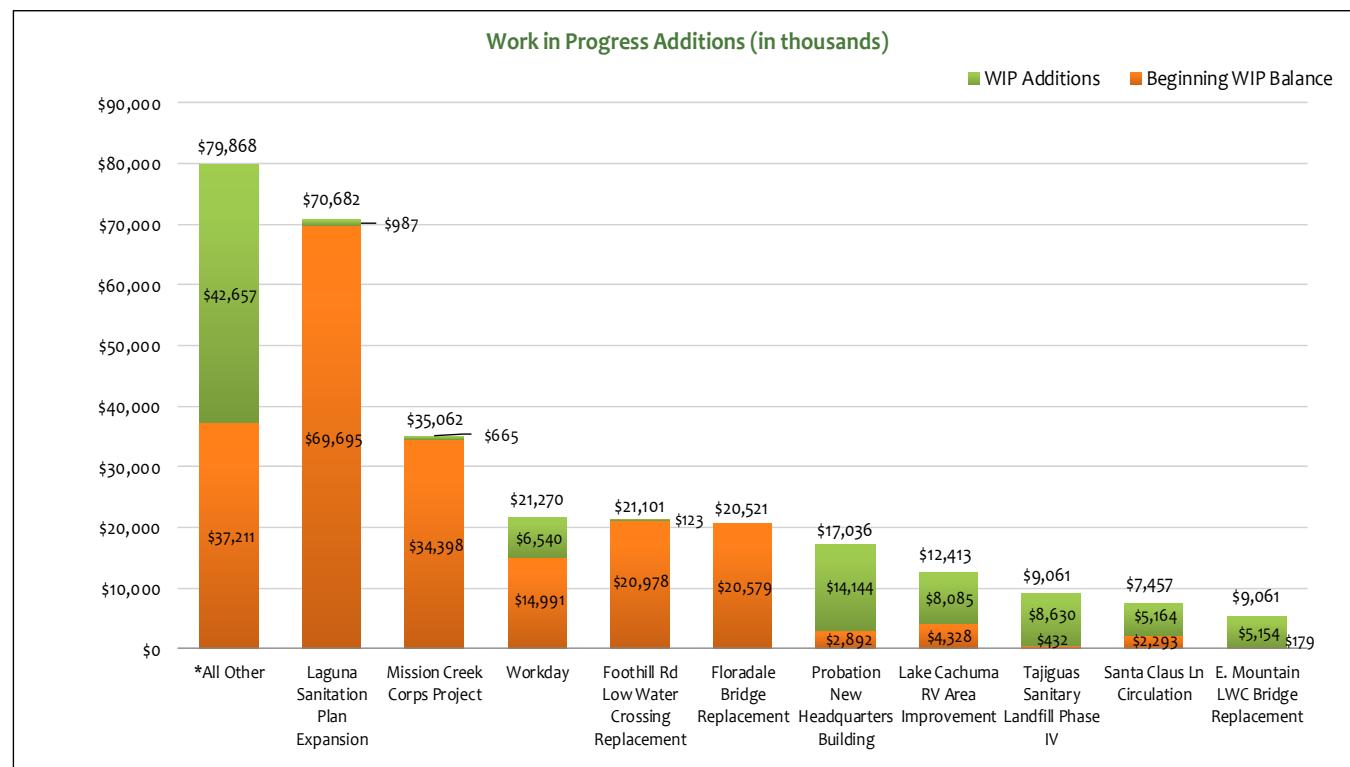
	Capital Assets (net of depreciation, in thousands)							
	Governmental Activities		Business-Type Activities		Total		Total	
	2024	2025	2024	2025	2024	2025	Dollar Change	Percent Change
Capital assets, non-depreciable:								
Land	\$ 69,432	\$ 93,192	\$ 15,654	\$ 15,654	\$ 85,086	\$ 108,846	\$ 23,760	27.9%
Land easements	53,133	53,133	--	--	53,133	53,133	--	0.0%
SCA assets	41,531	45,584	--	--	41,531	45,584	4,053	9.8%
Work in progress	204,960	243,857	76,391	87,172	281,351	331,029	49,678	17.7%
Total capital assets, non-depreciable	369,056	435,766	92,045	102,826	461,101	538,592	77,491	16.8%
Capital assets, depreciable:								
Land improvements	19,499	21,016	197	548	19,696	21,564	1,868	9.5%
Structures and improvements	254,038	275,634	95,312	96,878	349,350	372,512	23,162	6.6%
Equipment	66,539	66,805	68,628	68,504	135,167	135,309	142	0.1%
Infrastructure	287,228	277,732	49,049	48,298	336,277	326,030	(10,247)	(3.0%)
Intangible assets								
Software	565	204	--	--	565	204	(361)	(63.9%)
Subscription assets	12,200	20,216	--	--	12,200	20,216	8,016	65.7%
Lease assets	24,573	26,046	--	--	24,573	26,046	1,473	6.0%
Capital assets, net of accumulated depreciation, as restated	664,642	687,653	213,186	214,228	877,828	901,881	24,053	2.7%
Total, as restated	\$ 1,033,698	\$ 1,123,419	\$ 305,231	\$ 317,054	\$ 1,338,929	\$ 1,440,473	\$ 101,544	7.6%

During the fiscal year, the County's investment in capital assets increased by \$101,544, or 7.6%, to \$1,440,473 (net of accumulated depreciation/amortization). This investment is in a broad range of capital assets including land, land easements, Service Concession Arrangements (SCA) assets, work in progress (WIP), land improvements, structures and improvements, equipment, infrastructure, and intangible assets – software, subscription assets, and lease assets. Major capital additions include:

- **Land:** The balance of land increased a total of \$23,760, or 27.9%. Significant additions include:
 - \$8,788 for the completion of the Santa Maria Debris Basin improvement project;
 - \$1,334 for the transfer of a portion of the Randall Road Debris Basin project.
- **Land Improvements:** The balance of land improvements increased a total of \$1,868, or 9.5%, due to new additions.
- **Structures and Improvements:** The County capitalized \$37,770 of structures and improvements, net of \$14,608 in depreciation, for a total increase of \$23,162, or 6.6%. Significant additions include:
 - \$17,870 for the completion of the Fire Dispatch Center;
 - \$4,554 for the completion of the CMU SG Mobile with GORE Cover;
 - \$3,647 for the completion of the Santa Barbara Board of Supervisors Hearing Room Audio Visual;
 - \$3,449 for the completion of the APCD Santa Maria Office Tenant Improvement; and
 - \$3,316 for the completion of the Santa Barbara Courthouse Roof Restoration Phase 2.
- **Equipment:** The County capitalized \$16,500 of equipment, net of \$14,742 in depreciation and \$1,616 of deletions, for a total increase of \$142, or 0.1%. Significant additions include:
 - \$1,491 for three Phoenix 3300 Powerscreens;
 - \$692 for Bollegraf Baler Bypass Unit; and
 - \$644 for Marine Patrol Boat.

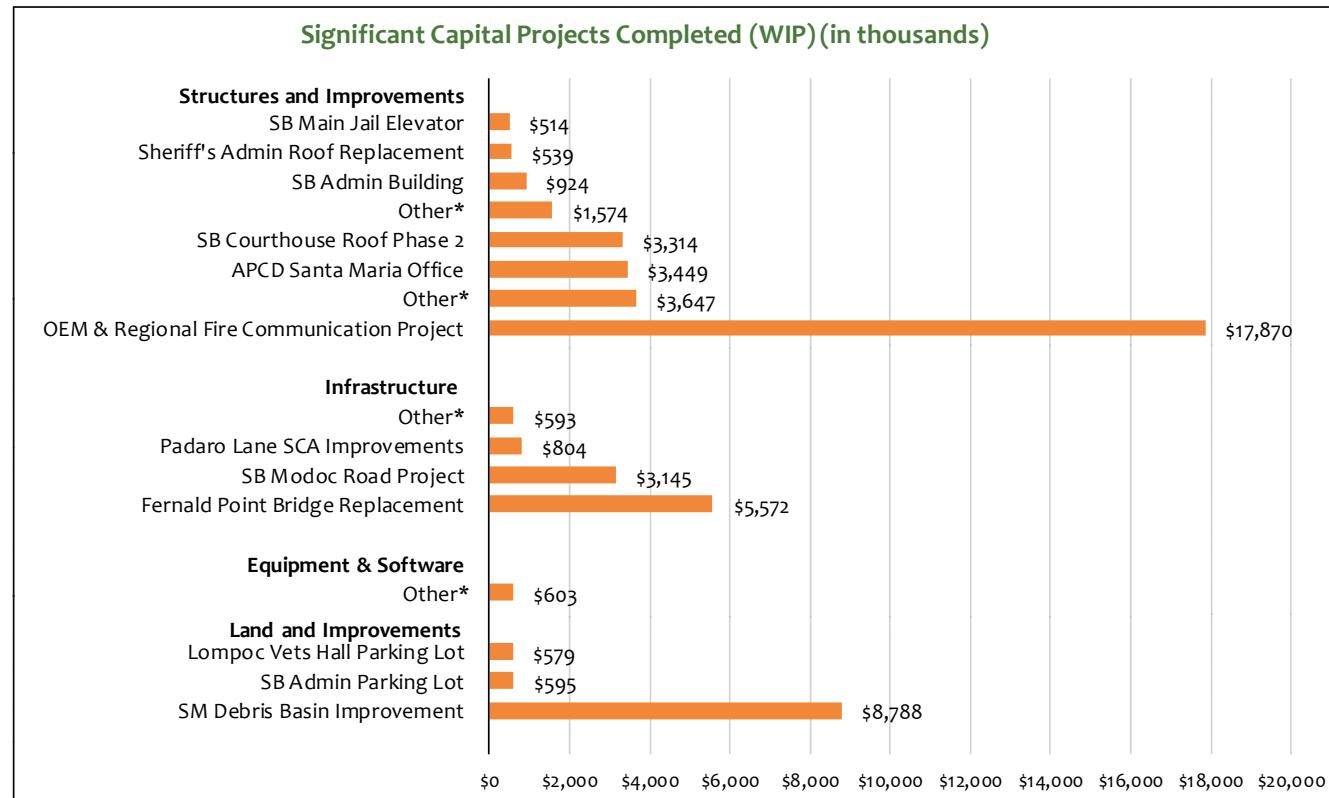
- **Infrastructure:** The County transferred \$1,756 of infrastructure, net of \$8,491 in depreciation, for a total decrease of \$10,247, or 3.0%. Significant projects include:
 - \$5,572 for the Fernald Point Bridge project;
 - \$3,145 for the SB Modoc Road project;
 - \$983 for the TJ Main Access Road Extension 2024 project; and
 - \$804 for the Padaro Lane, SCA Improvements project.
- **Software:** The balance of software decreased a total of \$361, or 63.9%, due to depreciation.
- **Subscription assets:** The County capitalized \$13,290 of subscription assets, net of \$4,743 in amortization and \$531 of deletions, for a total increase of \$8,016, or 65.7%. Significant additions include:
 - \$4,107 for IT Microsoft 365 Enterprise software subscription;
 - \$1,052 for IT VMWare Cloud Foundation software subscription; and
 - \$985 for District Attorney Journal Technologies software subscription.
- **Lease assets:** The County capitalized \$5,626 of lease assets, net of \$3,584 in amortization and \$569 in deletions, for a total increase of \$1,473, or 6.0%. Significant additions include:
 - \$1,376 for IT communication land lease; and
 - \$453 for Behavioral Wellness parking easement lease.
- **Work in Progress (WIP):** When a capital project will be completed in a subsequent fiscal year, related project costs are recorded as WIP. In the year of completion, a project's WIP is allocated to the appropriate capital asset classification(s). In the current fiscal year, WIP had a net increase of \$49,678, or 17.7%. Total WIP additions of \$105,998 were offset by project completions of \$55,291, and project retirements/adjustments of \$1,029.

Of the \$105,998 in WIP additions, major project costs include:



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

Of the \$55,291 completions of WIP, major projects include:



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

Additional capital asset information, including depreciation, amortization, and outstanding WIP by project as of June 30, 2025, can be found in Note 6 of the Notes to the Financial Statements.

Analysis of Long-term Debt

Outstanding Long-term Debt (in thousands)

	Governmental Activities		Business-Type Activities		Total		Total	
	2024	2025	2024	2025	2024	2025	Dollar Change	Percent Change
Bonds and notes payable	\$ 5,770	\$ 4,662	\$ 625	\$ 315	\$ 6,395	\$ 4,977	\$ (1,418)	(22.2%)
Certificates of participation	128,617	123,141	174,146	167,957	302,763	291,098	(11,665)	(3.9%)
Leases	25,994	27,914	--	--	25,994	27,914	1,920	7.4%
Subscriptions	9,605	15,578	--	--	9,605	15,578	5,973	62.2%
Total	\$ 169,986	\$ 171,295	\$ 174,771	\$ 168,272	\$ 344,757	\$ 339,567	\$ (5,190)	(1.5%)

The County's total balance of bonds, notes, and COP decreased by \$13,083, or 4.2%, during the fiscal year. The net decrease was primarily due to the repayment of the 2024 COP, \$11,665.

The total balance of leases increased by \$1,920, or 7.4%, during the fiscal year. The net increase was primarily due to the modification of the current General Services' communication lease at Rincon Peak, \$1,714, and new issue of Information Technology's communication lease at San Antonio Peak, \$1,376.

The total balance of Subscriptions increased by \$5,973, or 62.2%, during the fiscal year. The net increase was primarily due to the new implementation of Information Technology's Microsoft 365 Enterprise subscription, \$4,107, to be utilized countywide.

Bond Ratings

During the current year, the County's bond ratings and outlook remained the same as previous year.

On April 12, 2024, S&P Global Ratings (S&P), assigned its 'AAA' issuer credit rating to the County. Additionally, S&P assigned its 'AA+' issue rating to the County's 2024A-1 (tax-exempt) and 2024A-2 (taxable) COP while affirming its 'AA+' rating on the County's outstanding COPs. The S&P 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) The County's strong credit ratings with Standard & Poor's and Moody's result in reduced borrowing costs for new capital asset construction.

The rationale behind the ratings reflects the rating agencies' view of:

- The long-term general creditworthiness of the County;
- The County's covenants to budget and appropriate lease payments;
- A stable, moderately growing economic base with access to the broader Ventura and Los Angeles area economies;
- Consistent maintenance of very strong unreserved General Fund balances despite limited financial flexibility due to State mandates;
- An experienced management team that has implemented strong financial policies and prudent expenditure controls;
- Low overall debt levels; and
- The County's very strong underlying general credit characteristics.

Additional information on the County's long-term liabilities can be found in Note 10 in the Notes to the Financial Statements.

FINANCIAL ANALYSIS OF THE COUNTY'S FUND BALANCES

	Fund Balances (in thousands)														
	Nonspendable			Restricted		Committed		Unassigned		Total					
				2025				2025		2024 as restated		Dollar Change	Percent Change		
General Fund	\$	55	\$	105,509	\$	218,373	\$	30,106	\$	354,043	\$	327,918	\$	26,125	8.0%
Major Funds															
Roads	--			57,026	--			539	57,565	47,299	10,266		21.7%		
Public Health	--			14,353	--			(271)	14,082	21,528	(7,446)		(34.6%)		
Social Services	--			429	--			(410)	19	7,594	(7,575)		(99.7%)		
Behavioral Wellness	--			70,778	--			(4,014)	66,764	59,316	7,448		12.6%		
Flood Control	-			79,390	--			287	79,677	67,428	12,249		18.2%		
Affordable Housing	--			12,368	--			97	12,465	12,125	340		2.8%		
Fire Protection	--			33,456	--			(341)	33,115	25,707	7,408		28.8%		
Capital Projects	--			63,686		14,151		1,698	79,535	107,704	(28,169)		(26.2%)		
Other Governmental Funds				700		62,321		8,596	886	72,503	64,687		7,816	12.1%	
	\$	755	\$	499,316	\$	241,120	\$	28,577	\$	769,768	\$	741,306	\$	28,462	3.8%

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term (See Note 1 – Summary of Significant Accounting Policies) 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 non-spendable portion is a useful measure of a government's resources available for spending at the end of the fiscal year.

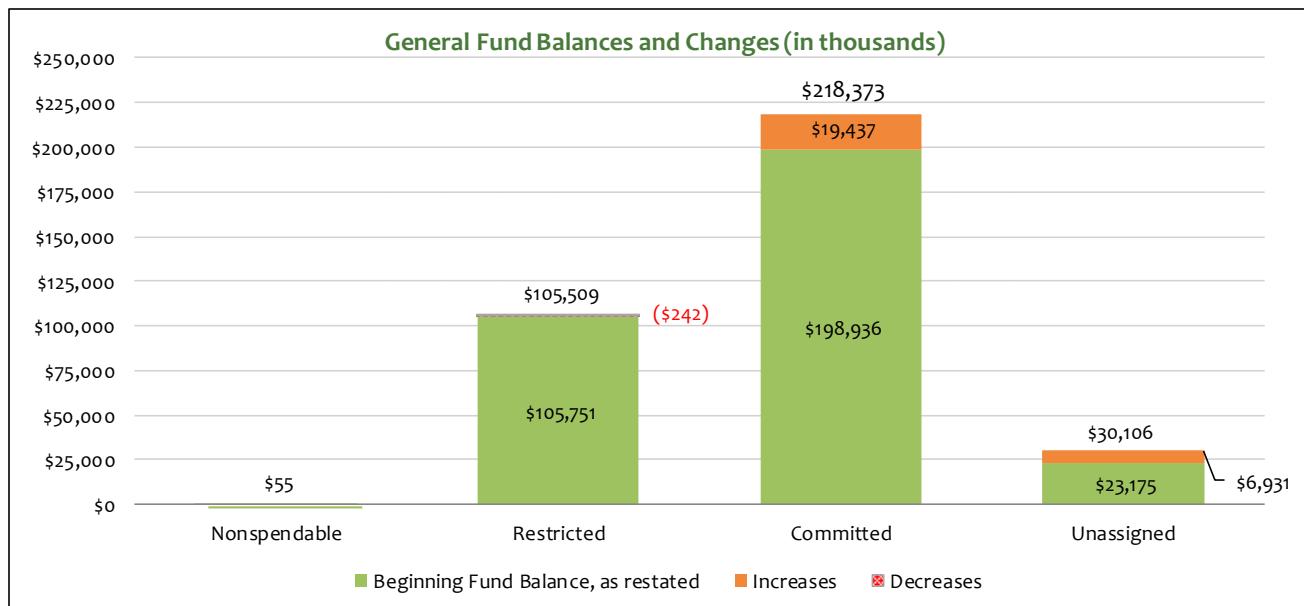
At June 30, 2025, the County's Governmental Funds reported total fund balance of \$769,768, a \$28,462 increase in comparison with the prior year's total ending fund balance. The components of total fund balance are as follows (for more information see Note 14 – Fund Balances):

- *Non-spendable Fund Balance*, \$755 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*, \$499,316 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*, \$241,120 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*, \$28,577 represents the residual balance for the County's General Fund.

Approximately 99.9%, or \$769,768 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 non-spendable portion, fund balances are available for appropriation at any time.

General Fund

The General Fund is the main operating fund of the County. As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total General Fund balance, essentially all of which is available in spendable form, equates to 67.1% of total General Fund expenditures.



Included in the balances above are the following:

- Non-spendable fund balance primarily includes \$50 for Prepaids and Deposits.
- Some significant restricted fund balance amounts of the General Fund include:
 - \$42,804 for Local Realignment 2011;
 - \$12,530 for Teeter Tax Losses;
 - \$11,081 for Public Safety Prop 172; and
 - \$9,137 for Sheriff Categorical Grants.
- Some significant committed fund balance amounts of the General Fund include:
 - \$45,634 Strategic Reserve earmarked for severe economic downturns and emergencies;
 - \$28,379 for litigation settlements;
 - \$23,941 for Accumulated Capital Outlay for future capital projects; and
 - \$20,818 for emerging issues.
- Unassigned fund balance of \$30,106 is available for future discretionary appropriation by the Board.

The remaining \$128,987 of fund balances for the General Fund are comprised of over 60 components of non-spendable, restricted and committed fund balances (see Note 14 – Fund Balances).

Changes to General Fund Balances

The General Fund's total fund balance increased by \$26,125, or 8.0%, to \$354,043 at June 30, 2025. The spendable fund balances increased by \$26,125 to \$353,988 primarily in the following areas:

- Restricted fund balance
 - \$12,530 increase from teeter tax losses;
 - \$12,235 decrease for purpose of fund; and
 - \$4,161 decrease for public safety prop 172.
- Committed fund balance
 - \$11,617 increase for litigation;
 - \$11,496 increase for disaster recovery; and
 - \$5,679 decrease for emerging issues.
- Unassigned fund balance
 - General Fund unassigned fund balance increased \$6,931 from the prior year. The increase is primarily attributable to prior year's unassigned fund balance having decreased due to loss on fair value of investments.

Major Funds (exclusive of General Fund)

As compared with the prior year, the total fund balances of the major funds decreased \$5,479, or 1.6%, to \$348,701 with the following significant changes:

- The Capital Projects Fund, with expenditures of \$48,800, had a negative \$28,169 change in fund balance primarily due to the drawdowns to other funds from the 2024 COP proceeds for various capital projects.
- The Behavioral Wellness Fund, with expenditures of \$182,796, had a positive \$7,448 change in fund balance primarily due to the increase of current program funding.
- The Flood Control Fund, with expenditures of \$21,483, had a positive \$12,249 change in fund balance primarily due to the gains received from sale of capital assets and the increased focus for disaster recovery, storm clean up, and mitigation work.
- The Public Health Fund, with expenditures of \$105,483, had a negative \$7,446 change in fund balance primarily due to an increase in health and public assistance expenditures and completion of capital projects.
- The remaining net increases totaled \$10,439 across the other four major funds and were principally related to Road's fund balance increase due to increase of intergovernmental revenues of federal aid for previous storm disasters and storm clean up as well as other capital improvement projects.

Other Governmental Funds

The fund balances of nonmajor governmental funds as a whole increased \$7,816, or 12.1%, to \$72,503. The following were significant changes:

- The Opioid Settlement fund balance increased by \$6,676 primarily due to disbursement of settlement funds with no expenses reported as of year-end.
- The Water Agency fund balance increased by \$3,366 due to the delay of planned projects and as a result decreased expenditure.

Proprietary Funds

Proprietary funds are County activities that operate like a business as opposed to government services and are primarily supported by customer fees. They include two types of funds; enterprise funds, whose customers are mainly external to the primary government (citizens); and internal services funds, whose customers are predominantly the primary government itself.

The County has two enterprise funds: Resource Recovery and Laguna Sanitation. These funds are reported on the governmentwide statements as business-type activities. The only difference between what is reported in the proprietary fund financial statements and the governmentwide statements for the business-type activities is that the business-type activities include an allocation of the net position and activities of the Internal Service Funds.

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

Total internal service funds' net position increased by \$20,965, or 21.0%, to \$120,855. The total increase in net position is primarily due to lower than expected capital asset expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

The variance between General Fund final budget and actual expenditures resulted in \$28,865 of unspent appropriations. Key variances in unspent appropriations are primarily due to: \$16,238 for services and supplies, \$9,642 for salaries and benefits due to unfilled positions; \$1,960 from other charges; and \$1,026 resulting from capital assets budgeted but not procured in this fiscal cycle.

The primary difference between budgeted revenues and expenditures is mainly attributable to General Fund Contribution transfers to the County's special revenue funds. These transfers out are shown as other financing sources and uses which are not included as expenditures.



*Fund balances are used to balance budgets.

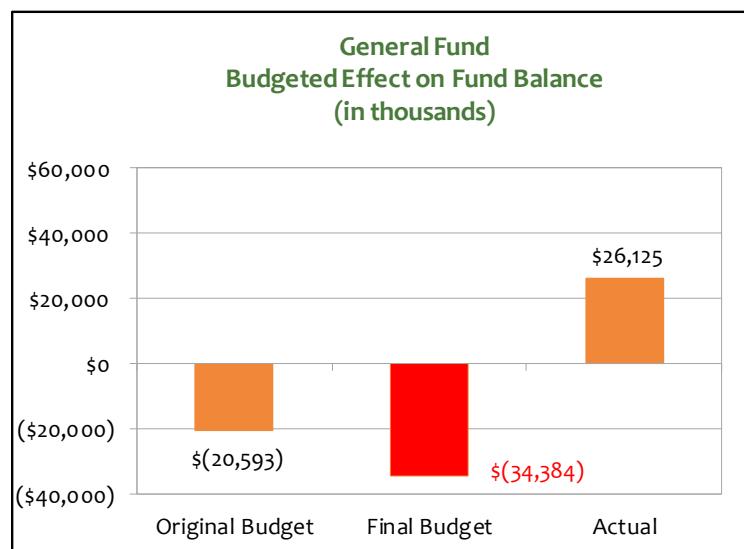
Expenditures: The County's final budget appropriations for the General Fund differed from the original budget by \$25,488, or 4.8%. The major changes were as follows:

- Other Charges increased \$1,804 primarily due to increases in amortized-leased structures, as well increases in utility charges.

- Capital Assets - WIP increased \$14,095 primarily due to the continued implementation of the Workday ERP system.

Revenues: The County's General Fund final budgeted revenues were greater than the original budget by \$31,024, or 5.1%, due to unanticipated increase in gains on investments and intergovernmental revenue related to the American Rescue Plan Act of 2021.

Fund Balance: The General Fund's fund balance increased by \$26,125, versus the final budget plan to decrease fund balance by \$34,384. 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 2025-26:

The goal for the upcoming year reflects the theme of Stability Amid Uncertainty which reflects the County's careful and thoughtful planning of departments to ensure we sustain progress on the County's priorities amid the anticipated uncertainty of the coming year. The recommended budget for FY 2025-26 is based on the assumptions that the forecasted General Fund deficits over the next five years, slowing State revenues upon which the County relies; and significant volatility in proposed federal funding for key County services. Despite these challenges, the County's continued fiscal stability through prudent planning exercised by the Board, has planned to mitigate these factors by practical cost-reducing or revenue-producing measures in the coming year through continued assessment of these factors and other financial risks to begin planning for change.

Total Governmental Fund revenues show a decrease of 0.7%, or \$9,957 comparing FY 2025-26 budget to FY 2024-25 actual revenues. The FY 2025-26 budget shows an increase in General Fund total revenues of 1.4%, or \$8,203, compared to FY 2024-25 actual revenues.

The adopted budget appropriations for total Governmental Fund expenditures for FY 2025-26 includes a 10.65%, or \$151,361, increase when compared to FY 2024-25 actuals. The primary reason for the increase is that the County's adopted budget includes \$6.8 million release of ongoing revenue set-aside. Overall, the focus of the FY 2025-26 budget is to continue to provide mandated and essential services, meet debt service obligations, address critical deferred maintenance and infrastructure needs, continued progress on critical countywide priorities, and adhere to the Board's financial management policies.

As of June 30, 2025, the recommended available spendable General Fund balance is projected to be \$273,600. Of this amount, \$73,914 is Restricted and \$184,366 is Committed but remains available for appropriation. The County's General Fund is projected to end with \$15,320 of Unassigned fund balance. The County's Recommended performance-based FY 2025-26 budget and the County's Five-Year Capital Improvement Program can be found at <https://www.countyofsb.org/3213/Budget-Documents-Page>.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Santa Barbara County Auditor-Controller, PO Box 39, Santa Barbara, CA 93102-0039. The County's Annual Comprehensive Financial Report and Financial Highlights publications can also be found on the County's website at <https://www.countyofsb.org/375/Publications>.

A separately issued financial report for the County's discretely presented component unit, the First 5 Children and Families Commission, can be obtained online at <http://first5santabarbaracounty.org> or by writing to: First 5 Children and Families Commission, 5385 Hollister Avenue, Building 10, Suite 110, Santa Barbara, CA 93111.



Basic Financial Statements

COUNTY OF SANTA BARBARA, CALIFORNIA
 STATEMENT OF NET POSITION
 GOVERNMENTWIDE
 June 30, 2025 (in thousands)

	Primary Government			Component Unit	
	Governmental Activities		Business-Type Activities	Total	First 5 Children and Families Commission
Assets					
Cash and investments (Note 3)	\$ 743,060	\$ 76,050	\$ 819,110	\$ 7,116	
Accounts receivable, net:					
Taxes	49,430	--	49,430	--	
Licenses, permits, and franchises	1,023	325	1,348	--	
Fines, forfeitures, and penalties	199	--	199	--	
Use of money and property	6,675	916	7,591	61	
Intergovernmental	113,447	91	113,538	631	
Charges for services	56,565	4,677	61,242	--	
Lease receivables	8,584	435	9,019	--	
Other	2,466	146	2,612	--	
Internal balances	257	(257)	--	--	
Inventories	728	303	1,031	--	
Prepaid items	377	--	377	--	
Notes receivable (Note 5)	4,975	--	4,975	--	
Service concession arrangements receivables (Note 5)	2,455	--	2,455	--	
Other receivables	2,999	973	3,972	5	
Restricted cash and investments (Note 4)	109,031	43,511	152,542	--	
Housing loans receivable, net (Note 5)	45,744	--	45,744	--	
Housing loans interest receivable, net (Note 5)	11,037	--	11,037	--	
Capital assets, not being depreciated/amortized (Note 6)	435,766	102,826	538,592	--	
Capital assets, net of accumulated depreciation/amortization (Note 6)	687,653	214,228	901,881	280	
Total assets	2,282,471	444,224	2,726,695	8,093	
Deferred outflows of resources					
Deferred benefit payments (Note 1)	921	--	921	--	
Deferred pensions (Note 18)	237,917	4,167	242,084	413	
Deferred OPEB (Note 19)	17,272	308	17,580	46	
Total deferred outflows of resources	256,110	4,475	260,585	459	
Liabilities					
Accounts payable	65,751	7,091	72,842	907	
Salaries and benefits payable	48,680	1,083	49,763	86	
Interest payable	266	627	893	1	
Other payables	15,717	1,193	16,910	--	
Advances from grantors and third parties (Note 8)	48,170	--	48,170	--	
Unearned revenue	1,582	--	1,582	--	
Customer deposits payable	32,849	70	32,919	--	
Long-term liabilities (Note 10):					
Portion due within one year:					
Compensated absences (Note 10)	35,903	742	36,645	80	
Lease liabilities (Notes 9 & 10)	3,087	--	3,087	68	
Subscription liabilities (Notes 9 & 10)	4,515	--	4,515	--	
Certificates of participation, net (Note 10)	4,845	5,295	10,140	--	
Other long-term obligations (Note 10)	283	--	283	--	
Bonds and notes payable (Note 10)	1,141	315	1,456	--	
Liability for self-insurance claims (Notes 10 & 11)	5,898	--	5,898	--	
Landfill closure/postclosure care costs (Note 13)	--	2,593	2,593	--	
Portion due in more than one year:					
Compensated absences (Note 10)	44,018	854	44,872	163	
Lease liabilities (Notes 9 & 10)	24,827	--	24,827	258	
Subscription liabilities (Notes 9 & 10)	11,063	--	11,063	--	
Certificates of participation, net (Note 10)	118,296	162,662	280,958	--	
Other long-term obligations (Note 10)	7,271	--	7,271	--	
Bonds and notes payable (Note 10)	3,521	--	3,521	--	
Liability for self-insurance claims (Notes 10 & 11)	10,632	--	10,632	--	
Landfill closure/postclosure care costs (Note 13)	--	25,480	25,480	--	
Net pension liability (Note 18)	612,740	10,730	623,470	1,064	
Net OPEB liability (Note 19)	46,626	832	47,458	123	
Total liabilities	1,147,681	219,567	1,367,248	2,750	
Deferred inflows of resources					
Deferred service concession arrangements (Note 7)	34,119	--	34,119	--	
Deferred pensions (Note 18)	31,282	548	31,830	54	
Deferred OPEB (Note 19)	3,341	60	3,401	9	
Deferred lease proceeds (Note 9)	8,232	432	8,664	--	
Total deferred inflows of resources	76,974	1,040	78,014	63	
Net position					
Net investment in capital assets	919,009	163,276	1,082,285	(46)	
Restricted for (Note 15):					
Policy & executive	256	--	256	--	
Public safety	112,151	--	112,151	--	
Health & human services	100,030	--	100,030	--	
Community resources & public facilities	249,020	--	249,020	--	
General government & support services	6,640	--	6,640	--	
General county programs	88,683	--	88,683	--	
Unrestricted	(161,863)	64,816	(97,047)	5,785	
Total net position	\$ 1,313,926	\$ 228,092	\$ 1,542,018	\$ 5,739	

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, 2025 (in thousands)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									Component Unit First 5 Children and Families Commission	
	Program Revenues						Primary Government				
	Direct Expenses	Indirect Expenses	Total Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total		
Governmental activities:											
Policy & executive	\$ 24,394	\$ (13,915)	\$ 10,479	\$ 1,296	\$ 35,883	\$ --	\$ 26,700	\$ --	\$ 26,700		
Public safety	405,759	17,961	423,720	82,492	116,456	--	(224,772)	--	(224,772)		
Health & human services	498,460	12,491	510,951	140,532	368,371	--	(2,048)	--	(2,048)		
Community resources & public facilities	142,483	7,315	149,798	46,304	88,580	47	(14,867)	--	(14,867)		
General government & support services	70,236	(24,240)	45,996	16,631	8,452	225	(20,688)	--	(20,688)		
General county programs	68,610	(89)	68,521	15,361	8,161	--	(44,999)	--	(44,999)		
Interest on long-term debt	7,020	--	7,020	--	--	--	(7,020)	--	(7,020)		
Total governmental activities	<u>1,216,962</u>	<u>(477)</u>	<u>1,216,485</u>	<u>302,616</u>	<u>625,903</u>	<u>272</u>	<u>(287,694)</u>	<u>--</u>	<u>(287,694)</u>		
Business-type activities:											
Resource Recovery	46,294	358	46,652	54,244	1,431	--	--	9,023	9,023		
Laguna Sanitation	9,695	119	9,814	16,190	193	--	--	6,569	6,569		
Total business-type activities	<u>55,989</u>	<u>477</u>	<u>56,466</u>	<u>70,434</u>	<u>1,624</u>	<u>--</u>	<u>--</u>	<u>15,592</u>	<u>15,592</u>		
Total primary government	<u>\$ 1,272,951</u>	<u>\$ --</u>	<u>\$ 1,272,951</u>	<u>\$ 373,050</u>	<u>\$ 627,527</u>	<u>\$ 272</u>	<u>\$ (287,694)</u>	<u>\$ 15,592</u>	<u>\$ (272,102)</u>		
Component unit:											
First 5 Children and Families Comm.	<u>\$ 3,702</u>	<u>\$ --</u>	<u>\$ 3,702</u>	<u>\$ --</u>	<u>\$ 3,384</u>	<u>\$ --</u>				<u>\$ (318)</u>	
General Revenues:											
Taxes:											
Property							301,758	--	301,758	--	
Sales							18,995	--	18,995	--	
Transient occupancy							22,179	--	22,179	--	
Cannabis							5,185	--	5,185	--	
Payments in-lieu of taxes							2,427	--	2,427	--	
Franchise fees							4,095	--	4,095	--	
Other general revenues							468	--	468	--	
Restricted for community resources and public facilities:											
Sales tax, allocated to roads							7,611	--	7,611	--	
Property tax, levied for flood control districts							16,473	--	16,473	--	
Property tax, levied for county service areas							2,005	--	2,005	--	
Property tax, levied for water agency							4,274	--	4,274	--	
Property tax, levied for lighting districts							754	--	754	--	
Property tax, levied for community facilities districts							1,176	--	1,176	--	
Property tax, residual distribution from the redevelopment property tax trust fund							9,273	--	9,273	--	
Restricted for public safety:											
Property tax, levied for fire district							74,253	--	74,253	--	
Unrestricted investment gain							17,944	5,914	23,858	412	
(Loss)/Gain on sale of capital assets							(1,465)	1	(1,464)	--	
Transfers							<u>(132)</u>	<u>132</u>	<u>--</u>	<u>--</u>	
Total general revenues and transfers							<u>487,273</u>	<u>6,047</u>	<u>493,320</u>	<u>412</u>	
Change in net position							<u>199,579</u>	<u>21,639</u>	<u>221,218</u>	<u>94</u>	
Net position - beginning, as previously reported							1,143,025	207,111	1,350,136	5,766	
Adjustment - Error correction (Note 21)							823	5	828	--	
Adjustment - Change in accounting principle (Note 21)							(29,501)	(663)	(30,164)	(121)	
Net position - beginning, as restated							<u>1,114,347</u>	<u>206,453</u>	<u>1,320,800</u>	<u>5,645</u>	
Net position - ending							<u>\$ 1,313,926</u>	<u>\$ 228,092</u>	<u>\$ 1,542,018</u>	<u>\$ 5,739</u>	

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

COUNTY OF SANTA BARBARA, CALIFORNIA
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2025 (in thousands)

	General	Roads	Public Health	Social Services	Behavioral Wellness
Assets and deferred outflows of resources					
Assets:					
Cash and investments (Note 3)	\$ 310,029	\$ 43,845	\$ 10,402	\$ 2,498	\$ 54,146
Accounts receivable, net:					
Taxes	49,430	--	--	--	--
Licenses, permits, and franchises	755	--	114	--	--
Fines, forfeitures, and penalties	--	--	--	--	--
Use of money and property	3,229	376	92	(44)	456
Intergovernmental	21,968	19,989	7,656	39,480	14,094
Charges for services	3,698	38	3,494	--	28,157
Lease receivables	8,128	--	--	456	--
Other	1,025	--	23	81	388
Due from other funds (Note 16)	18,793	--	--	1,492	--
Prepaid items	50	--	--	319	--
Service concession arrangements receivables	2,455	--	--	--	--
Other receivables	2,607	--	--	--	--
Advances to other funds (Note 16)	5	--	--	--	--
Restricted cash and investments (Note 4)	30,251	--	--	--	--
Housing loans receivable	--	--	--	--	2,410
Housing loans interest receivable	--	--	--	--	493
Total assets	<u>452,423</u>	<u>64,248</u>	<u>21,781</u>	<u>44,282</u>	<u>100,144</u>
Deferred outflows of resources:					
Deferred benefit payments (Note 1)	--	--	--	921	--
Total deferred outflows of resources	--	--	--	<u>921</u>	--
Total assets and deferred outflows of resources	<u>\$ 452,423</u>	<u>\$ 64,248</u>	<u>\$ 21,781</u>	<u>\$ 45,203</u>	<u>\$ 100,144</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	\$ 19,356	\$ 3,681	\$ 719	\$ 2,746	\$ 16,218
Salaries and benefits payable	23,163	1,171	4,522	6,573	4,138
Other payables	11,684	590	286	27	9,089
Advances from grantors and third parties (Note 8)	12,957	1,148	1,981	18,988	625
Unearned revenue	1,582	--	--	--	--
Due to other funds (Note 16)	2,111	3	191	16,392	407
Customer deposits payable	17,331	90	--	--	--
Advances payable (Note 16)	--	--	--	5	--
Total liabilities	<u>88,184</u>	<u>6,683</u>	<u>7,699</u>	<u>44,731</u>	<u>30,477</u>
Deferred inflows of resources:					
Deferred service concession arrangements	2,417	--	--	--	--
Deferred housing loan payments (Note 5)	--	--	--	--	2,903
Deferred lease proceeds	7,779	--	--	453	--
Total deferred inflows of resources	<u>10,196</u>	<u>--</u>	<u>--</u>	<u>453</u>	<u>2,903</u>
Fund balances (Note 14):					
Nonspendable	55	--	--	--	--
Restricted	105,509	57,026	14,353	429	70,778
Committed	218,373	--	--	--	--
Unassigned	30,106	539	(271)	(410)	(4,014)
Total fund balances	<u>354,043</u>	<u>57,565</u>	<u>14,082</u>	<u>19</u>	<u>66,764</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 452,423</u>	<u>\$ 64,248</u>	<u>\$ 21,781</u>	<u>\$ 45,203</u>	<u>\$ 100,144</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	
\$	76,841	\$	28,238	\$	19,048	\$	25,394	\$	70,936	\$	641,377
Assets and deferred outflows of resources											
Assets:											
--	--	--	--	--	--	--	--	--	49,430		
--	--	--	--	--	--	--	154	--	1,023		
--	--	--	--	--	--	--	199	--	199		
616	227		120		138		652		5,862		
4,254	2,059		857		1,103		1,976		113,436		
14	1		20,072		55		343		55,872		
--	--	--	--	--	--	--	--	--	8,584		
--	--	--	--	326		238		238	2,081		
--	--	--	--	--	--	2,149		2,149	22,434		
--	--	--	--	--	--	--	--	--	369		
--	--	--	--	--	--	--	--	--	2,455		
--	--	--	--	--	--	--	11	--	2,618		
--	--	--	--	--	--	--	--	--	5		
--	--	--	--	54,950		17,410		17,410	102,611		
--	55,574		--	--	--	--	--	--	57,984		
--	11,319		--	--	--	--	--	--	11,812		
81,725	97,418		40,097		81,966		94,068		1,078,152		
Deferred outflows of resources:											
--	--	--	--	--	--	--	--	--	921		
--	--	--	--	--	--	--	--	--	921		
\$ 81,725	\$ 97,418		\$ 40,097		\$ 81,966		\$ 94,068		\$ 1,079,073		
Liabilities, deferred inflows of resources, and fund balances											
Liabilities:											
--	366	\$	5,583	\$	1,143	\$	1,355	\$	2,199	\$	53,366
419	--		--		5,839		--		1,734		47,559
144	--		--		--		1,076		--		22,896
--	12,449		--		--		--		22		48,170
--	--		--		--		--		--		1,582
1,119	29		--		--		--		2,182		22,434
--	--		--		--		--		15,428		32,849
--	--		--		--		--		--		5
2,048	18,061		6,982		2,431		21,565		228,861		
Deferred inflows of resources:											
--	--	--	--	--	--	--	--	--	2,417		
--	66,892		--		--		--		69,795		
--	--		--		--		--		8,232		
--	66,892		--		--		--		80,444		
Fund balances (Note 14):											
--	--	--	--	--	--	--	700		755		
79,390	12,368		33,456		63,686		62,321		499,316		
--	--		--		14,151		8,596		241,120		
287	97		(341)		1,698		886		28,577		
79,677	12,465		33,115		79,535		72,503		769,768		
\$ 81,725	\$ 97,418		\$ 40,097		\$ 81,966		\$ 94,068		\$ 1,079,073		

COUNTY OF SANTA BARBARA, CALIFORNIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED June 30, 2025 (in thousands)

Fund balances - total governmental funds \$ 769,768

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. 1,051,038

Other assets used in governmental activities that do not consume current financial resources, and therefore, are not reported in the governmental funds:

Notes receivable	4,975	
Other receivable	(2)	
Accrued interest receivable	113	
Accrued interest receivable - forgivable portion	(13,015)	(7,929)

Deferred outflows of resources are similar to assets, but they do not meet the definition of an asset. When all the recognition criteria are met, the deferred outflows of resources will become an expense. The counterpart to deferred outflows of resources are deferred inflows of resources, which do not meet the definition of a liability. When all recognition criteria are met, the deferred inflows of resources will become revenue, except for pension and OPEB related deferred inflows of resources which will be recognized as a credit to expense. The County reports the different types of deferred outflows and inflows of resources in the Statement of Net Position as follows:

Deferred Outflows of Resources:

Deferred outflows - pension	233,002	
Deferred outflows - OPEB	16,890	249,892

Deferred Inflows of Resources:

Deferred inflows - pension	(30,636)	
Deferred inflows - OPEB	(3,266)	
Deferred inflows - service concession arrangements	(31,702)	
Deferred inflows - housing loan payments	69,795	4,191

Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the governmental funds.

Certificates of participation	(113,258)	
Notes and bonds payable	(1,107)	
Compensated absences	(77,708)	
Leases liability	(26,549)	
Subscription based technology arrangements liability	(9,668)	
Accrued interest payable on long-term debt	(178)	
Net pension liability	(600,083)	
Net OPEB liability	(45,595)	(874,146)

Internal service funds are used by the County to charge the cost of fleet management and risk management to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.

120,855

Adjustments 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.

257

Net position of governmental activities \$ 1,313,926

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



COUNTY OF SANTA BARBARA, CALIFORNIA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED June 30, 2025 (in thousands)

	General	Roads	Public Health	Social Services	Behavioral Wellness
Revenues					
Taxes	\$ 349,688	\$ 10,544	\$ --	\$ --	\$ 1
Licenses, permits, and franchises	6,226	622	419	126	--
Fines, forfeitures, and penalties	9,491	--	525	12	47
Use of money and property	22,413	2,405	642	19	3,207
Intergovernmental	154,839	41,986	31,636	203,075	105,539
Charges for services	82,740	2,074	54,286	355	68,108
Other	4,394	78	690	578	6,835
Total revenues	<u>629,791</u>	<u>57,709</u>	<u>88,198</u>	<u>204,165</u>	<u>183,737</u>
Expenditures					
Current:					
Policy & executive	25,800	--	--	--	--
Public safety	306,236	--	--	--	--
Health & human services	6,057	--	104,267	219,309	176,131
Community resources & public facilities	38,217	45,059	--	--	--
General government & support services	62,537	--	--	--	--
General county programs	68,451	--	--	--	--
Debt service:					
Principal	2,478	73	220	1,359	1,241
Interest	372	28	11	683	328
Capital outlay	17,130	18,684	985	67	5,096
Total expenditures	<u>527,278</u>	<u>63,844</u>	<u>105,483</u>	<u>221,418</u>	<u>182,796</u>
Excess (deficiency) of revenues over (under) expenditures	<u>102,513</u>	<u>(6,135)</u>	<u>(17,285)</u>	<u>(17,253)</u>	<u>941</u>
Other financing sources (uses)					
Transfers in (Note 16)	18,816	19,830	11,663	11,036	8,385
Transfers out (Note 16)	(99,278)	(3,466)	(2,130)	(1,358)	(2,465)
Gain on sale of capital assets	27	37	--	--	--
Leases issued	1,437	--	--	--	587
Subscription assets financing source	2,610	--	306	--	--
Total other financing sources (uses)	<u>(76,388)</u>	<u>16,401</u>	<u>9,839</u>	<u>9,678</u>	<u>6,507</u>
Net change in fund balances	<u>26,125</u>	<u>10,266</u>	<u>(7,446)</u>	<u>(7,575)</u>	<u>7,448</u>
Fund balances - beginning	<u>327,918</u>	<u>47,299</u>	<u>21,528</u>	<u>7,594</u>	<u>59,316</u>
Fund balances - ending	<u>\$ 354,043</u>	<u>\$ 57,565</u>	<u>\$ 14,082</u>	<u>\$ 19</u>	<u>\$ 66,764</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	
\$ 16,902	\$ --	\$ 77,811	\$ --	\$ 8,380	\$ 463,326	Revenues
--	--	46	--	16,298	23,737	Taxes
2	--	18	--	2,003	12,098	Licenses, permits, and franchises
3,891	1,401	25	3,784	4,412	42,199	Fines, forfeitures, and penalties
8,156	18,775	1,676	1,975	24,594	592,251	Use of money and property
5,290	--	47,578	552	5,626	266,609	Intergovernmental
13	1,813	202	1,610	14,292	30,505	Charges for services
34,254	21,989	127,356	7,921	75,605	1,430,725	Other
						Total revenues
						Expenditures
						Current:
--	--	--	--	--	25,800	Policy & executive
--	--	120,467	80	13,284	440,067	Public safety
--	--	--	--	25,197	530,961	Health & human services
13,788	23,454	--	--	25,597	146,115	Community resources & public facilities
--	--	--	2,072	3,333	67,942	General government & support services
--	--	--	--	199	68,650	General county programs
						Debt service:
--	--	192	--	4,534	10,097	Principal
--	--	--	--	5,470	6,892	Interest
7,695	--	3,230	46,648	113	99,648	Capital outlay
21,483	23,454	123,889	48,800	77,727	1,396,172	Total expenditures
12,771	(1,465)	3,467	(40,879)	(2,122)	34,553	Excess (deficiency) of revenues over (under) expenditures
570	5,242	13,488	23,715	20,132	132,877	Other financing sources (uses)
(1,148)	(3,437)	(10,252)	(11,047)	(10,194)	(144,775)	Transfers in (Note 16)
56	--	99	42	--	261	Transfers out (Note 16)
--	--	--	--	--	2,024	Gain on sale of capital assets
--	--	606	--	--	3,522	Leases issued
(522)	1,805	3,941	12,710	9,938	(6,091)	Subscription assets financing source
12,249	340	7,408	(28,169)	7,816	28,462	Total other financing sources (uses)
67,428	12,125	25,707	107,704	64,687	741,306	Net change in fund balances
\$ 79,677	\$ 12,465	\$ 33,115	\$ 79,535	\$ 72,503	\$ 769,768	Fund balances - beginning
						Fund balances - ending

COUNTY OF SANTA BARBARA, CALIFORNIA**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED June 30, 2025 (in thousands)**

Net change in fund balances - total governmental funds	\$ 28,462
--	-----------

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	99,648
Capital Asset Adjustments	(1,515)
Less: current year depreciation/amortization	<u>(31,009)</u>

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. 3,302

The issuance of long-term debt proceeds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of the bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayment or bond principal payments	4,600
Leases and SBITAs principal payments	5,497
Leases and SBITAs proceeds	<u>(5,546)</u>

Some expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences liability	(4,248)
Pension liability	59,665
OPEB liability	18,156
Estimated litigation	14
Amortization of debt premium/discount	948
Accrued interest payable	460
Other	<u>265</u>

Internal service funds are used by the County 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. 20,880

Change in net position of governmental activities \$ 199,579

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

COUNTY OF SANTA BARBARA, CALIFORNIA
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 June 30, 2025 (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)	\$ 42,517	\$ 33,533	\$ 76,050	\$ 101,683
Accounts receivable, net:				
Licenses, permits, and franchises	325	--	325	--
Use of money and property	628	288	916	700
Intergovernmental	91	--	91	11
Charges for services	4,575	102	4,677	693
Lease receivables	--	435	435	--
Other	111	35	146	385
Inventories	251	52	303	728
Prepaid items	--	--	--	8
Total current assets	48,498	34,445	82,943	104,208
Noncurrent assets:				
Other receivables (Note 5)	936	37	973	383
Restricted cash and investments (Note 4)	42,853	658	43,511	6,420
Capital assets, not being depreciated/amortized (Note 6)	27,005	75,821	102,826	32,254
Capital assets, net of accumulated depreciation/amortization (Note 6)	179,190	35,038	214,228	38,789
Right-to-use lease assets, net of accumulated amortization (Note 6)	--	--	--	1,338
Total noncurrent assets	249,984	111,554	361,538	79,184
Total assets	298,482	145,999	444,481	183,392
Deferred outflows of resources				
Deferred pensions (Note 18)	3,322	845	4,167	4,915
Deferred OPEB (Note 19)	246	62	308	382
Total deferred outflows of resources	3,568	907	4,475	5,297
Liabilities				
Current liabilities:				
Accounts payable	5,029	2,062	7,091	12,385
Salaries and benefits payable	906	177	1,083	1,121
Interest payable	566	61	627	88
Other payables	1,193	--	1,193	92
Customer deposits payable	--	70	70	--
Compensated absences (Note 10)	570	172	742	929
Certificates of participation payable (Note 10)	4,340	955	5,295	290
Other short-term liabilities	--	--	--	283
Bonds and notes payable (Note 10)	--	315	315	694
Lease Liability-short term (Notes 9 & 10)	--	--	--	9
Subscription liability - short-term (Notes 9 & 10)	--	--	--	2,546
Liability for self-insurance claims (Note 11)	--	--	--	5,898
Landfill closure/postclosure care costs (Note 13)	2,593	--	2,593	--
Total current liabilities	15,197	3,812	19,009	24,335
Noncurrent liabilities:				
Compensated absences (Note 10)	644	210	854	1,284
Lease Liability-long term (Notes 9 & 10)	--	--	--	1,356
Subscription liability - long-term (Notes 9 & 10)	--	--	--	3,364
Certificates of participation payable, net (Note 10)	140,306	22,356	162,662	9,593
Bonds and notes payable (Note 10)	--	--	--	2,861
Liability for self-insurance claims (Note 11)	--	--	--	10,632
Landfill closure/postclosure care costs (Note 13)	25,480	--	25,480	--
Net pension liability (Note 18)	8,554	2,176	10,730	12,657
Net OPEB liability (Note 19)	665	167	832	1,031
Total noncurrent liabilities	175,649	24,909	200,558	42,778
Total liabilities	190,846	28,721	219,567	67,113
Deferred inflows of resources				
Deferred pensions (Note 18)	437	111	548	646
Deferred OPEB (Note 19)	48	12	60	75
Deferred lease proceeds (Note 9)	--	432	432	--
Total deferred inflows of resources	485	555	1,040	721
Net position				
Net investment in capital assets	76,043	87,233	163,276	51,575
Unrestricted	34,676	30,397	65,073	69,280
Total net position	\$ 110,719	\$ 117,630	\$ 228,349	\$ 120,855
Adjustment to reflect the allocation of the internal service funds' cumulative net loss			(257)	
Net position of business-type activities			\$ 228,092	

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, 2025 (in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Resource Recovery	Laguna Sanitation	Total	
Operating revenues				
Charges for services	\$ 47,683	\$ 16,044	\$ 63,727	\$ 111,594
Sale of scrap and recyclables	1,189	--	1,189	--
Self-insurance recovery	--	--	--	1,766
Other operating revenues	5,372	153	5,525	804
Closure/postclosure care costs or recovery	4,461	--	4,461	--
Total operating revenues	<u>58,705</u>	<u>16,197</u>	<u>74,902</u>	<u>114,164</u>
Operating expenses				
Salaries and benefits	12,223	2,500	14,723	18,546
Services and supplies	10,998	4,363	15,361	69,587
Self-insurance claims	--	--	--	8,605
Contractual services	14,081	820	14,901	3,479
Depreciation and amortization	7,823	1,596	9,419	6,943
County overhead allocation	358	119	477	1,834
Total operating expenses	<u>45,483</u>	<u>9,398</u>	<u>54,881</u>	<u>108,994</u>
Operating income	<u>13,222</u>	<u>6,799</u>	<u>20,021</u>	<u>5,170</u>
Non-operating revenues (expenses)				
Use of money and property	5,071	1,803	6,874	5,114
Interest expense	(5,705)	(426)	(6,131)	(579)
Gain (loss) on sale of assets	1	--	1	(1,674)
State and federal aid	262	8	270	--
Other non-operating revenues	317	70	387	1,168
Total non-operating revenues (expenses), net	<u>(54)</u>	<u>1,455</u>	<u>1,401</u>	<u>4,029</u>
Income before transfers	<u>13,168</u>	<u>8,254</u>	<u>21,422</u>	<u>9,199</u>
Transfers in (Note 16)	<u>367</u>	<u>162</u>	<u>529</u>	<u>18,580</u>
Transfers out (Note 16)	<u>(397)</u>	<u>--</u>	<u>(397)</u>	<u>(6,814)</u>
Total transfers, net	<u>(30)</u>	<u>162</u>	<u>132</u>	<u>11,766</u>
Change in net position	<u>13,138</u>	<u>8,416</u>	<u>21,554</u>	<u>20,965</u>
Total net position - beginning	98,040	109,413	207,453	100,457
Adjustment - Error correction (Note 21)	5	--	5	
Adjustment - Change in accounting principle (Note 21)	(464)	(199)	(663)	(567)
Total net position - beginning, as restated	<u>97,581</u>	<u>109,214</u>	<u>206,795</u>	<u>99,890</u>
Total net position - ending	<u>\$ 110,719</u>	<u>\$ 117,630</u>	<u>\$ 228,349</u>	<u>\$ 120,855</u>
Change in net position - total enterprise funds			\$ 21,554	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			85	
Change in net position of business-type activities			<u>\$ 21,639</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, 2025 (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	\$ --	\$ --	\$ --	\$ 112,435	
Receipts from self-insurance recovery	--	--	--	1,766	
Receipts from customers and users	58,129	16,314	74,443	--	
Payments to employees	(12,555)	(2,941)	(15,496)	(16,927)	
Payments to suppliers	(23,538)	(4,622)	(28,160)	(66,310)	
Payments for self-insurance claims	--	--	--	(6,175)	
Payments for landfill closure/postclosure costs	(4,460)	--	(4,460)	--	
County overhead allocation payments to the General Fund	(358)	(119)	(477)	(1,834)	
Other receipts	345	85	430	1,144	
Net cash provided by operating activities	<u>17,563</u>	<u>8,717</u>	<u>26,280</u>	<u>24,099</u>	
Cash flows from noncapital financing activities					
Transfers from other funds	367	162	529	18,580	
Transfers to other funds	(397)	--	(397)	(6,085)	
Contributions to other governments	--	8	8	--	
State and federal aid	262	--	262	--	
Net cash provided by noncapital financing activities	<u>232</u>	<u>170</u>	<u>402</u>	<u>12,495</u>	
Cash flows from capital and related financing activities					
Purchase of capital assets	(18,690)	(2,787)	(21,477)	(22,054)	
Proceeds from sale of capital assets	1	--	1	5,731	
Principal paid on certificates of participation	(3,810)	(1,215)	(5,025)	(255)	
Interest and fees paid on certificates of participation	(6,873)	(769)	(7,642)	(485)	
Principal paid on bonds and notes payable	--	--	--	(683)	
Interest and fees paid on bonds and notes payable	--	--	--	(68)	
Principal paid on right to use assets	--	--	--	(2,654)	
Interest paid on right to use assets	--	--	--	(71)	
Net cash used by capital and related financing activities	<u>(29,372)</u>	<u>(4,771)</u>	<u>(34,143)</u>	<u>(20,539)</u>	
Cash flows from investing activities					
Use of money and property received	5,102	2,114	7,216	4,948	
Net cash provided by investing activities	<u>5,102</u>	<u>2,114</u>	<u>7,216</u>	<u>4,948</u>	
Net change in cash and cash equivalents	<u>(6,475)</u>	<u>6,230</u>	<u>(245)</u>	<u>21,003</u>	
Cash and cash equivalents - beginning	91,845	27,961	119,806	87,100	
Cash and cash equivalents - ending	<u>\$ 85,370</u>	<u>\$ 34,191</u>	<u>\$ 119,561</u>	<u>\$ 108,103</u>	
Reconciliation of cash and cash equivalents to the Statement of Net Position					
Cash and investments per Statement of Net Position	\$ 42,517	\$ 33,533	\$ 76,050	\$ 101,683	
Restricted cash and investments per Statement of Net Position	42,853	658	43,511	6,420	
Total cash and cash equivalents per Statement of Net Position	<u>\$ 85,370</u>	<u>\$ 34,191</u>	<u>\$ 119,561</u>	<u>\$ 108,103</u>	
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 13,222	\$ 6,799	\$ 20,021	\$ 5,170	
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	7,823	1,596	9,419	6,943	
Other operating revenue	345	85	430	1,144	
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:					
Accounts and other receivables	(576)	136	(440)	43	
Inventories	94	12	106	(448)	
Accounts payable	1,447	550	1,997	8,001	
Salaries and benefits payable	(332)	(441)	(773)	1,619	
Customer deposits	--	(20)	(20)	--	
Liability for self-insurance claims	--	--	--	2,430	
Landfill closure/postclosure care cost liability	(4,460)	--	(4,460)	--	
Adjustment for Commvault SBTA	--	--	--	(803)	
Net cash provided by operating activities	<u>\$ 17,563</u>	<u>\$ 8,717</u>	<u>\$ 26,280</u>	<u>\$ 24,099</u>	

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, 2025 (in thousands)

	Investment Trust Fund	Private-purpose Trust Fund	Other Custodial Funds
Assets			
Cash and investments (Note 3)	\$ 1,747,069	\$ 1,745	\$ 46,323
Total other cash and cash equivalents	<u>1,747,069</u>	<u>1,745</u>	<u>46,323</u>
Investments:			
Prepays and receivables			
Accrued interest	--	8	--
Other receivables	14,505	--	1,033
Total prepays and receivables	<u>14,505</u>	<u>8</u>	<u>1,033</u>
Restricted cash and investments (Note 4)	--	1,399	--
Total assets	<u>1,761,574</u>	<u>3,152</u>	<u>47,356</u>
Liabilities			
Accounts payable	30,608	--	1,459
Other Payables	--	28	--
Long-term debt:			
Due in more than one year	--	4,975	--
Total liabilities	<u>30,608</u>	<u>5,003</u>	<u>1,459</u>
Net position			
Restricted for:			
Pool participants	1,730,966	--	--
Redevelopment agency dissolution	--	(1,851)	--
Individuals, organizations, and other governments	--	--	45,897
Total net position (deficit)	<u>\$ 1,730,966</u>	<u>\$ (1,851)</u>	<u>\$ 45,897</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, 2025 (in thousands)

	Investment Trust Fund	Private-purpose Trust Fund	Other Custodial Funds
Additions			
Property tax collections	\$ --	\$ 1,404	\$ 4,374,668
Other taxes and fees collected for other governments	--	--	42,355
Contributions:			
Private contributions	7,249,727	--	2,750
Total contributions	<u>7,249,727</u>	<u>--</u>	<u>2,750</u>
Investment earnings (losses):			
Net increase (decrease) in the fair value of investment	42,200	61	5,856
Interest	52,793	50	--
Total net investment earnings (losses)	<u>94,993</u>	<u>111</u>	<u>5,856</u>
Total additions	<u>7,344,720</u>	<u>1,515</u>	<u>4,425,629</u>
Deductions			
Beneficiary payments	--	--	2,475
Administrative expenses	--	4	--
Distributions from pooled investments	7,285,022	--	--
Property tax distributions	--	--	4,378,555
Payments to other local governments	--	--	36,324
Interest on note payable	--	261	--
Total deductions	<u>7,285,022</u>	<u>265</u>	<u>4,417,354</u>
Net increase in fiduciary net position	59,698	1,250	8,275
Net position (deficit) - beginning	1,671,268	(3,101)	37,622
Net position (deficit) - ending	<u>\$ 1,730,966</u>	<u>\$ (1,851)</u>	<u>\$ 45,897</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.

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
Flood Control and Water Conservation Districts: established to control flood and storm waters and to conserve such waters for beneficial public use. Revenues consist primarily of property taxes and aid from other governmental units.	1) Units' board are the same as the Board and 2) County Management has operational responsibility	Not available
Santa Barbara County Fire Protection District: established to provide a full range of fire services to most of the unincorporated territory of Santa Barbara County; the cities of Buellton, Solvang, and Goleta; and private lands within the National Forest. Revenues consist primarily of property taxes.	1) Unit's board is the same as the Board and 2) County Management has operational responsibility	Not available

<p><i>In-Home Supportive Services Public Authority (IHSS):</i> established to act as the employer of record for IHSS individual providers. As an administrative unit, IHSS carries out functions prescribed in Welfare & Institutions Code Section 12301.6. Those functions include a provider screening process, a registry that will match eligible providers and consumers, and collective bargaining with providers and their representatives. IHSS also offers access to training for providers and consumers while continuing to allow for consumer choice in the selection of providers.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>County Service Areas:</i> established to provide specific services to distinct geographical areas within the County. These services include street lighting, open space maintenance, library, community sewer sanitation and maintenance, and road maintenance. Revenues consist primarily of property taxes and benefit assessments.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Community Facilities Districts:</i> established to allow for financing of public improvements and services. The services and improvements that can be financed include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums, and other cultural facilities. Revenues consist primarily of Mello-Roos property taxes.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Lighting Districts:</i> established to provide operation and maintenance of streetlights in certain areas of the County. Revenues consist primarily of property taxes and benefit assessments.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Sandyland Seawall Maintenance District:</i> established to provide for maintenance of a seawall constructed in the Sandyland Cove area. Revenues consist primarily of benefit assessments levied against those properties adjacent to that beachfront area.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>

<p>Water Agency: established to prepare investigations and reports on the County's water requirements, project development, and importation of water from the State Water Project. The Water Agency provides technical assistance to County departments, water districts, and the public relative to ground water availability and water-well locations and design. The Water Agency also administers the Cachuma Project and Twitchell Project contracts with the U.S. Bureau of Reclamation.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Santa Barbara County Finance Corporation:</i> established on July 28, 1983, this corporation is a nonprofit public benefit corporation and, in general, its purpose is to: purchase, lease or otherwise acquire real property; construct, install or acquire public improvements; operate, maintain, repair or improve real or personal property; and borrow money and become indebted for the purpose of acquiring and improving such property. The corporation facilitates financing for the County and other public entities.</p>	<p>1) Unit provides services almost entirely to the County</p>	<p>Not available</p>
<p><i>Laguna County Sanitation District:</i> established to provide water and sewage treatment services to users. The costs of operating this district are charged to the users in the form of water charges and sewer fees.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>

The accompanying financial statements include an Investment Trust Fund that holds assets of numerous self-governed school and special districts for which the County Treasurer acts as custodian. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments, and other assets, and the related fiduciary responsibility of the County for disbursement of these assets. The County Auditor-Controller makes disbursements upon the request of the responsible school or special district officers. Activities of the school and special districts are administered by separate boards and are independent of the County Board. The Board has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, or to appropriate surplus funds available in these entities.

The accompanying financial statements also include a statutorily required Private-Purpose Trust Fund for the Santa Barbara County Redevelopment Successor Agency (Successor Agency). The Successor Agency was created to serve, in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency (RDA). The Successor Agency operates under the auspices of a legislatively formed oversight board who has authority over its financial affairs and supervises its operations and timely dissolution. Its assets are held in trust for the benefit of the taxing entities within the former RDA boundaries and as such are not available for County use.

Discrete Component Unit

The First 5 Santa Barbara County Children and Families Commission (Commission) was established by the Board as a separate legal entity under the authority of 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 (Commissioners) who are appointed by the County Board and may be removed at will. The Commissioners are responsible for the operation of the Commission. The Commission is discretely presented because its board is not substantively the same as the County's and it does not provide services entirely or almost entirely to the County. 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.

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. 101 "Compensated Absences"

This statement updates the recognition and measurement guidance for compensated absences. This is achieved by a unified model and amends certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. (FY 24/25) This statement increased the compensated absences liability for sick leave that is estimated to be used.

Statement No.102 "Certain Risk Disclosures"

This statement improves financial reporting by providing users of financial statements with essential information that currently is not often provided. It focuses on providing users with timely information regarding specific concentrations or constraints and related events that could significantly impact a government. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. (FY 24/25)

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 the nonfiduciary activities of the primary government and its component units. All internal balances in the Statement of Net Position have been eliminated, except for those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column. The Statement of Activities presents function revenue and expenses of governmental activities and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

In the Statement of Activities, internal service funds' revenue and expenses related to interfund services have been eliminated. Revenue and expenses related to services provided to external customers have not been eliminated and are presented within governmental activities. As a general rule, interfund activities (e.g., interfund transfers and interfund reimbursements) have been eliminated in the governmentwide Statement of Activities. Exceptions to the general rule are interfund services provided and used between functions, such as mental health services provided to certain inmates at the County jail. Elimination of these interfund activities would distort the direct costs and program revenues reported for the various functions concerned.

The governmentwide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include policy and executive, public safety, health and human services, community resources and public facilities, general government and support services, and general County programs. The business-type activities of the County include resource recovery and waste management and sanitation operations.

The Statement of Activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated based on the annual Countywide Cost Allocation Plan which allocates the cost of central service departments to service user departments. Costs allocated in the Cost Allocation Plan include administrative and support costs such as budget preparation and oversight, County counsel, landscaping, payroll, utilities, and facilities maintenance. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions, including special assessments, that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the governmentwide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The governmentwide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds' financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as a deferred inflow of resources as soon as all eligibility requirements have been met, except for the timing requirement.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County, in general, considers revenues available if they are collected within 180 days after fiscal year-end, except for property taxes, which the County considers available if they are collected within 60 days after fiscal year-end. Grants, Medi-Cal reimbursements and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures that meet accrual criteria are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, and claims and judgments which are recognized when payment is due. General capital asset acquisitions, including contracts giving the County control of right-to-use leased and subscription-based information technology assets, are reported as expenditures in governmental funds. Financing through leases is reported as other financing sources.

For the governmental funds financial statements, the County considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, sales taxes, franchise taxes, licenses, interest, special assessments, charges for services and other miscellaneous revenue are all considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All expenditure-driven grants are recorded at the time of receipt or earlier. If qualifying expenditures have been incurred and all other eligibility requirements have been met, expenditure-driven grants are recognized as revenue. When all eligibility requirements are met, except for the timing requirement, a deferred inflow of resources is reported until time requirements have passed.

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained, consistent with legal and managerial requirements.

In accordance with GAAP, the County reports on each major governmental fund. By definition, the general fund is always considered a major fund. Governmental funds other than the general fund must be reported as major funds if they meet both the ten percent and five percent criterion, defined respectively, 1) An individual governmental fund reports at least ten percent of any of the following: a) total governmental fund assets and deferred outflows of resources, b) total governmental fund liabilities and deferred inflows of resources, c) total governmental fund revenues, or d) total governmental fund expenditures; 2) an individual governmental fund reports at least five percent of the aggregated total for both governmental funds and enterprise funds of any one of the items for which it met the ten percent criterion. In addition, a fund may be reported as major if it is believed to be of particular importance to financial statement users.

The County reports the following major governmental funds:

- The **General Fund** is the County's primary operating fund. It accounts for all the financial resources and the legally authorized activities of the County except those required to be accounted for in specialized funds.
- The **Roads Fund** is used to account for the planning, design, construction, maintenance and administration of County roads. It is also used to account for traffic safety and other transportation planning activities. Funding comes primarily from local sales and state highway user taxes, along with state and federal highway improvement grants.
- The **Public Health Fund** accounts for a variety of preventative health programs, outpatient services and inmate health programs. The fund is also used to account for Environmental Health and Emergency Medical Services. Revenue sources are primarily state and federal grants and vehicle license fees.
- The **Social Services Fund** accounts for a variety of public assistance and social service programs that are funded primarily from state and federal grants.
- The **Behavioral Wellness Fund** is used to account for mandated community health services under the California Mental Health Act including a mandated responsibility to "guarantee and protect public safety." Revenue sources are primarily charges for services, sales tax revenue and state grants.
- The **Flood Control District Fund** is used to account for the provision of flood protection activities. Revenues come from a variety of sources including property taxes, charges for services, benefits assessments, and federal grants.
- The **Affordable Housing Fund** is used to account for the various affordable housing programs administered by the County and provides local match to leverage federal funding for the creation of affordable housing.

- The **Fire Protection District Fund** is used to account for the finances of the Santa Barbara County Fire Department. The Fire Department utilizes property tax revenues, which are collected for public safety within the district's boundaries. The Fire Department provides a full range of emergency services for most of the unincorporated territory of Santa Barbara County; the Cities of Buellton, Solvang, and Goleta; and private lands within the National Forest. The National Forest and military installations provide their own fire protection.
- The **Capital Projects Fund** is used to account for financial resources used in constructing major facilities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Resource Recovery and Laguna Sanitation enterprise funds and of the County's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County reports the following proprietary funds:

- The **Resource Recovery and Waste Management Fund (Resource Recovery)** accounts for the activities of refuse collection, disposal, landfill operations, and recycling programs.
- The **Laguna County Sanitation District Fund (Laguna Sanitation)** accounts for the activities of sewer collection and sewage treatment in the Orcutt area.
- **Internal Service Funds** account for information technology, vehicle operations, risk management, communications operations, and utilities operations that provide services to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

Fiduciary funds include all Trust and Custodial funds, which account for assets held by the County as a trustee or as a custodian for individuals or other government units.

The County reports the following fiduciary funds:

- 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 389 individual funds; these funds represent the assets, primarily cash and investments.
- The **Private-Purpose Trust Fund** is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Santa Barbara County Redevelopment Successor Agency (Successor Agency).
- **Custodial Funds – Other** are funds held by the County in a custodial capacity for individuals or other government units. These funds include unappropriated property tax, State and City tax revenue, and Public Guardian and other assets held in a custodial capacity. The County reports on 135 different custodial funds.

Cash and Investments

The County's cash and cash equivalents for Statement of Cash Flows purposes are considered to be cash on hand, demand deposits, restricted cash, and investments held by the County Treasurer in a cash management investment

pool (Pool). The County has stated required investments at fair value in the accompanying financial statements using the fair value measurement within the fair value hierarchy established by GAAP.

The Pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Treasury Oversight Committee set forth the various investment policies that the County Treasurer must follow.

The Air Pollution Control District and the Santa Barbara County Association of Governments, as well as the public-school districts, cemetery districts, fire protection districts, pest control districts, recreation and park districts, and resource conservation districts within the County are required by legal provisions to participate in the County's investment pool. The deposits held for these districts are included in the Investment Trust Fund.

Accounts Receivable and Payable

The County only accrues revenues at fiscal year-end and accrues only those revenues it deems collectible; as such, the County has no allowance for uncollectible accounts. The County expects to collect all accounts receivable within one year. County policy requires that all revenues and expenditures greater than \$5 be accrued at fiscal year-end, while revenues and expenditures under \$5 may be accrued at fiscal year-end at the discretion of individual departments.

The County levies, collects, and apportions property taxes for all taxing jurisdictions within the County including school and special districts. Article XIIIIB 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 liened on the January 1, become due upon billing, and are delinquent with penalties after August 31 if not paid.

Since Fiscal Year (FY) 1993-94, the County has used an alternative property tax distribution method referred to as the "Teeter Plan." This method allows for a 100% distribution of the current tax levy to California entities electing the alternative method, as compared to the previous method where only the current levy less any delinquent taxes were 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 all 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, 2025, property taxes receivable of \$49,430 are recorded in the General Fund. In addition, the Teeter Plan requires that a property tax loss reserve be maintained in an amount equal to 1% of the current year's secured tax levy, which is shown as a restricted portion of fund balance in the General Fund (see Note 14).

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets by the County that is applicable to a future reporting period and will not be recognized as an outflow of resources (expense/expenditures) until that time. The County, including its discretely presented component unit, recognized deferred outflows of resources related to: 1) Social Services benefit payments that did not meet the grant eligibility timing requirement to be recorded as an expenditure, 2) changes in the net pension liability, and 3) changes in the net OPEB liability.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets by the County that is applicable to a future reporting period and will not be recognized as an inflow of resources (revenue or a credit to expense) until that time. The County recognized deferred inflows of resources in the governmentwide Statement of Net Position related to: 1) assets and future installment payments of the Service Concession Arrangements (also known as Public-Private and Public-Public Partnerships (P3s)), 2) inflows from changes related to the net pension and net OPEB liabilities, and 3) inflows from right-to-use leases where the County is the lessor.

Under the modified accrual basis of accounting, it is not enough that expenditures are incurred; they must also meet all eligibility requirements other than timing. The County recognized deferred outflows of resources on the Governmental Funds Balance Sheet from Social Service benefit payments. In addition, revenue that is earned must also be available to finance expenditures in the current period under the modified accrual basis of accounting. The County recognized deferred inflows of resources on the Governmental Funds Balance Sheet related to total housing loan principal and interest receivable amounts as well as lease proceeds where the County is the lessor.

Interfund Receivables and Payables

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

Inventories and Prepaid Items

Inventories for both governmental and proprietary funds, consisting principally of materials and supplies held for consumption, are valued at cost, approximating fair 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 Right-to-use lease assets Right-to-use SBITAs	2 to 10 years 2 to 40 years 2 to 20 years

Outlays for capital assets and improvements are capitalized, as projects are constructed, in accordance with the County's capitalization policy. Interest and indirect costs incurred during the construction phase of capital assets of proprietary funds are reflected in the capitalized value of the asset constructed. Depreciation/amortization expense is allocated to functions/programs and included as a direct expense in the Statement of Activities. Capital assets that are under construction or development and have not been completed are put into Work in Progress and are presented as a capital asset not being depreciated on the Statement of Net Position.

Right-to-use Lease Assets

Right-to-use lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payment made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service.

Right-to-use lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life on the underlying asset, unless the lease contains a purchase option that the County has determined is reasonably certain of being exercised.

Right-to-use SBITAs

Right-to-use Subscription-Based Information Technology Arrangements (SBITAs) are recorded at the amount of the initial measurement of the subscription liabilities, and are modified by any subscription payment made at or before the commencement of the subscription term. Right-to-use SBITAs are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying asset.

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 governmentwide 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, liability for unpaid accumulated sick leave exists using the estimated assumption of used based on five-year average. 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 are accrued when incurred in the governmentwide and proprietary funds' financial statements. In the governmental funds financial statements, a liability for these amounts is reported only if they have matured, for example, as a result of employee resignations or retirements prior to year-end, and payment of the liability is made subsequent to year-end.

Pensions

In governmentwide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note 18 and the required supplementary information (RSI) section immediately following the Notes to Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the County recognizes a net pension liability, which represents the County's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Santa Barbara County Employees' Retirement System (SBCERS). The net pension liability is measured as of the County's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability, deferred outflows/inflows of resources relating to pensions, and pension expense, information about the fiduciary net position of the County's pension plan with SBCERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by SBCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits' terms. Investments are reported at fair value. Projected earnings on pension investments are recognized as a component of pension expense. Differences

between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's OPEB Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by Santa Barbara County Employees' Retirement System (SBCERS). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form; or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- *Assigned fund balance* – amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds. This classification is currently not used by the County.
- *Unassigned fund balance* – the residual classification for the County's General Fund that includes amounts not contained in the other classifications. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The Board establishes, modifies or rescinds fund balance appropriations for commitments and assignments by passage of an ordinance or resolution (ordinances and resolutions are considered of equal authority with respect to fund balance). This is done through the adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the County's policy to use Restricted fund balance resources first, followed by the unrestricted resources in the Committed and Unassigned fund balances, as they are needed.

Fund Balance Policy

The County believes that sound financial management principles require that sufficient funds be retained by the County to provide a stable financial base at all times. To retain this stable financial base, the County needs to maintain unrestricted fund balance in its County funds sufficient to fund cash flows of the County and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed and unassigned fund balances are considered unrestricted.

The purpose of the County's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

The County has adopted a policy to achieve and maintain unrestricted fund balance in the General Fund of 15% of operating revenue (approximately 60 days working capital) at the close of each fiscal year, consistent with the recommended level promulgated by the Government Finance Officers Association (GFOA).

Additional detailed information, along with the complete *Fund Balance Policy*, can be obtained from the County Auditor-Controller's office located at 105 East Anapamu Street, Room 303, Santa Barbara, CA 93101.

Strategic Reserve Policy

The County has established a separate committed fund balance account known as the Strategic Reserve. The target funding level for the Strategic Reserve is an amount equivalent to 8% of operating revenue (approximately 30 days working capital) for the General Fund. Funding for the Strategic Reserve is appropriated annually by the Board as part of the budget approval process.

The purpose of the County's Strategic Reserve is to:

1. Mitigate economic downturns that reduce County general revenue;
2. Mitigate state or federal budget actions that may reduce County revenue;
3. Maintain core service levels essential to public health, safety, and welfare;
4. Front-fund or completely fund, if necessary, disaster costs or costs associated with emergencies. Only those events that have been legally declared to be a disaster at the local, state, or federal level are eligible for funding from the Strategic Reserve; and
5. Absorb liability settlements in excess of available resources in the County's committed litigation fund balance.

The monies in the Strategic Reserve are separate monies used only for the purposes stated above. The funds are used only to support the operating budget when general revenue increases less than 3% from the prior fiscal year. Any transfer of funds is approved by the Board and does not exceed the amount sufficient to balance the General Fund. Transfers require approval by 3/5 vote during budget hearings and 4/5 vote at all other times during the fiscal year in accordance with the County Budget Act.

As of June 30, 2025, the County's Strategic Reserve fund balance was \$45,634.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Future Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements will be implemented in future financial statements:

Statement No.103	<i>"Financial Reporting Model Improvements"</i>	This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The key components include: (1) MD&A; (2) unusual or infrequent items; (3) presentation of proprietary fund statement of revenues, expenses, and changes in fund net position and related financial trends information; (4) information about major component units in basic financial statements; and (5) budgetary comparison information. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. (FY 25/26)
Statement No.104	<i>"Disclosure of Certain Capital Assets"</i>	This statement improves financial reporting by providing users of financial statements with essential information about certain types of capital assets. It requires additional disclosures for capital assets held for sale which include: (1) ending balances, with separate disclosure for historical cost and accumulated depreciation by major asset class and (2) carrying amount of debt pledged as collateral for each major asset class. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. (FY 25/26)

2. RECONCILIATION OF GOVERNMENTWIDE AND FUND FINANCIAL STATEMENTS

Amounts reported for governmental activities in the Statement of Net Position are different from those reported on the Balance Sheet for governmental funds. The following two schedules provide a reconciliation of those differences:

	Total Governmental Funds (Page 42)	Long-term Assets and Liabilities (1)	Internal Service Funds (2) (Page 49)	Adjustments (3)	Total Governmental Activities (Page 40)
Assets & deferred outflows of resources:					
Assets					
Cash and investments	\$ 641,377	\$ --	\$ 101,683	\$ --	\$ 743,060
Accounts receivable, net:					
Taxes	49,430	--	--	--	49,430
Licenses, permits, and franchises	1,023	--	--	--	1,023
Fines, forfeitures, and penalties	199	--	--	--	199
Use of money and property	5,862	113	700	--	6,675
Intergovernmental	113,436	--	11	--	113,447
Charges for services	55,872	--	693	--	56,565
Lease receivables	8,584	--	--	--	8,584
Other	2,081	--	385	--	2,466
Due from other funds	22,434	--	--	(22,434)	--
Internal balances	--	--	--	257	257
Inventories	--	--	728	--	728
Prepaid items	369	--	8	--	377
Note receivable	--	4,975	--	--	4,975
Service concession arrangements receivable	2,455	--	--	--	2,455
Other receivables	2,618	(2)	383	--	2,999
Advances to other funds	5	--	--	(5)	--
Restricted cash and investments	102,611	--	6,420	--	109,031
Housing loans receivable	57,984	(12,240)	--	--	45,744
Housing loans interest receivable	11,812	(775)	--	--	11,037
Capital assets, not being depreciated/amortized	--	403,512	32,254	--	435,766
Capital assets, net of accumulated depreciated/amorti	--	622,818	38,789	--	661,607
Right-of-use lease assets	--	24,708	1,338	--	26,046
Total assets	<u>1,078,152</u>	<u>1,043,109</u>	<u>183,392</u>	<u>(22,182)</u>	<u>2,282,471</u>
Deferred outflows of resources					
Deferred benefit payments	921	--	--	--	921
Deferred pensions	--	233,002	4,915	--	237,917
Deferred OPEB	--	16,890	382	--	17,272
Total deferred outflows of resources	<u>921</u>	<u>249,892</u>	<u>5,297</u>	<u>--</u>	<u>256,110</u>
Total assets & deferred outflows of resources	\$ 1,079,073	\$ 1,293,001	\$ 188,689	\$ (22,182)	\$ 2,538,581

The Reconciliation of Governmentwide and Fund Financial Statements for the year ended June 30, 2025 continued:

	Total Governmental Funds (Page 42)	Long-term Assets and Liabilities (1) (Page 49)	Internal Service Funds (2) (Page 49)	Adjustments (3)	Total Governmental Activities (Page 40)
Liabilities, deferred inflows of resources, & fund balances/net position:					
Liabilities					
Accounts payable	\$ 53,366	\$ --	\$ 12,385	\$ --	\$ 65,751
Salaries and benefits payable	47,559	--	1,121	--	48,680
Interest payable	--	178	88	--	266
Other payables and long-term obligations	22,896	--	375	--	23,271
Advances from grantors and third parties	48,170	--	--	--	48,170
Unearned revenue	1,582	--	--	--	1,582
Due to other funds	22,434	--	--	(22,434)	--
Customer deposits payable	32,849	--	--	--	32,849
Advances payable	5	--	--	(5)	--
Compensated absences	--	77,708	2,213	--	79,921
Lease liability	--	26,549	1,365	--	27,914
Subscription liability	--	9,668	5,910	--	15,578
Lease obligations	--	--	--	--	--
Certificates of participation (COP)	--	113,258	9,883	--	123,141
Bonds and notes payable	--	1,107	3,555	--	4,662
Liability for self-insurance claims	--	--	16,530	--	16,530
Net pension liability	--	600,083	12,657	--	612,740
Net OPEB liability	--	45,595	1,031	--	46,626
Total liabilities	228,861	874,146	67,113	(22,439)	1,147,681
Deferred inflows of resources					
Deferred service concession arrangements	2,417	31,702	--	--	34,119
Deferred housing loan payments	69,795	(69,795)	--	--	--
Deferred pensions	--	30,636	646	--	31,282
Deferred OPEB	--	3,266	75	--	3,341
Deferred lease proceeds	8,232	--	--	--	8,232
Total deferred inflows of resources	80,444	(4,191)	721	--	76,974
Fund balances/net position:					
Total fund balances/net position	769,768	423,046	120,855	257	1,313,926
Total liabilities, deferred inflows of resources, & fund balances/net position					
	\$ 1,079,073	\$ 1,293,001	\$ 188,689	\$ (22,182)	\$ 2,538,581

(1) Note receivable for governmental activities from the RDA Successor Agency Private-Purpose Trust Fund.	\$ 4,975
Other receivables	(2)
Housing loans receivable	(12,240)
Housing loans interest receivable	(775)
Accrued interest receivable on County as Lessor leases	113
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).	1,026,330
Right-to-use Lease Assets	24,708
Deferred outflows of resources reported in the Statement of Net Position (Note 1).	249,892
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)	\$ (77,708)
Lease liability	(26,549)
Subscription liability	(9,668)
Certificates of participation	(113,258)
Bonds and notes payable (excluding Internal Service Funds)	(1,107)
Accrued interest on long-term debt	(178)
Net pension liability (excluding Internal Service Funds)	(600,083)
Net OPEB liability (excluding Internal Service Funds)	<u>(45,595)</u>
Total long-term liabilities	<u>(874,146)</u>
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).	80,444
Deferred inflows of resources (excluding Internal Service Funds) reported in the Statement of Net Position (Note 1).	<u>(76,253)</u>
	<u>\$ 423,046</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>\$ 120,855</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>\$ 257</u>

3. CASH AND INVESTMENTS

Cash and investments include the cash balances of substantially all funds, which are pooled and invested by the County Treasurer. The Santa Barbara County Treasury Pool (Pool) is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool.

Custodial Credit Risk Related to Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Pool will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. This risk is mitigated in that, of the County's total bank balance, \$250 is insured by the Federal Deposit Insurance Corporation. The remaining \$152,842 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 fair value of at least 110% of the pledged collateral.

At June 30, 2025, the carrying amount of the Pool's deposits was \$153,092 and the corresponding bank balance was \$143,040. The difference of \$10,052 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, and presents it to the Treasurer's Oversight Committee (TOC) for review and to the Board of Supervisors for approval.

The Investment Policy Statement provides the basis for the management of a prudent, conservative investment program. Public funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the Treasurer's Investment Policy is more restrictive than state law. Types of securities in which the Treasurer may invest include U.S. Treasury and U.S. Government agency securities; state and/or local agency bonds, notes, warrants or certificates of indebtedness; bankers' acceptances; commercial paper; corporate notes; negotiable certificates of deposit; repurchase agreements; reverse repurchase agreements; securities lending; bank deposits; money market mutual funds; the State of California Local Agency Investment Fund (LAIF); Federally Insured Cash Accounts (FICA); and the investment pools managed by a Joint Powers Authority. As of June 30, 2025, all investments are in compliance with State law and with the Treasurer's Investment Policy.

Investments are stated at fair value. Fair value is established quarterly based on quoted market prices received from the securities custodian. Fair value of investments held fluctuates with interest rates. The fair value of participants' position in the Pool is the same as the value of the Pool shares. The value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawal.

The Pool participates in LAIF and the California Asset Management Program (CAMP). Investments in LAIF and CAMP are governed by state statutes and overseen by a five-member Local Investment Advisory Board and a seven-member Board of Trustees, respectively. The Pool participates in the Federally Insured Cash Account (FICA) program which is governed by state and federal statutes and overseen by a seven-member Board of Directors.

The California State Treasurer's Office operates the LAIF. LAIF is available for investment of funds administered by California local governments and special districts and is not registered with the SEC as an investment company. The enabling legislation for LAIF is Section 16429.1 et seq. of the California Government Code. The Local Investment Advisory Board (LIAB) provides oversight for LAIF.

CAMP is a California Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p).

FICA is managed by StoneCastle Cash Management, LLC (StoneCastle) and is registered with the SEC as a Registered Investment Advisor. This program places the County's cash in deposit accounts at banks and savings institutions (Insured Depositories) in a manner that maintains full insurance of the funds by the FDIC. FICA is open to participants that are (a) both "accredited investors" under the Securities Act of 1933 and "qualified purchasers" under the Investment Company Act of 1940 as amended and/or (b) U.S. governmental units.

LAIF, CAMP, and FICA operate and report to participants on an amortized cost basis. For both LAIF and CAMP, the income, gains, and losses, net of administration fees, are allocated based upon the participant's average daily balance. CAMP and LAIF participants share proportionally in any realized gains or losses on investments. For FICA, interest is accrued daily on each Insured Depository and paid monthly. Deposits in LAIF and CAMP are not insured or otherwise guaranteed by the State of California, while the FICA deposit accounts are insured by the FDIC and are fully guaranteed by the U.S. Government. The fair value of the LAIF and CAMP investment pools are approximately equal to the value of the pool shares. The fair value of FICA is approximately equal to the value of all cash on deposit with the Insured Depositories.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Treasurer mitigates these risks by holding a diversified portfolio of high-quality investments.

The following is a summary of the concentration of credit risk distribution by investment type as a percentage of fair value as of June 30, 2025:

	Fair Value	% of Portfolio	Max % of Portfolio
			Pool Policy
Treasurer's Pooled Investments:			
CAMP	\$ 60,000	2.37%	Limited by CAMP
LAIF	50,000	1.98%	Limited by LAIF
FICA	5,000	0.20%	Limited by FICA
US Treasuries	1,281,207	50.67%	100%
Government Agency Bonds	667,150	26.39%	100%
Government Agency Discount Notes	119,140	4.71%	100%
Government Agency Bonds - Callable	346,012	13.68%	50%
	\$ 2,528,508	100.00%	

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 Ratings (Fitch), P-1 by Moody's Investor Service (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, 2025:

	Moody's	S&P	Fitch	% of Portfolio
Treasurer's Pooled Investments:				
CAMP	NR*	AAAm	NR*	2.37%
LAIF	NR*	NR*	NR*	1.98%
FICA	NR*	NR*	NR*	0.20%
Government Agency Bonds and Notes	Aa1	AA+	AA+	13.26%
Government Agency Bonds and Notes	Aa1	AA+	AA+	31.52%
US Treasury Bills and Notes	Aa1	AA	AA+u	50.67%
Total Treasurer's Pooled Investments				100.00%

* Not Rated

Instruments in any one issuer that represent 5% or more of the County's investments as of June 30, 2025 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 Bank	Government Sponsored	\$ 797,064	29.72%
Federal Farm Credit Bank	Government Sponsored	189,574	7.07%
		<u>\$ 986,638</u>	<u>36.79%</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 and Interest Apportionment

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, 2025, the weighted average days to maturity for the Pool was 664 days.

The weighted average days to maturity of the underlying securities held in the LAIF and CAMP pools presented above are 217 and 38, respectively. For purposes of the weighted average maturity calculation, the County assumes that all its investments will be held to maturity.

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. At June 30, 2025, \$29,319 or 1.21% of the Treasurer's Pooled Investments was held in U.S. agency step-up notes. These securities grant the issuer the option to call the note on a certain specified date(s). On a certain date, or dates, the coupon rate of the notes increases (steps up) by an amount specified at the inception of the note.

The net realized earnings on investments are apportioned to Pool participants quarterly based upon each participant's average daily cash balance. Unrealized gains and losses are also apportioned quarterly to participants based upon the participant's ending cash balance.

Investment income / (loss) consisted of the following for the year ended June 30, 2025:

Investment earnings	\$ 76,506
Net increase in fair value of investments	66,211
Administrative expenses	(2,492)
<u>Net investment income</u>	<u>\$ 140,225</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, 2025:

Investment	Cost	Fair Value	Interest Rate Range	Maturity Range	Weighted Average Maturity
Treasurer's pooled investments:					
CAMP	\$ 60,000	\$ 60,000	4.26% - 4.95%	7/25 - 6/26	48
LAIF	50,000	50,000	0.38% - 6.41%	7/25 - 8/50	248
FICA	5,000	5,000	4.26%	1 Day	1 Day
US Treasury Bills*	49,223	49,729	Discount	8/25	45
US Treasury Notes	1,199,469	1,231,478	0.64% - 4.91%	7/25 - 8/29	934
Government Agency Bonds	662,990	667,150	0.9% - 4.87%	8/25 - 10/25	747
Government Agency Discount Notes*	116,998	119,140	4.16% - 4.32%	7/24	67
Government Agency Bonds - Callable	352,203	346,012	0.5% - 4.94%	7/25 - 12/29	368
Total pooled and directed investments	<u>\$ 2,495,883</u>	<u>2,528,509</u>			
Investments held with fiscal agents:					
US Treasury Notes		16,542	1.25%	10/26	488
Cash & Cash Equivalents		<u>67,542</u>	0% - 3.95%	Same Day	Same Day
Total investments held with fiscal agents		<u>84,084</u>			
Cash in banks:					
Non-interest bearing deposits		52,649			
Interest bearing deposits		<u>110,000</u>			
Total cash in banks		<u>162,649</u>			
Cash on hand:					
Total cash and investments		<u>62</u>			
		<u>\$ 2,775,304</u>			
Total unrestricted cash and investments		\$ 2,621,363			
Total restricted cash and investments (Note 4)		<u>153,941</u>			
Total cash and investments		<u>\$ 2,775,304</u>			
Total cash and investments summary*:					
Total Governmental activities		\$ 852,091			
Total Business-type activities		119,561			
Total Discrete component unit activities		7,116			
Total Fiduciary Funds		<u>1,796,536</u>			
Total cash and investments		<u>\$ 2,775,304</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.

Total cash and investments summary for Government and Business-type activities include restricted cash and investments as well.

The following is a reconciliation between cash and investments and the Net Position of the Treasurer's Investment Pool as of June 30, 2025:

Total cash and investments	\$ 2,775,304
Less: investments held with fiscal agents	(84,084)
Less: cash on hand	(62)
Less: purchase interest	(300)
Less: Proposition 64 cash on hand	(9,122)
Add: cash and investment interest receivable	17,402
Net Position of the Treasurer's Investment Pool	<u>\$ 2,699,138</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, 2025:

Statement of Net Position	
Net position held in trust	\$ <u>2,699,138</u>
Equity of internal pool	\$ 952,069
Equity of external pool participants (voluntary and involuntary)	<u>1,747,069</u>
Total equity	\$ <u>2,699,138</u>
Statement of Changes in Net Position	
Net position held for pool participants, July 1, 2024	\$ 2,627,465
Net change in investments by pool	<u>71,673</u>
Net position held for pool participants, June 30, 2025	\$ <u>2,699,138</u>

Additional detailed information and/or separately issued financial statements of the County Treasurer's Investment Pool can be obtained by writing to the County Treasurer-Tax Collector's Office located at 105 East Anapamu Street, Room 109, Santa Barbara, CA 93101 or on their website at: <https://www.countyofsb.org/926/Investment-Reports> 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, 2025. 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 fair 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 fair value. Prices that fall between data points are interpolated.

The Pool has the following recurring fair value measurements as of June 30, 2025:

	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)	
Investments by fair value level				
Debt securities				
US Treasuries	\$ 1,281,207	\$ --	\$ 1,281,207	\$ --
Government agency bonds	667,150	--	667,150	--
Government agency discount notes	119,140	--	119,140	--
Government agency bonds - callable	346,012	--	346,012	--
Total investments measured at fair value	2,413,509	\$ --	\$ 2,413,509	\$ --
Investments not subject to fair value hierarchy				
CAMP	60,000			
LAIF	50,000			
FICA	5,000			
Total pooled and directed investments	\$ 2,528,509			

Investment held with fiscal agents have the following recurring fair value measurements as of June 30, 2025:

	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)	
Investments held with fiscal agents				
US Treasury Notes	\$ 16,542	\$ 16,542	\$ --	\$ --
Total investments measured at fair value	16,542	\$ 16,542	\$ --	\$ --
Investments not subject to fair value hierarchy				
Cash & Cash Equivalents	67,542			
Total Investments held with fiscal agents	\$ 84,084			

4. RESTRICTED CASH AND INVESTMENTS

Cash and investments at June 30, 2025 that are restricted by legal or contractual requirements are comprised of the following:

Governmental Activities

General Fund

Funds for disaster recovery	\$ 16,950
Property tax loss reserve	12,530
Deposits by various developers	392
RDA bond proceeds	379
Total General Fund	<u>\$ 30,251</u>

Major Governmental Funds

Capital projects funds	<u>54,950</u>
Total major governmental funds	<u>54,950</u>

Nonmajor Governmental Funds

Deposits by various developers	15,779
Debt service reserves	1,511
Clean water plan check trust	120
Total nonmajor governmental funds	<u>17,410</u>

Internal Service Funds

Public Safety Radio Network	6,410
Funds for underground tank clean-up	10
Total internal service funds	<u>6,420</u>
Total governmental activities	<u>109,031</u>

Business-Type Activities

Resource Recovery Fund

Funds for landfill site closure and maintenance costs (see Note 13)	25,480
Debt service reserves	14,780
Financial assurance for landfill corrective action (see Note 13)	2,593
Total Resource Recovery Fund	<u>42,853</u>

Laguna Sanitation Fund

Financial assurance for landfill corrective action	<u>658</u>
Total Laguna Sanitation Fund	<u>658</u>
Total business-type activities	<u>43,511</u>
Total restricted cash and investments*	<u>\$ 152,542</u>

*Governmental and Business-type Activities do not include \$1,399 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, 2025 is \$4,975 and the amount not expected to be collected within the next fiscal year is \$3,815.

Service Concession Arrangements Receivable

Service Concession Arrangements Receivable had a balance of \$2,455 as of June 30, 2025. Of this amount, \$2,119 is not expected to be received within the next fiscal year.

Housing Loans Receivable, Net and Loans Interest Receivable, Net

A total of \$45,744 was recorded as housing loans receivable, net and a total of \$11,037 was recorded as housing loans interest receivable, net at June 30, 2025.

Affordable Housing recorded \$55,574 as loans receivable and \$11,319 as interest receivable. A portion of the principal and interest balance, \$12,240 and \$775 respectively, is for loans containing forgiveness clauses and more than likely will not be repaid back to the County. As a result, the Governmentwide Statement of Net Position reports \$43,334 as loans receivable, net and \$10,544 as interest receivable, net assuming the entire forgiveness clause is executed. These amounts represent low or no interest mortgage notes and related accrued interest to finance multi-family and single-family construction and rehabilitation projects, as well as homebuyer assistance for low-income families, as part of the County's affordable housing program. Loan terms range from 5 to 55 years with interest rates from 0% to 5%. 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 \$66,892 have been established in the Governmental Funds Balance Sheet for the housing loan principal and interest payments.

Behavioral Wellness recorded \$2,410 as housing loans receivable and \$493 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 \$2,903 have been established in the Governmental Funds Balance Sheet for the housing loan principal and interest.

Other Receivables

The County has recorded a total of \$2,999 in other receivables for governmental activities; the following amounts are not expected to be received within the next fiscal year:

- \$200 deposit with the County's workers' compensation claims administrator.

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 includes the following adjusted amounts:

	Balance July 1, 2024	Restatements, Transfers & Adjustments, net			Balance June 30, 2025
		Additions	Deletions		
Governmental activities:					
Capital assets, non-depreciable:					
Land	\$ 69,432	\$ 13,638	\$ 10,122	\$ --	\$ 93,192
Land easements	53,133	--	--	--	53,133
Service concession arrangements	41,531	--	4,053	--	45,584
Work in progress	204,960	7	104,560	(65,670)	243,857
Total capital assets, non-depreciable	<u>369,056</u>	<u>13,645</u>	<u>118,735</u>	<u>(65,670)</u>	<u>435,766</u>
Capital assets, depreciable:					
Land improvements	33,326	--	2,344	--	35,670
Structures and improvements	423,686	--	33,217	--	456,903
Equipment	181,629	--	12,086	(4,228)	189,487
Infrastructure	448,904	(13,638)	10,754	--	446,020
Intangible assets					
Software	17,283	--	--	--	17,283
Subscription assets	16,864	--	13,290	(2,203)	27,951
Lease assets					
Building and improvements	28,615	--	1,590	(742)	29,463
Land and improvements	1,009	--	3,544	-	4,553
Equipment	--	--	134	-	134
Vehicles	3,468	--	358	(184)	3,642
Total capital assets, depreciable	<u>1,154,784</u>	<u>(13,638)</u>	<u>77,317</u>	<u>(7,357)</u>	<u>1,211,106</u>
Less accumulated depreciation for:					
Land improvements	(13,827)	--	(827)	--	(14,654)
Structures and improvements	(169,648)	--	(11,621)	--	(181,269)
Equipment	(115,090)	--	(10,204)	2,612	(122,682)
Infrastructure	(161,676)	--	(6,612)	--	(168,288)
Intangible assets					
Software	(16,718)	--	(361)	--	(17,079)
Subscription assets	(4,664)	--	(4,743)	1,672	(7,735)
Lease assets					
Building and improvements	(6,906)	--	(2,534)	173	(9,267)
Land and improvements	(391)	--	(234)	--	(625)
Equipment	--	--	(27)	--	(27)
Vehicles	(1,222)	--	(789)	184	(1,827)
Total accumulated depreciation	<u>(490,142)</u>	<u>--</u>	<u>(37,952)</u>	<u>4,641</u>	<u>(523,453)</u>
Total capital assets, depreciable, net	<u>664,642</u>	<u>(13,638)</u>	<u>39,365</u>	<u>(2,716)</u>	<u>687,653</u>
Sub-total governmental activities	<u>\$ 1,033,698</u>	<u>\$ 7</u>	<u>\$ 158,100</u>	<u>\$ (68,386)</u>	<u>\$ 1,123,419</u>

Capital asset activity for the year ended June 30, 2025 continued:

	Balance July 1, 2024	Restatements, Transfers & Adjustments, net	Additions	Deletions	Balance June 30, 2025
Business-Type activities:					
Capital assets, non-depreciable:					
Land	\$ 15,654	\$ --	\$ --	\$ --	\$ 15,654
Work in progress	76,391	--	16,544	(5,763)	87,172
Total capital assets, non-depreciable	<u>92,045</u>	<u>--</u>	<u>16,544</u>	<u>(5,763)</u>	<u>102,826</u>
Capital assets, depreciable					
Land improvements	484	--	366	--	850
Structures and improvements	109,997	--	4,553	--	114,550
Equipment	97,123	--	4,414	--	101,537
Infrastructure	85,490	--	1,128	--	86,618
Total capital assets, depreciable	<u>293,094</u>	<u>--</u>	<u>10,461</u>	<u>--</u>	<u>303,555</u>
Less accumulated depreciation for:					
Land improvements	(287)	--	(15)	--	(302)
Structures and improvements	(14,685)	--	(2,987)	--	(17,672)
Equipment	(28,495)	--	(4,538)	--	(33,033)
Infrastructure	(36,441)	--	(1,879)	--	(38,320)
Total accumulated depreciation	<u>(79,908)</u>	<u>--</u>	<u>(9,419)</u>	<u>--</u>	<u>(89,327)</u>
Total capital assets, depreciable, net	<u>213,186</u>	<u>--</u>	<u>1,042</u>	<u>--</u>	<u>214,228</u>
Sub-total business-type activities	<u>305,231</u>	<u>--</u>	<u>17,586</u>	<u>(5,763)</u>	<u>317,054</u>
Total capital assets, net	<u>\$ 1,338,929</u>	<u>\$ 7</u>	<u>\$ 175,686</u>	<u>\$ (74,149)</u>	<u>\$ 1,440,473</u>

First 5 Santa Barbara County

Discrete component unit activities:

Capital assets, depreciable:

Equipment	\$ 25	\$ --	\$ --	\$ (12)	\$ 13
Intangible assets					
Lease assets					
Buildings and improvements	548	--	--	--	548
Total capital assets, depreciable	<u>573</u>	<u>--</u>	<u>--</u>	<u>(12)</u>	<u>561</u>

Less accumulated depreciation for:

Equipment	(25)	--	--	12	(13)
Intangible assets					
Lease assets					
Buildings and improvements	(201)	--	(67)	--	(268)
Total accumulated depreciation	<u>(226)</u>	<u>--</u>	<u>(67)</u>	<u>12</u>	<u>(281)</u>
Total capital assets, depreciable, net	<u>\$ 347</u>	<u>\$ --</u>	<u>\$ (67)</u>	<u>\$ --</u>	<u>\$ 280</u>

Capital assets activity for each major enterprise fund for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Restatements, Transfers & Adjustments, net	Additions	Deletions	Balance June 30, 2025
Resource Recovery:					
Capital assets, non-depreciable:					
Land	\$ 11,965	\$ --	\$ --	\$ --	\$ 11,965
Work in progress	6,444	--	14,230	(5,634)	15,040
Total capital assets, non-depreciable	18,409	--	14,230	(5,634)	27,005
Capital assets, depreciable:					
Structures and improvements	89,698	--	4,553	--	94,251
Equipment	88,517	--	4,323	--	92,840
Infrastructure	53,036	--	983	--	54,019
Total capital assets, depreciable	231,251	--	9,859	--	241,110
Less accumulated depreciation for:					
Structures and improvements	(9,349)	--	(2,458)	--	(11,807)
Equipment	(22,743)	--	(4,140)	--	(26,883)
Infrastructure	(22,005)	--	(1,225)	--	(23,230)
Total accumulated depreciation	(54,097)	--	(7,823)	--	(61,920)
Total capital assets, depreciable, net	177,154	--	2,036	--	179,190
Sub-total Resource Recovery	195,563	--	16,266	(5,634)	206,195
Laguna Sanitation:					
Capital assets, non-depreciable:					
Land	3,689	--	--	--	3,689
Work in progress	69,947	--	2,314	(129)	72,132
Total capital assets, non-depreciable	73,636	--	2,314	(129)	75,821
Capital assets, depreciable:					
Land improvements	484	--	366	--	850
Structures and improvements	20,299	--	--	--	20,299
Equipment	8,606	--	91	--	8,697
Infrastructure	32,454	--	145	--	32,599
Total capital assets, depreciable	61,843	--	602	--	62,445
Less accumulated depreciation for:					
Land improvements	(287)	--	(15)	--	(302)
Structures and improvements	(5,336)	--	(529)	--	(5,865)
Equipment	(5,752)	--	(398)	--	(6,150)
Infrastructure	(14,436)	--	(654)	--	(15,090)
Total accumulated depreciation	(25,811)	--	(1,596)	--	(27,407)
Total capital assets, depreciable, net	36,032	--	(994)	--	35,038
Sub-total Laguna Sanitation	109,668	--	1,320	(129)	110,859
Total capital assets, net - business-type activities	\$ 305,231	\$ --	\$ 17,586	\$ (5,763)	\$ 317,054

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, 2025 was as follows:

	Balance July 1, 2024	Restatements, Transfers & Adjustments, net	Additions	Deletions	Balance June 30, 2025
Internal Service Funds:					
Capital assets, non-depreciable:					
Work in progress	\$ 21,797	\$ --	\$ 18,185	\$ (7,728)	\$ 32,254
Total capital assets, non-depreciable	<u>21,797</u>	<u>--</u>	<u>18,185</u>	<u>(7,728)</u>	<u>32,254</u>
Capital assets, depreciable:					
Structures and improvements	2,606	--	125	-	2,731
Equipment	86,585	--	5,148	(3,607)	88,126
Intangible assets					
Subscription assets	3,288	--	8,180	(1,791)	9,677
Lease assets					
Land and improvements	--	--	1,376	--	1,376
Total capital assets, depreciable	<u>92,479</u>	<u>--</u>	<u>14,829</u>	<u>(5,398)</u>	<u>101,910</u>
Less accumulated depreciation for:					
Structures and improvements	(1,529)	--	(61)	--	(1,590)
Equipment	(55,043)	--	(4,767)	2,060	(57,750)
Intangible assets					
Subscription assets	(1,588)	--	(2,077)	1,260	(2,405)
Lease assets					
Land and improvements	--	--	(38)	--	(38)
Total accumulated depreciation	<u>(58,160)</u>	<u>--</u>	<u>(6,943)</u>	<u>3,320</u>	<u>(61,783)</u>
Total capital assets, depreciable, net	<u>34,319</u>	<u>--</u>	<u>7,886</u>	<u>(2,078)</u>	<u>40,127</u>
Total capital assets, net - internal service funds	<u>\$ 56,116</u>	<u>\$ --</u>	<u>\$ 26,071</u>	<u>\$ (9,806)</u>	<u>\$ 72,381</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	\$ 633	\$ 137	\$ 770
Public safety	7,487	3,271	10,758
Health & public assistance	5,160	1,866	7,026
Community resources & public facilities	9,445	1,043	10,488
General government & support services	8,210	626	8,836
General county programs	74	--	74
Sub-total governmental activities	<u>31,009</u>	<u>6,943</u>	<u>37,952</u>
Business-Type activities:			
Resource Recovery	7,823	--	7,823
Laguna Sanitation	1,596	--	1,596
Sub-total business-type activities	<u>9,419</u>	<u>--</u>	<u>9,419</u>
Total depreciation expense	<u>\$ 40,428</u>	<u>\$ 6,943</u>	<u>\$ 47,371</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, 2025 consists of the following projects for the primary government:

Governmental activities:

Flood Control projects:	
Mission Creek Corps project	\$ 35,062
Cold Springs Basin Mod	4,547
San Ysidro Basin Mod	3,234
Buena Vista Basin	2,395
Other projects (individually less than \$500)	<u>423</u>
fund 2500,2560,2610	\$ 45,661

Roads projects:

Foothill Road Low Water Crossing replacement	21,101
Floridale Avenue bridge	20,521
Santa Claus Lane Circulation	7,457
E. Mountain LWC Bridge RPL	5,333
Bonita School Rd Br 230 Rpl	3,593
Wallace Ave SCA Improvements	2,837
Modoc Road MultiModal Path	1,607
Via Real SCA Improvements	1,249
Hollister/ State Improv Ph 1	1,083
Other projects (individually less than \$500)	3,108
fund 0017	67,889

Capital Outlay projects:

Probation, New Headquarters Bd	17,036
Parks, Lake Cachuma RV Area Im	12,413
Main Jail Remodel (Design)	3,324
CSD - HCD, El Colegio	2,620
Jalama Restroom Replacement	2,362
GS Calle Real Water Loop	2,175
SB Main Jail- Security System	2,111
PSRadio Tower Enhance Phase 3	1,571
Goleta Beach Lawn Renovation	1,229
Goleta Beach Paving 2024	1,211
GS, SYVAA USFS Bldg Fire Damage	1,093
BeWell, Calle Real HQ- Design	1,084
PH connector Lompoc P07001&4	1,006
SB Courthouse Roof Phase 3	952
NBJ, Prod Design, Architect	928
OEM, EOC HVAC Replacement	927
Santa Clause Bch Access/ Design	846
Cachuma Pool Loop Waterline	820
Bridgehouse-Utility Ext Lompoc	813
DSS, Lompoc Office TI	813
CEO Office Remodel	793
Jalama Cabin/ Yurts	761
SB DA Exterior Wall Weatherize	683
BeWell, Casa Omega	611
Cachuma RV Area Renovation	535
Calle Real Master Plan-Design	507
Other projects (individually less than \$500)	6,006
	65,230
funds 0030, 0031	

General Fund projects

fund 0001

Other Governmental Funds:

315 Haley St 4501
all other funds 98 4,599

Internal Service Fund projects:

EMS program	
Public Safety Radio Network	21,433
Betteravia Solar	7,130
EV Charging Station	<u>3,691</u>
	32,254
Sub-total governmental activities	<u>243,857</u>

Business-Type activities:

Business-type activities	
Laguna Sanitation projects	72,132
Resource Recovery projects	15,040
Sub-total business-type activities	87,172
Total work in progress	
	\$ 331,029

7. PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS (P3s)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships (P3s) and Availability Payment Arrangements (APAs)* establishes standards of accounting and financial reporting for P3s in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset for a period of time in an exchange or exchange-like transaction. This statement requires recognition of certain assets, receivables, deferred inflow of resources (transferor) and liabilities and deferred outflow of resources (operators) for P3 arrangements. Some P3s meet the definition of a service concession arrangement (SCA), which is defined in Statement No. 94 as a P3 in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which 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; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying P3 asset at the end of the arrangement. The statement also provides guidance for accounting and financial reporting for APAs, in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating a nonfinancial asset for a period of time in an exchange or exchange-like transaction. It was also determined that there are no incidents where the County would qualify as such an operator or meet the criteria of having an APA arrangement.

The County has determined that the following arrangements meet the criteria set forth in GASB Statement No.94 where the County is the transferor and therefore include these P3s in the County's financial statements.

Service Concession Arrangements

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. On January 1, 2023, the second 5-year extension 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.

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.

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.

Cachuma Store and Marina

On March 6, 2012, the County entered into a 10-year agreement with Pyramid Enterprises, Incorporated (Pyramid), under which Pyramid will operate the Cachuma store and marina and sell gas. In December of 2020, Pyramid notified the County that it had come to an agreement to sell its interest in the SCA to Advenco, LLC (Advenco). The County has approved Advenco's past performance and its 2022 operating plan, and therefore, extended Advenco's lease through February 29, 2032. Services are to be provided at reasonable rates. The structures and related equipment pertaining to the SCA have been fully depreciated. A summary of the important details of this SCA follows.

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 Smoke on Water, LLC has exclusive rights to operate and maintain a food and beverage business. Services are to be provided at reasonable rates. Additionally, should Smoke on Water, LLC 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.

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. On April 4, 2024, Mission Rowing entered an assignment agreement with Santa Barbara Rowing Company and the County. Mission Rowing has transferred all rights, title, and interests of the concession agreement with the County to SB Rowing Company effective upon execution of the assignment agreement. A summary of the important details and present value of installment payments pertaining to this SCA follows.

The Ellwood at Goleta Beach Restaurant

On October 19, 2021, the County entered into a 10-year agreement (having options for three 5-year extensions) with Central Coast Hospitality, LLC. (Ellwood), under which Ellwood has the right to exclusively operate a restaurant, snack bar, and an outdoor patio venue as well as non-exclusively offer food and beverage catering services at Goleta Beach. Ellwood took over the Beachside Restaurant, which was the former SCA at this location. Ellwood has commenced operation and amended their agreement term to 15-years (having four 5-year extensions). Services are to be provided at reasonable rates. The County has the ability to modify or approve what services Ellwood is required to provide. A summary of the important details pertaining to this SCA follows.

Santa Barbara Rowing Company

On April 4, 2024, the County entered into an assignment agreement which transferred 5-year agreement (having options for a 5-year extension) previously held by Mission Rowing to SB Rowing Company. SB Rowing Company 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
				\$	3	8.5% of gross sales	
Jalama Beach Store	1/1/2008	10 yrs plus two 5 yr extensions	12/31/2027				
Boathouse Restaurant	2/1/2008	10 yrs plus 10 yr extension	12/31/2027		16	10% of gross sales; 1.47% on income over \$3.8 million	
Santa Barbara County Bowl	6/1/2011	45 years	5/31/2056		N/A	\$0.50 per ticket sold up to \$50,000 per concert season	
Cachuma Store and Marina	3/6/2012	10 years plus 10 yr extension	2/29/2032		N/A	10% of marina gross sales; 7% of store gross sales	
Cachuma Café	5/7/2019	10 yrs plus 8 yr extension	3/31/2029		1	8% of gross sales until 3/31/2022; %8.5 of gross sales thereafter	
Mission Rowing	4/21/2020	5 yrs plus two 5 yr extensions	4/20/2025		1	8% of gross monthly income for the first year; 10% of gross monthly income afterwards	
The Ellwood at Goleta Beach* (formerly known as SeaLegs)	10/19/2021	15 yrs plus four 5 yr extensions	6/30/2040		12	11% of gross sales for Restaurant & Snack Bar 13% of gross sales for catering of special events	
SB Community Rowing	4/21/2025	5 yrs plus one 5 yr extensions	4/20/2030		1	8% of gross monthly income for the first year; 10% of gross monthly income afterwards	
				\$	34		

Capital assets balances for each SCA for the year ended June 30, 2025 and over the term of the agreement are as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Structures & Structure Improvements				
Santa Barbara County Bowl				
	\$ 38,441	\$ 195	--	\$ 38,636
Boathouse Restaurant	1,710	42	--	1,752
Ellwood Restaurant	--	3,816	--	3,816
Cachuma Café	137	--	--	137
Jalama Beach Store	55	--	--	55
Sub-total Structures & Structure Improvements	40,343	4,053	--	44,396
Land Improvements				
Santa Barbara County Bowl	1,188	--	--	1,188
Sub-total Land Improvements	1,188	--	--	1,188
Total SCA Capital Asset Balance	\$ 41,531	\$ 4,053	\$ --	\$ 45,584

The deferred inflow of resources activity for each SCA for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions/ Restatements	Amortization Allocation (1)	Balance June 30, 2025
SCA Capital Assets (1):				
Santa Barbara County Bowl	\$ 28,773	\$ 195	\$ (937)	\$ 28,031
Cachuma Café	76	--	(20)	56
Boathouse Restaurant	49	42	(36)	55
Ellwood Restaurant	-	3,816	(254)	3,562
Sub-total SCA capital assets	<u>28,898</u>	<u>4,053</u>	<u>(1,247)</u>	<u>31,704</u>
Present Value of Installment Payments (2):				
Boathouse Restaurant	606	--	(176)	430
Cachuma Café	26	--	(5)	21
Jalama Beach Store	120	--	(34)	86
Mission Rowing	4	--	(4)	0
Ellwood Restaurant	--	1,851	--	1,851
SB Community Rowing	--	28	(1)	27
Sub-total SCA installment payments	<u>755</u>	<u>1,880</u>	<u>(220)</u>	<u>2,415</u>
Total deferred inflows	<u><u>\$ 29,653</u></u>	<u><u>\$ 5,933</u></u>	<u><u>\$ (1,467)</u></u>	<u><u>\$ 34,119</u></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, 2025, the various components of advances from grantors and third parties reported are as follows:

	<u>Advances</u>
General Fund:	
CARES funds for Emergency Rental Assistance Program	\$ 9,343
Camping and day use fees	<u>3,614</u>
Total General Fund	<u>12,957</u>
Roads Fund:	
Advances from California Department of Transportation for road projects	<u>1,148</u>
Public Health Fund:	
SB Cottage/Marian STEMI/Trauma pre-paid revenue	<u>1,981</u>
Social Services Fund:	
Grant drawdowns prior to meeting eligibility requirements	<u>18,988</u>
Behavioral Wellness Fund:	
Mental Health Services Act capital/information technology	491
Early, periodic, screening, diagnosis, and treatment	<u>134</u>
Total Behavioral Wellness Fund	<u>625</u>
Affordable Housing Fund:	
Advances on State & federal grants for Affordable Housing	<u>12,449</u>
Nonmajor Governmental Funds:	
Clerk Recorder	<u>22</u>
Total Nonmajor Governmental Funds	<u>22</u>
Total advances from grantors and third parties*	<u>\$ 48,170</u>

*Total Advances from Grantors and Third Parties does not include \$6 of Fiduciary Net Position - Other Custodial Funds.

9. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

Leases as Lessee

As of June 30, 2025, the County entered into 11 new lease agreements during the fiscal year, bringing total active leases of buildings, land, and vehicles to 120. All leases are classified as Governmental activities.

These leases include a range of options to extend the lease term for a period of 1 to 15 years, with the final extension period ending August 31, 2054. The County is required to make annual principal and interest payments ranging from \$3 to \$1,054, and subject to annual rent increases ranging from 0-4%. The County is utilizing a range of incremental borrowing rates between 0.3-5.5%. As of June 30, 2025, the total value of the lease liability is \$27,914.

As of June 30, 2025, the First 5 Children and Families Commission did not enter in any new lease agreements as a lessee maintaining a total of one active right-to-use leases of building office space.

The lease includes two 36-month extension options, with the final extension period ending August 31, 2029. The Commission is required to make monthly principal and interest payments between \$18 and \$63, subject to annual rent increases of 3%. The Commission is utilizing an incremental borrowing rate of 5%. As of June 30, 2025, the total value of the lease liability is \$326.

Principal and interest payment to maturing for the County and the Commission are as follows:

Year Ending June 30,	County of Santa Barbara		First 5 Children and Families Commission	
	Principal	Interest	Principal	Interest
2026	\$ 3,087	\$ 1,143	\$ 68	\$ 15
2027	2,840	1,025	74	11
2028	2,559	913	81	7
2029	2,473	802	88	3
2030	2,120	696	15	0
2031-2035	8,399	2,157	-	-
2036-2040	4,279	759	-	-
2041-2045	1,359	283	-	-
2046-2050	391	112	-	-
2051-2055	407	33	-	-
Total leases	<u>\$ 27,914</u>	<u>\$ 7,923</u>	<u>\$ 326</u>	<u>\$ 36</u>

Leases as Lessor

As of June 30, 2025, the County entered into 6 new lease agreements during the fiscal year, bringing the total active right-to-use leases of buildings and land to 23. For lessor leases, the County is utilizing an incremental borrowing rate between 0.4-5%. The leases include a range of options to extend the lease term for a period of 1 to 15 years with the final extension period ending March 31, 2049.

Governmental Activities

The County receives annual principal and interest payments ranging from \$32 to \$320, and subject to rent increases ranging from 0-5%. As of June 30, 2025, the total value of the lease receivable is \$8,584 and total deferred inflow of resources is \$8,232.

Business-Type Activities

The County receives annual principal and interest payments of \$102 and is not subject to rent increases. As of June 30, 2025, the total value of the lease receivable is \$435 and the total deferred inflow of resources of \$432.

Subscription-Based Information Technology Arrangements (SBITAs)

As of June 30, 2025, the County has entered into 14 non-cancelable subscription-based information technology arrangements (SBITAs), for a total of 34 right-to-use subscriptions. All subscriptions were classified as governmental activities.

The SBITAs include a range of options to extend the term for a period of 3 to 5 years, with the final extension period ending March 31, 2033. The County is required to make annual principal and interest payments ranging from \$11 to \$1,261. The County is utilizing an incremental borrowing rate ranging from 2-4%. As of June 30, 2025, the total value of the subscription liability was \$15,578.

The future principal and interest SBITA payments as of June 30, 2025, are as follows:

<u>Governmental Activities</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	
2026	\$ 4,515	\$ 381	
2027	4,333	273	
2028	1,829	160	
2029	1,531	111	
2030	904	72	
2031-2033	2,466	84	
Total SBITAs	\$ 15,578	\$ 1,081	

10. LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Restatements / Adjustments	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Governmental activities:						
Compensated absences*	\$ 46,359	\$ 28,678	\$ 4,884	\$ -	\$ 79,921	\$ 35,903
Leases	25,994	--	5,613	(3,693)	27,914	3,087
Subscriptions	9,605	--	11,281	(5,307)	15,578	4,515
Certificates of participation (COP)	117,017	--	--	(4,430)	112,587	4,845
Unamortized premium on COP	11,651	--	--	(1,053)	10,598	--
Unamortized discount on COP	(51)	--	--	7	(44)	--
Other long-term obligations	7,554	--	--	--	7,554	283
Bonds and notes from direct borrowings	5,770	--	--	(1,108)	4,662	1,141
Liability for self-insurance claims	14,100	--	8,605	(6,175)	16,530	5,898
Sub-total governmental activities	237,999	28,678	30,383	(21,759)	275,300	55,672
Business-Type activities:						
Compensated absences	789	658	175	(26)	1,596	742
Certificates of participation	160,726	--	--	(4,715)	156,011	5,295
Unamortized premium on COP	13,420	--	--	(1,474)	11,946	--
Bonds and notes from direct borrowings and direct placements	625	--	--	(310)	315	315
Sub-total business-type activities	175,560	658	175	(6,525)	169,868	6,352
Total long-term liabilities	\$ 413,559	\$ 29,336	\$ 30,558	\$ (28,284)	\$ 445,168	\$ 62,024
First 5 Santa Barbara County Component unit activities:						
Compensated absences	\$ 72	\$ 121	\$ 50	\$ -	\$ 243	\$ 80
Leases	389	--	--	(63)	326	68
Total long-term liabilities	\$ 461	\$ 121	\$ 50	\$ (63)	\$ 569	\$ 148

*The change in compensated absences above is a net change for the year. Please refer to note 21.

Changes in long-term liabilities for each major enterprise fund for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Restatements/ Adjustments	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Resource Recovery:						
Compensated absences*	\$ 580	\$ 459	\$ 175	\$ --	\$ 1,214	\$ 570
Certificates of participation	138,681	--	--	(3,810)	134,871	4,340
Unamortized premium on COP	10,930	--	--	(1,155)	9,775	--
Sub-total Resource Recovery	150,191	459	175	(4,965)	145,860	4,910
Laguna Sanitation:						
Compensated absences*	209	199	--	(26)	382	172
Certificates of participation	22,045	--	--	(905)	21,140	955
Unamortized premium on COP	2,490	--	--	(319)	2,171	--
Bonds and notes from direct borrowings and direct placements	625	--	--	(310)	315	315
Sub-total Laguna Sanitation	25,369	199	--	(1,560)	24,008	1,442
Total long-term liabilities - business-type activities	\$ 175,560	\$ 658	\$ 175	\$ (6,525)	\$ 169,868	\$ 6,352

* The change in compensated absences above is a net change for the year. Please refer to note 21.

In governmental activities, the liability for the majority of employee compensated absences is liquidated by the General Fund. Other long-term liabilities consist of a multi-year payment on a Medicare settlement, which is liquidated by the Behavior Wellness Fund. The self-insurance claims liability is reported in the risk management and insurance internal service fund and will be liquidated by that fund. Internal Service Funds predominantly serve the governmental funds. Accordingly, their long-term debt is included as part of the totals for governmental activities.

Changes in long-term liabilities for the Internal Service Funds for the year ended June 30, 2025, are as follows:

	Balance July 1, 2024	Restatements / Adjustments			Balance June 30, 2025	Due Within One Year
Internal Service Funds:		Additions	Deletions			
Compensated absences*	\$ 1,010	\$ 567	\$ 636	\$ -	\$ 2,213	\$ 929
Subscriptions	1,442	--	7,375	(2,907)	5,910	2,546
Certificates of Participation	9,150	--	--	(255)	8,895	290
Unamortized Premium on COP	1,086	--	--	(98)	988	--
Bonds from direct borrowings	4,238	--	--	(683)	3,555	694
Liability for self-insurance claims	14,100	--	8,605	(6,175)	16,530	5,898
Total long-term liabilities -						
Internal Service Funds	\$ 31,026	\$ 567	\$ 16,616	\$ (10,118)	\$ 38,091	\$ 10,357

* The change in compensated absences above is a net change for the year.

The following is a schedule of total debt service requirements on long-term debt as of June 30, 2025:

Year Ending June 30,	Governmental Activities				Business-Type Activities			
	COP		Bonds and Notes from Direct Borrowings and Direct Placements		COP		Bonds and Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 4,845	\$ 5,432	\$ 1,141	\$ 101	\$ 5,295	\$ 7,359	\$ 315	\$ 12
2027	5,075	5,180	1,061	61	5,930	7,079	--	--
2028	5,320	4,915	611	33	6,650	6,765	--	--
2029	5,575	4,639	325	17	7,410	6,413	--	--
2030	4,455	4,382	296	14	8,200	6,023	--	--
2031-2035	25,722	18,124	1,228	30	54,941	22,745	--	--
2036-2040	32,670	10,604	--	--	65,975	6,700	--	--
2041-2045	28,925	2,356	--	--	1,610	16	--	--
Sub-total	112,587	55,632	4,662	256	156,011	63,100	315	12
Unamortized premium	10,598	--	--	--	11,946	--	--	--
Unamortized discount	(44)	--	--	--	--	--	--	--
Total, net	\$ 123,141	\$ 55,632	\$ 4,662	\$ 256	\$ 167,957	\$ 63,100	\$ 315	\$ 12

Bonds and Notes Payable

Governmental Activities (Excluding Internal Service Funds)

Notes Payable from Direct Borrowings

On November 09, 2006, the County entered into a financed purchase of \$2,400 at an interest rate of 5.43% for Alcohol, Drug and Mental Health Services (ADMHS). The note contains a provision that, in the event of termination

resulting from non-compliance by the County, the entire outstanding loan balance will become immediately due and payable if another remedy is not exercised. Other remedies the County may exercise include the sublease or sale of the remaining agreement. The notes payable outstanding at June 30, 2025 is \$282.

On March 1, 2024 the County entered into a financed purchase of \$1,074 at an interest rate of 5.00% for Sheriff equipment. The note contains a provision that, in the event of termination resulting from non-compliance by the County, the entire outstanding loan balance will become immediately due and payable. If the County purchased the devices for less than the manufacturer's suggested retail price, the County will be invoiced for the difference between MSRP and amounts paid towards the devices received. The notes payable outstanding at June 30, 2025 is \$825.

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, 2025 is \$740.

Pacific Gas and Electric (PG&E) On-Bill Note from Direct Borrowing

On November 10, 2019, the County entered into a direct placement financing contract in the amount of \$614 with PG&E's On-Bill Financing Loan Agreement on a 10-year term at an interest rate of 0% per annum. The loans issued under the program are unsecured loans to fully or partially reimburse qualified PG&E customers for the costs they incur in connection with a qualified energy efficient retrofit project. These proceeds are being used for the LED lighting portion of a renewable energy project at the County's Betteravia Campus. The note contains a provision that, in the event of termination resulting from non-compliance by the County, the entire outstanding loan balance will become immediately due and payable. The PG&E loan balance outstanding at June 30, 2025 is \$324.

California Energy Commission Loan from Direct Borrowing

On December 4, 2023, the County entered into an Energy Conservation Assistance Act loan agreement of \$2,736 at an interest rate of 1.0%. The proceeds will be used for renewal energy projects consisting of photovoltaic systems at the County's Santa Maria government center and Fire Station 12. The notes payable outstanding at June 30, 2025 is \$2,491.

Business-Type Activities

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, Laguna Sanitation will receive a Treasury subsidy of 70% of 4.95%, or \$1,162 over the life of the bonds, resulting in a true interest cost of 1.97%. The bond documents contain a provision that, in the event of default, the outstanding principal balance and accrued interest shall become due and payable immediately. Bond payments are secured by net revenues on user rates and charges collected by Laguna Sanitation for sanitation services. The Laguna Sanitation QECB bonds payable at June 30, 2025 is \$315.

Certificates of Participation (COP)

The Santa Barbara County Finance Corporation (Corporation), a public benefit corporation, was created to issue certificates of participation that are securities issued and marketed to investors. The certificates are sold to provide funds to finance the costs of acquisition, installation and construction of capital projects. These certificates are secured by annual lease payments paid by the County to the Corporation and these lease payments are used by the Corporation to pay the interest and principal of the debt.

The certificates contain certain debt covenants, which are deemed by the County to be duties imposed by law. The County must include the applicable lease payments due each year in its annual budget and make the necessary appropriations. The County is also required to maintain certain levels of liability, property damage, casualty, business interruption, earthquake and title insurance in connection with each lease agreement. The County is in compliance with all significant financial restrictions and requirements as set forth in its various debt covenants.

In FY 2007-08, the Corporation issued \$23,600 of tax-exempt COP debt, comprised of \$17,000 classified as Series A-1 Certificates and \$6,600 classified as Series A-2 Certificates. The COP debt was issued for the purpose of financing the costs of the acquisition, installation and construction of capital improvements; paying capitalized interest on all or a portion of the Series A-1 Certificates; funding a reserve fund as security for the certificates; and paying certain costs of delivery associated with the certificates. The COP agreement contains a provision that, in the event of default, all rights, title and interest in the lease and sublease will be assigned to the trustee. Pursuant to the trust agreement, a debt service reserve fund was established with a fund requirement in the fiduciary funds in the amount of \$1,420 as of June 30, 2025. Repayment of the Series A-2 Certificates commenced in December 2008 and the final payment was made on November 20, 2023.

In FY 2009-10, the Corporation issued \$14,935 of taxable COP debt classified as Recovery Zone Economic Development Bonds (RZEDB) for purposes of the American Recovery and Reinvestment Act (ARRA). Pursuant to the ARRA, the County expects to receive a cash subsidy payment from the United States Treasury equal to 45% of the interest payable. The COP agreement contains a provision that, in the event of default, the County may opt to sublease the premises waiving all rights to any rentals received by the Trustee while remaining liable for all payments and performance conditions under the sublease. The County received a subsidy of \$333 during the year ended June 30, 2025.

In FY 2018-19, the Resource Recovery and Waste Management Fund (Resource Recovery) issued \$149,000 of COP debt classified as the Solid Waste Revenue Certificates of Participation: \$8,130 of tax-exempt certificates, \$129,870 tax-exempt alternative minimum tax certificates, and \$11,000 of taxable certificates. The COP debt was issued for the purpose of funding certain improvements to the County's solid waste system (Solid Waste System), including the costs of a Materials Recovery Facility, an Anaerobic Digestion Facility and landfill gas engines which collectively constitute the Resource Center. The COP agreement contains a provision that, in the event of default, the outstanding principal balance and accrued interest are due and payable immediately. The Solid Waste System COP payments are secured by net revenues of user charges, fees and rates collected by the Solid Waste System. As of June 30, 2025, the remaining principal and interest requirements totaled \$193,065 with a current fiscal year pledged revenue amount of \$40,789. Pursuant to the trust agreement, a debt service reserve fund was established with a fund requirement in the amount of \$14,359 as of June 30, 2025.

In FY 2020-21, Laguna Sanitation issued \$24,510 of tax-exempt COP debt classified as the Laguna County Sanitation District Sanitation System Revenue Certificates of Participation. The COP debt was issued for the purpose of funding certain improvements to Laguna Sanitation's management system (Management System). Pursuant to the trust agreement, all net revenues are pledged to the payment of the debt. The COP agreement contains a provision that, in the event of default, the outstanding principal balance and accrued interest are due and payable immediately. Net revenues consist of fees, service charges, connection charges and income received by or imposed by Laguna Sanitation in connection with the ownership and operation of the Management System less the maintenance and operation costs of the Management System. As of June 30, 2025, the remaining principal and interest requirements totaled \$26,044 with a current fiscal year pledged revenue amount of \$9,199.

In FY 2023-24, the Corporation issued \$98,090 of COP debt to fund the acquisition, installation, and construction of multiple capital projects. These projects include the Cachuma Lake Recreational Vehicle Park Renovation, New Cuyama Fire Station 27, the Santa Barbara County Main Jail Renovation, the New Probation Headquarters Building, the Public Safety Radio Network Replacement, and the Regional Fire Communication Center. Additionally, the COP debt covered certain costs associated with executing and delivering the 2024 Certificates. No reserve fund was established in connection with the 2024 Certificates. The COP agreement contains a provision that, in the event of default, the outstanding principal balance and accrued interest are due and payable immediately. As of June 30, 2025, the remaining principal and interest requirements totaled \$143,805.

A summary of COP principal outstanding as of June 30, 2025 is as follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of 6/30/2025
Governmental activities:					
2008 Capital Improvements	4.00-4.75	6/25/2008	12/1/2028	\$ 17,000	\$ 4,975
2010 Capital Improvements - RZEDB	6.22-6.25	6/10/2010	12/1/2040	14,935	12,272
2024 Capital Improvements	5.00	5/16/2024	12/1/2043	98,090	95,340
Sub-total governmental activities				<u>130,025</u>	<u>112,587</u>
Business-Type activities:					
2018 Capital Improvements	3.30-5.25	11/28/2018	12/1/2038	149,000	134,871
2020 Capital Improvements	2.00-5.00	9/16/2020	12/1/2040	24,510	21,140
Sub-total business-type activities				<u>173,510</u>	<u>156,011</u>
Total COP principal outstanding				<u>\$ 303,535</u>	<u>268,598</u>
Unamortized issuance premium					11,946
Unamortized issuance discount					(44)
Total COP principal, net outstanding				<u>\$ 280,500</u>	

Rebatable 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 rebatable arbitrage liability at June 30, 2025.

11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; cyber liability, aviation and medical malpractice. For these risks, the County has chosen to establish risk management internal service funds where assets are set aside for insurance premium costs and self-insured retentions to pay for specific covered losses. In addition, the County has established a separate self-insurance financing fund for unemployment claims.

The County of Santa Barbara is a member of Public Risk Innovation, Solutions, and Management (PRISM, formerly CSAC-EIA), a member-directed risk sharing pool of public agencies that provides risk coverage programs. PRISM membership comprises 55 of the 58 California counties, 300 organizations and approximately 2,050 sub-members, which include 70% of the cities, as well as numerous school districts, special districts, housing authorities, fire districts, and other Joint Powers Authorities. A Board of Directors consisting of representatives from its members governs PRISM. The County purchases all its insurance through PRISM. The County's aggregate annual premium, including all insurances, paid to PRISM for the year ended June 30, 2025, was \$45,134. PRISM issues its own audited Annual Comprehensive Financial Report which can be obtained from PRISM located at 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

The unpaid claims liabilities included in the risk management self-insurance internal service funds are based on the results of actuarial studies and include amounts for claims incurred but not reported and adjustment expenses. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and number of pay-outs, and other economic and social factors. General liability liabilities are carried at present value using a discount rate of 1%. It is the County's practice to annually obtain full actuarial studies for general liability coverages. Rates charged to departments use various allocation methods that include actual costs, claims experience, and payroll costs. Rates charged annually are established such that, when added with cash reserves on hand, adequate resources are provided to meet liabilities as they come due.

Changes in the claims liability for all self-insurance claims during the past two fiscal years are as follows:

	Fiscal Year Ended	
	June 30, 2024	June 30, 2025
Unpaid claims, beginning of year	\$ 13,111	\$ 14,100
Incurred claims	6,053	8,605
Claim payments	(5,064)	(6,175)
Unpaid claims, end of year	\$ 14,100	\$ 16,530

In FY 2019-20, Risk Management's Workers' Compensation fund entered into a reinsurance agreement with PRISM to eliminate County liability exposure to self-insured workers' compensation claims which are reported as Other Long-Term Obligations in the financial statements. The reinsurance agreement discharged the entire workers' compensation self-insurance liability of the fund as the direct insurer of the risks insured. As of June 30, 2025, the only remaining Workers' Compensation liabilities total an estimated \$283 which represents four claims which were not transferred to PRISM as part of the reinsurance agreement.

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.

There were no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded coverage in any of the past three fiscal years.

12. COMMITMENTS AND CONTINGENCIES

Litigation

The County is a defendant in multiple lawsuits. Although the outcomes of these cases are currently indeterminable, the County's legal counsel opines that their resolution will not materially affect the County's financial standing. For any litigation deemed likely to result in financial loss, a corresponding liability has been accrued in the financial statements. However, for cases where a loss is reasonably possible but not probable, no liability has been recorded, and no cost estimate can be provided at this time.

Grants

Receipts from federal, state, and local grants and subsidies are subject to audits by representatives from those agencies to verify that the funds were spent in compliance with applicable statutes, grant terms, and regulations. These audits could result in a demand for reimbursement to the granting agencies. The County does not anticipate incurring any significant liabilities as a result of these audits, with one exception. The County faces potential liability exposure of up to \$997 due to outstanding settlement and audit issues with the State of California related to Medi-Cal mental health service reimbursements, which could take five to ten years to resolve. These liabilities have been recorded as other payables in the Behavioral Wellness Fund.

Santa Barbara County Redevelopment Successor Agency

In accordance with Assembly Bill (AB) 1X 26 and AB 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. It is reasonably possible that the State Department of Finance could invalidate any of the obligations reported on the Successor Agency's Recognized Obligations Payment Schedule. The range of potential loss of revenue to pay these obligations is between \$0 and \$20,000 over the remaining life of the Successor Agency (4 years).

Contracts

The County has entered into contracts to purchase goods and services from various vendors. Approximately \$459,022 will be payable upon future performance under these contracts, including \$29,661 for the construction of Probation headquarters, \$26,327 for the Enterprise Resource Planning software implementation and \$14,451 for the Tajigus landfill groundwater protection system.

13. LANDFILL CLOSURE AND POSTCLOSURE CARE

The County owns and operates three landfill sites: Tajigus, 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 \$28,073 reported as landfill closure, postclosure, and corrective action liability at June 30, 2025, 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	97%	2	Open
Foxen Canyon	95%	closed	14
New Cuyama	100%	closed	5

The County will recognize the remaining estimated cost of closure and postclosure care of \$2,593 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 2025. 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, postclosure, and corrective action care. The County is in compliance with these requirements, and, at June 30, 2025, restricted cash and investments of \$28,072 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, 2025 is comprised of the following:

Landfill/Collection Facility	Closure Cost	Postclosure Care Cost	Corrective Action Cost	Total	
				Restricted	Cash
Tajiguas	\$ 18,261	\$ 6,179	\$ 1,256	\$ 25,696	
Foxen Canyon	--	892	371		1,263
New Cuyama	--	148	895		1,043
UCSB HHW Center	--	--	71		71
Total	\$ 18,261	\$ 7,219	\$ 2,593		\$ 28,073

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 post-closure 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: non-spendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2025 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 - legally or contractually required to be maintained intact:											
Endowment	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 700	\$ 700
Nonspendable in form:											
Prepays/Deposits	50	--	--	--	--	--	--	--	--	--	50
Receivables	5	--	--	--	--	--	--	--	--	--	5
Total nonspendable fund balance	55	--	--	--	--	--	--	--	--	700	755
Restricted for:											
Purpose of Fund	613	49,811	79	154	66,426	63,443	10,712	27,588	1,304	42,738	262,868
COP Proceeds	--	--	--	--	--	--	--	--	54,795	12	54,807
Local Realignment 2011	42,804	--	--	--	566	--	--	--	--	--	43,370
Allocated for Capital Outlay	1	--	--	--	--	14,703	--	5,868	1,375	1,072	23,019
Health Care Programs	--	--	12,923	--	--	--	--	--	--	--	12,923
Teeter Tax Losses	12,530	--	--	--	--	--	--	--	--	--	12,530
PHD Special Projects	--	--	998	--	--	--	--	--	--	10,433	11,431
Public Safety Prop 172	11,082	--	--	--	--	--	--	--	--	--	11,082
Sheriff Categorical Grants	9,137	--	--	--	--	--	--	--	--	--	9,137
Measure A Roads Funds	--	7,187	--	--	--	--	--	--	--	--	7,187
Probation YOBG	7,081	28	--	--	--	--	--	--	--	--	7,109
Probation LESP/COPS	4,370	--	--	--	--	--	--	--	--	--	4,370
Parks Projects	--	--	--	--	--	--	--	--	3,437	224	3,661
UCSB LRDP Settlement	3,307	--	--	--	--	--	--	--	--	--	3,307
DMV/Livescan	--	--	--	--	--	--	--	--	2,775	--	2,775
Consumer/Environmental	2,179	--	--	--	--	--	--	--	--	--	2,179
MHSA Prudent Reserve	--	--	--	--	2,023	--	--	--	--	--	2,023
Housing Trust Funds	--	--	--	--	--	1,656	--	--	--	--	1,656
Public Arts Program	1,628	--	--	--	--	--	--	--	--	--	1,628
Probation Programs	1,624	--	--	--	--	--	--	--	--	--	1,624
Alcoholism Programs	--	--	--	--	1,521	--	--	--	--	--	1,521
P&D Offsite Mitigation	--	--	--	--	--	--	--	--	--	1,446	1,446
Debt Service	--	--	--	--	--	--	--	--	--	1,337	1,337
Recorder Modernization	--	--	--	--	--	--	--	--	1,306	1,306	1,306
Recorder Operations	--	--	--	--	--	--	--	--	1,249	1,249	1,249
Sheriff Asset Forfeiture-State	1,157	--	--	--	--	--	--	--	--	--	1,157
Civil Funds GC 26731 & 26746	1,121	--	--	--	--	--	--	--	--	--	1,121
PRC Performance Security	--	--	--	--	--	1,043	--	--	--	--	1,043
Hollister Ranch Public Access	--	--	--	--	--	--	--	--	--	1,000	1,000
Local Innovation Sub-Account	932	--	--	--	--	--	--	--	--	--	932
Maintenance-Casa Nueva Bldg	876	--	--	--	--	--	--	--	--	--	876
Sustainability Programs	706	--	--	--	--	--	--	--	--	--	706
Los Prietos Donation	640	--	--	--	--	--	--	--	--	--	640
DA Asset Forfeiture-State	553	--	--	--	--	--	--	--	--	--	553
Assessor AB818	504	--	--	--	--	--	--	--	--	--	504
GATV Infrastructure	461	--	--	--	--	--	--	--	--	--	461
Real Estate Fraud	452	--	--	--	--	--	--	--	--	--	452
Survey Monument	396	--	--	--	--	--	--	--	--	--	396
Recorder Micrographics	--	--	--	--	--	--	--	--	--	384	384
Gaviota Bikeway	--	--	--	--	--	--	--	--	371	371	371
Dispute Resolution	--	--	--	--	--	--	--	--	346	346	346
Animal Control Programs	191	--	138	--	--	--	--	--	--	--	329
District Attorney Programs	307	--	--	--	--	--	--	--	--	--	307
FY 12/13,13/14 Operating Plans	--	--	--	--	--	201	--	--	--	88	289
Drug Abuse Programs	--	--	--	--	238	--	--	--	--	--	238
DSS Childrens Trust	--	--	--	228	--	--	--	--	--	--	228
EMS Programs	--	212	--	--	--	--	--	--	--	--	212
Recorder ERDS	--	--	--	--	--	--	--	--	--	205	205
CalVet Subvention Program	203	--	--	--	--	--	--	--	--	--	203
Donations	161	--	--	32	--	--	--	--	--	--	193
DSA Surplus Health Allocations	189	--	--	--	--	--	--	--	--	--	189
State Off Hwy Fee	147	--	--	--	--	--	--	--	--	--	147
Vital Records	--	--	--	--	--	--	--	--	--	110	110
Weights and Measures	80	--	--	--	--	--	--	--	--	--	80
DARE	37	--	--	--	--	--	--	--	--	--	37
Imprest Cash	10	--	3	15	4	--	--	--	--	--	32
DA Victim Emergency Fund	25	--	--	--	--	--	--	--	--	--	25
DA-Special Fund	5	--	--	--	--	--	--	--	--	--	5
	105,509	57,026	14,353	429	70,778	79,390	12,368	33,456	63,686	62,321	499,316

A detailed schedule of fund balances at June 30, 2025 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	45,634	--	--	--	--	--	--	--	--	--	45,634
Litigation	28,379	--	--	--	--	--	--	--	--	--	28,379
Accumulated Capital Outlay	23,941	--	--	--	--	--	--	--	--	--	23,941
Disaster Recovery	20,818	--	--	--	--	--	--	--	--	--	20,818
Program Stabilization	15,686	--	--	--	--	--	--	--	--	--	15,686
General Services Projects	1,435	--	--	--	--	--	--	--	9,589	--	11,024
Tech Replacement & Investment	10,965	--	--	--	--	--	--	--	--	--	10,965
Emerging Issues	10,809	--	--	--	--	--	--	--	--	--	10,809
Countywide ERP Project	7,860	--	--	--	--	--	--	--	--	--	7,860
County Executive Programs	7,192	--	--	--	--	--	--	--	--	--	7,192
Props 215/64 - Cannabis	7,040	--	--	--	--	--	--	--	--	--	7,040
Health Care Programs	--	--	--	--	--	--	--	--	--	6,466	6,466
Advance Construction Reserve	5,605	--	--	--	--	--	--	--	--	--	5,605
Facilities Maintenance	5,022	--	--	--	--	--	--	--	--	--	5,022
Contingencies	4,977	--	--	--	--	--	--	--	--	--	4,977
Mental Health	4,800	--	--	--	--	--	--	--	--	--	4,800
Parks Projects	674	--	--	--	--	--	--	--	4,046	--	4,720
New Jail Operations	3,153	--	--	--	--	--	--	--	--	--	3,153
Purpose of Fund	821	--	--	--	--	--	--	--	21	1,402	2,244
AB 199	1,844	--	--	--	--	--	--	--	--	--	1,844
Auditor Systems Maint/Develop	1,654	--	--	--	--	--	--	--	--	--	1,654
Clerk Record Assessor Projects	1,533	--	--	--	--	--	--	--	--	--	1,533
Sheriff Replacement Vehicles	1,381	--	--	--	--	--	--	--	--	--	1,381
General County Programs	1,332	--	--	--	--	--	--	--	--	--	1,332
In-Car Video Equip Replacement	1,290	--	--	--	--	--	--	--	--	--	1,290
Planning/Development Projects	482	--	--	--	--	--	--	--	--	479	961
Elections Voting Equipment	916	--	--	--	--	--	--	--	--	--	916
Sheriff Projects	307	--	--	--	--	--	--	--	495	--	802
Tobacco Settlement	634	--	--	--	--	--	--	--	--	5	639
Ag Commissioner Projects	510	--	--	--	--	--	--	--	--	--	510
Housing Programs	393	--	--	--	--	--	--	--	--	--	393
North County Jail Contingency	302	--	--	--	--	--	--	--	--	--	302
Treas Tax Collector Projects	300	--	--	--	--	--	--	--	--	--	300
Air Support Unit Maintenance	230	--	--	--	--	--	--	--	--	--	230
P&D Land Use System	--	--	--	--	--	--	--	--	--	201	201
Rental Maintenance	145	--	--	--	--	--	--	--	--	--	145
Human Resources Programs	139	--	--	--	--	--	--	--	--	--	139
Public Defender Programs	91	--	--	--	--	--	--	--	--	--	91
Probation Programs	49	--	--	--	--	--	--	--	--	--	49
Building & Safety Permitting	--	--	--	--	--	--	--	--	--	40	40
Imprest Cash	25	--	--	--	--	--	--	--	--	3	28
PAPG Revolving Fund	5	--	--	--	--	--	--	--	--	--	5
	218,373	--	--	--	--	--	--	--	14,151	8,596	241,120
Unassigned fund balance:	30,106	539	(271)	(410)	(4,014)	287	97	(341)	1,698	886	28,577
Total fund balances	\$ 354,043	\$ 57,565	\$ 14,082	\$ 19	\$ 66,764	\$ 79,677	\$ 12,465	\$ 33,115	\$ 79,535	\$ 72,503	\$ 769,768

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, 2025 for governmental activities is as follows:

Restricted for Policy and Executive:	
County Executive Office	\$ 256
	\$ 256
Restricted for Public Safety:	
Probation	56,466
Fire Protection District	34,293
Sheriff	17,524
District Attorney	3,522
Trial Courts	346
	112,151
Restricted for Health & Human Services:	
Behavioral Wellness	73,609
Public Health	25,240
Social Services	429
Child Support Services	752
	100,030
Restricted for Community Resources & Public Facilities:	
Flood Control District	79,390
Housing	66,247
Roads	57,026
Water Agency	22,261
Planning and Development	14,255
County Service Areas	7,043
Parks	2,798
	249,020
Restricted for General Government & Support Services:	
Clerk-Recorder-Assessor	3,758
General Services	2,464
Other	418
	6,640
Restricted for General County Programs:	
Capital Projects	54,966
Public Safety	10,985
Teeter Tax Losses	12,530
Other	6,389
Criminal Justice Construction	1,843
Courthouse Construction	1,970
	88,683
Total restricted component of net position - governmental activities	\$ 556,780

Included in governmental activities restricted net position at June 30, 2025 is net position restricted by enabling legislation of \$2,662.

16. INTERFUND TRANSACTIONS

Interfund Receivables / Payables

Amounts due to/from other funds at June 30, 2025 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Social Services	\$ 16,391
Planning and Development	General Fund	1,636
Social Services	IHSS Public Authority	1,492
General Fund	Flood Control Districts	1,082
General Fund	Planning and Development	677
Court Operations	General Fund	476
General Fund	Behavioral Wellness	407
General Fund	Public Health	191
Water Agencies	Flood Control Districts	37
General Fund	Affordable Housing	29
General Fund	Water Agencies	9
General Fund	Tidelands Trust	4
General Fund	Roads Fund	3
Total due to/from other funds		\$ 22,434

The balances above are due to be paid in the subsequent fiscal year and resulted from when funds overdraw their share of pooled cash; or the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Advances to/from other funds at June 30, 2025 are as follows:

Receivable Fund	Payable Fund	Amount
AFDC Homeless Revolving	Social Services	\$ 5

Transfers

Transfers are used to (1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, (2) move receipts identified for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers to/from other funds at June 30, 2025 are as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Projects Fund	\$ 16,291	Capital Projects
	Roads Fund	11,462	General Fund Contribution
	Nonmajor Governmental Funds	11,189	General Fund Contribution
	Social Services Fund	10,274	General Fund Contribution
	Public Health Fund	8,805	General Fund Contribution
	Internal Service Funds	8,144	ARPA Distribution
	Roads Fund	7,902	Roads Project
	Behavioral Wellness Fund	6,122	General Fund Contribution
	Affordable Housing Fund	4,912	ARPA Distribution
	Nonmajor Governmental Funds	4,328	Debt Service
	Internal Service Funds	2,553	Capital Projects
	Capital Projects Fund	1,577	Other
	Capital Projects Fund	917	ARPA Distribution
	Behavioral Wellness Fund	818	Program Administration
	Social Services Fund	711	Other
	Internal Service Funds	577	Vehicles
	Nonmajor Governmental Funds	428	Other
	Flood Control Districts Fund	359	ARPA Distribution
	Internal Service Funds	294	Other
	Capital Projects Fund	275	General Fund Contribution
	Behavioral Wellness Fund	269	ARPA Distribution
	Internal Service Funds	241	Debt Service
	Behavioral Wellness Fund	188	Other
	Enterprise Funds	161	ARPA Distribution
	Flood Control Districts Fund	160	Other
	Public Health Fund	139	ARPA Distribution
	Public Health Fund	101	Other
	Roads Fund	58	Other
	Fire Protection District Fund	23	Other
		<u>99,278</u>	
Roads Fund	General Fund	3,271	Capital Projects
	General Fund	195	Other
		<u>3,466</u>	
Public Health Fund	Capital Projects Fund	1,101	Capital Projects
	General Fund	877	Other
	Capital Projects Fund	136	Other
	Social Services Fund	15	Program Administration
	Social Services Fund	1	Other
		<u>2,130</u>	
Social Services Fund	Capital Projects Fund	872	Capital Projects
	Behavioral Wellness Fund	244	Other
	General Fund	132	Program Administration
	General Fund	75	Other
	Internal Service Funds	35	Vehicles
		<u>1,358</u>	
Behavioral Wellness Fund	Capital Projects Fund	1,026	Other
	General Fund	915	Other
	Nonmajor Governmental Funds	198	Debt Service
	Capital Projects Fund	172	Capital Projects
	General Fund	108	Capital Projects
	Social Services Fund	27	Program Administration
	Internal Service Funds	18	Vehicles
	Social Services Fund	1	Other
		<u>2,465</u>	

Transfers to/from other funds at June 30, 2025 continued:

Transfer From	Transfer To	Amount	Purpose
Flood Control District Fund	General Fund	\$ 1,112	ARPA Distribution
	Internal Service Funds	36	Vehicles
		<u>1,148</u>	
Affordable Housing Fund	General Fund	2,203	Program Administration
	General Fund	1,030	Other
	General Fund	192	ARPA Distribution
	Capital Projects Fund	12	Capital Projects
		<u>3,437</u>	
Fire Protection District Fund	Internal Service Funds	3,725	Capital Projects
	General Fund	1,986	Dispatch Services
	Internal Service Funds	1,274	Vehicles
	Nonmajor Governmental Funds	969	Debt Service
	Capital Projects Fund	684	Capital Projects
	Internal Service Funds	642	Debt Service
	General Fund	584	Other
	Internal Service Funds	374	Other
	Public Health Fund	14	Other
		<u>10,252</u>	
Capital Projects Fund	Fire Protection District Fund	6,694	Debt Service
	Nonmajor Governmental Funds	3,015	TRRP Costs
	General Fund	955	Debt Service
	General Fund	186	Other
	Internal Service Funds	157	Other
	Internal Service Funds	35	Capital Projects
	Nonmajor Governmental Funds	5	Other
		<u>11,047</u>	
Nonmajor Governmental Funds	General Fund	4,632	Program Administration
	Public Health Fund	2,465	Program Administration
	Behavioral Wellness Fund	737	Program Administration
	Fire Protection District Fund	442	Other
	Affordable Housing Fund	330	Program Administration
	Capital Projects Fund	327	Other
	Capital Projects Fund	326	Capital Projects
	General Fund	252	Other
	Roads Fund	241	Other
	Roads Fund	167	Roads Project
	Public Health Fund	139	General Fund Contribution
	Internal Service Funds	58	Vehicles
	Flood Control Districts Fund	51	Other
	Internal Service Funds	20	Other
	Social Services Fund	5	Program Administration
	Social Services Fund	2	Capital Projects
		<u>10,194</u>	
Resource Recovery	Internal Service Funds	397	Vehicles
		<u>397</u>	
Internal Service Funds	Fire Protection District Fund	6,329	Vehicles
	Enterprise Funds	367	Vehicles
	General Fund	111	Vehicles
	Behavioral Wellness Fund	7	Vehicles
		<u>6,814</u>	
	Total transfers	<u>\$ 151,986</u>	

17. TAX ABATEMENTS

The County provides property tax abatements through the Agricultural Preserve Program. The program enrolls land in Williamson Act or Farmland Security Zone contracts whereby the land is restricted to agricultural, open space, or recreational uses in exchange for reduced property tax assessments. Participation in the program is voluntary. The Santa Barbara County Uniform Rules for Agricultural Preserves and Farmland Security Zones is the set of rules by which the County administers its Agricultural Preserve Program. The Agricultural Preserve Advisory Committee is responsible for administering the County's Agricultural Preserve Program.

Under the provisions of these contracts, land parcels are assessed for property tax purposes at a rate consistent with their actual use, rather than potential fair 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 fair value of the property. Under the cancellation process, a significant one-time cancellation fee is assessed based upon a certain percentage of the unrestricted, current fair 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, 2025, the Agricultural Preserve Program tax abatements were \$6,931.

18. PENSIONS

General Information about the Pension Plans

Plan Descriptions

The County, including the discretely presented component unit First 5 Children and Families Commission, provides pension benefits to eligible employees through cost sharing multiple-employer defined benefit pension plans (pension plans) administered by the Santa Barbara County Employees' Retirement System (SBCERS). Members of the pension plans include all permanent employees working full time, or at least 50% part time for the County, and the following independent special districts: Carpinteria Cemetery District, Carpinteria-Summerland Fire Protection District, Goleta Cemetery District, Mosquito and Vector Management District of Santa Barbara County, Oak Hill Cemetery District, Santa Barbara County Air Pollution Control District, Santa Barbara County Association of Governments, Santa Barbara County Local Agency Formation Commission, Santa Maria Cemetery District, Summerland Sanitary District, and the Santa Barbara County Superior Court. SBCERS issues its own Annual Comprehensive Financial Report (ACFR) that may be obtained by writing to SBCERS at 130 Robin Hill Road, Suite 100, Goleta, CA 93117 or on the SBCERS website under "Resources" <http://sbcers.org>.

SBCERS was established on January 1, 1944, and is administered by the Board of Retirement to provide service retirement, disability, death, and survivor benefits for employees of the County and participating districts. The Santa Barbara County Board of Supervisors and the governing boards of the participating districts adopt resolutions, as permitted by the California State Government Code §31450 (County Employees' Retirement Law of 1937 (CERL)), which affect the benefits of the SBCERS members. SBCERS is governed by the California Constitution; CERL; and the bylaws, policies and procedures adopted by the SBCERS' Board of Retirement.

SBCERS administers six County pension plans. With the passage of the Public Employees' Pension Reform Act (PEPRA), the County established a new pension plan, Plan 8, with two rate tiers – one for safety and one for general members. As of January 1, 2013, Plan 8 is the only pension plan available to new employees. PEPRA made several changes to the pension benefits that may be offered to employees hired on or after January 1, 2013, including increasing minimum retirement ages, increasing the percentage required for member contributions, and excluding certain types of compensation as pensionable. PEPRA has also created limits on pensionable compensation tied to the Social Security taxable wage base. The cumulative effect of these PEPRA changes will ultimately reduce the County's retirement costs.

Summary of Plans and Eligible Participants

Open for New Enrollment:

General Plan 8 (PEPRA) General members hired on or after January 1, 2013.*

Safety Plan 8 (PEPRA) Safety members hired on or after January 1, 2013.*

*Employees who transfer from and are eligible for reciprocity with another public employer will not be PEPRA members if their service in the reciprocal system was under a pre-PEPRA tier.

Closed to New Enrollment:

General Plan 2 Employees hired on or before June 30, 1999, who elected to join General Plan 2. Once vested, Plan 2 members have a one-time election to defer accrued Plan 2 benefits and enter a contributory plan in effect at the time of election. Contributions are based upon age at time of transfer.

General Plan 5A General employees hired before October 10, 1994, who did not elect to join General Plan 2.

General Plan 5B Members in certain bargaining units hired on or after October 10, 1994.

General Plan 5C Members in certain bargaining units hired on or after October 10, 1994. Members in those bargaining units transferred from Plan 5B on March 10, 2008.

General Plan 7 County General employees hired on or after June 25, 2012 and other new non-PEPRA General hires for employers that have adopted Plan 7.

Safety Plan 4A Some safety members hired before October 10, 1994.

Safety Plan 4B Employees in certain bargaining units hired on or after October 10, 1994. Some employees are in Safety Plan 4B without regard to hire date.

Safety Plan 4C Members in certain bargaining units hired on or after October 10, 1994. All members in certain bargaining units. Members in those bargaining units transferred from Plan 4B on July 3, 2006.

Safety Plan 6A Members in certain bargaining units hired prior to October 10, 1994. Members in those bargaining units transferred from Plan 4A on February 25, 2008.

Safety Plan 6B Members in certain bargaining units hired on or after October 10, 1994. Members in those bargaining units transferred from Plan 4B on February 25, 2008.

Benefits Provided

All pension plans provide benefits, in accordance with CERL regulations, upon retirement, disability or death of members. Retirement benefits are based on years of service, final average compensation, and retirement age. Employees terminating before accruing 5 years (or 10 years for Plan 2) of retirement service credit (5 or 10-year vesting) forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning 5 years (or 10 years for Plan 2) of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. Differences between expected or actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Service-related disability benefits are based upon final average compensation or retirement benefits (if eligible). Non-service-related disability benefits are based on 1) years of service and final average compensation or 2) retirement benefits (if eligible). General Plan 2 participants receive disability benefits through a long-term insurance policy. Death benefits are based upon a variety of factors including whether the participant was retired or not.

Annual cost-of-living adjustments (COLAs) after retirement are provided in all plans except General Plan 2. COLAs are granted to eligible retired members each April based upon the Bureau of Labor Statistics Average Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Riverside-Orange County area as of the preceding January 1 and is subject to an annual maximum dependent upon the provisions of the pension plans.

Detailed information about the retirement, disability or death benefit calculations and COLA maximums for each of the pension plans are available in the separately issued SBCERS ACFR.

Contributions

Per Article 16 of the Constitution of the State of California, contribution requirements of the active employees and the participating employers are established and may be amended by the SBCERS Board of Retirement. Depending upon the applicable plan, employees are required to contribute a certain percent of their annual pay. For each of the plans, the County's contractually required contribution rate for the year ended June 30, 2025 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 \$174,848 for the year ended June 30, 2025. Active members are plan members who are currently accruing benefits and/or paying contributions into the applicable plan.

For the measurement date June 30, 2024, 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	25.24%	Non-contributory	3
General Plan 5A	35.73%	3.02 - 6.12%	104
General Plan 5B	34.77%	6.03 - 12.25%	180
General Plan 5C	36.89%	2.92 - 6.10%	717
General Plan 7	38.00%	2.43 - 5.08%	93
General Plan 8	30.20%	8.45%	2,347
Safety Plan 4A	63.49%	5.88 - 9.85%	4
Safety Plan 4B	63.26%	11.75 - 19.71%	9
Safety Plan 4C	60.30%	5.65 - 9.65%	213
Safety Plan 6A	78.55%	5.88 - 9.85%	3
Safety Plan 6B	70.61%	5.65 - 9.65%	171
Safety Plan 8	49.18%	15.52%	541

Beginning in FY 2018-19, members of certain plans and bargaining units paid a portion of the employer contributions between 2.49% - 6.00% depending on the member's bargaining unit. No net change occurred in the combined pension contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the County, including its discretely presented component unit, reported a liability of \$624,534 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, updated to June 30, 2024. 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, 2024, the County's proportion was 92.9606%, which was an increase of 0.0305% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County and its discretely presented component unit recognized pension expense of \$114,939 and \$195, 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, 2024, 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	\$ 28,035	\$ 2,750	\$ 48	\$ 5
Changes in assumptions	39,024	--	67	--
Net difference between projected and actual earnings on retirement plan investments	--	28,064	--	47
Changes in proportion and differences between County and Commission contributions and proportionate share of County and Commission contributions subsequent to the measurement date	474	1,016	1	2
County and Commission contributions subsequent to the measurement date	174,551	--	297	--
	<u>\$ 242,084</u>	<u>\$ 31,830</u>	<u>\$ 413</u>	<u>\$ 54</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 \$174,848 as deferred outflows of resources related to pension contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the measurement year ended June 30, 2025.

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
2026	\$ (27,337)	\$ (47)
2027	74,442	127
2028	(6,302)	(11)
2029	(5,100)	(7)
	<u>\$ 35,703</u>	<u>\$ 62</u>

Actuarial Assumptions

The total pension liability, measured as of June 30, 2024, was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Increases in pay	3.00% plus merit component based on employee classification and years of service
Investment rate of return	7.00%, net of investment expense
Administrative expenses	Base of \$6.8 million for the fiscal year ended June 30, 2024 with assumed wage inflation of 3.00% annually
Basic COLA	The cost-of-living as measured by the Consumer Price Index (CPI) will increase at the rate of 2.75% per year.
Post-Retirement COLA	Benefits are assumed to increase after retirement at the rate of 2.9% per year for General Plans 5, and Safety Plans 4, 6, and 8 (PEPRA); 2.0% per year for General Plans 7 and Plan 8 (PEPRA); and benefits amounts are assumed to remain constant after retirement for General Plan 2.
Post-Retirement mortality	<p><u>Healthy Lives:</u></p> <p>Mortality rates for General active members are based on the sex distinct Public General 2010 Above-Median Income Employee Mortality Table, with generational mortality improvements projected from 2010 using 80% of Projection Scale MP-2020, without adjustment.</p> <p>Non-duty related mortality rates for Safety active members are based on the sex distinct Public Safety Above-Median Income Employee Mortality Table, with generational mortality improvements projected from 2010 using 80% Projection Scale MP-2020, without adjustment.</p> <p>Safety active members are also subject to the 2021 California Public Employees Retirement System (CalPERS) Preretirement Industrial Mortality Table for duty-related deaths, with generational improvement projected from 2017 using 80% of Projection Scale MP-2020.</p> <p>Mortality rates for healthy General annuitants are based on the sex distinct Public General 2010 Above-Median Income Retiree Mortality Table, with generational mortality improvements projected from 2010 using 80% of Projection Scale MP-2020.</p> <p>Mortality rates for Safety annuitants are based on the sex distinct Public Safety 2010 Above-Median Income Retiree Mortality Table, with generational improvements projected from 2010 using 80% of Projection Scale MP-2020.</p>

Disabled Lives:

Mortality rates for General disabled retirees are differentiated by type of disability retirement.

- a) General disabled retirees with duty disabilities are valued with mortality rates based on the 2021 CalPERS Industrial Disabled Annuitant Mortality Table, with generational improvements projected from 2017 using 80% of Projection Scale MP-2020.
- b) General disabled retirees with non-duty disabilities are valued with mortality rates based on the 2021 CalPERS Non-Industrial Disabled Annuitant Mortality Table, with generational improvements projected from 2017 using 80% of Projection Scale MP-2020.
- c) Mortality rates for General active members assumed to become disabled are valued using the previously stated assumption that 60% of General disabilities are service related (e.g., duty or industrial). The mortality rates used for this group are a blend of 60% of the table described in (a) above and 40% of the table described in (b) above, with generational improvements projected from 2017 using 80% of Projection Scale MP-2020.
- d) Mortality rates for Safety disabled retirees are based on 2021 CalPERS Industrial Disabled Annuitant Mortality Table, with generational improvements projected from 2017 using 80% of Projection Scale MP-2020.

The actuarial assumptions used in the June 30, 2023 valuation, updated to June 30, 2024, were based on the results of an actuarial experience study for the period July 1, 2019 through June 30, 2022. As a result of the June 30, 2022 actuarial experience study, no changes were made to the economic assumptions used in the previous actuarial valuation.

The long-term expected rate of return, measured as of June 30, 2024, 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 weighing 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%	4.00%
Developed market non-U.S. equity	11%	5.75%
Emerging markets equity	7%	8.75%
Core fixed income	17%	1.50%
Custom non-core fixed income	11%	4.23%
Custom real return	15%	4.15%
Custom real estate	10%	4.29%
Private equity	10%	7.25%
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		Discount Rate 7.0%	1% Increase	
	6.0%	8.0%		6.0%	8.0%
County of Santa Barbara	\$ 1,268,814		\$ 623,470	\$ 93,635	
First 5 Children and Families Commission	\$ 2,166		\$ 1,064	\$ 160	

Pension Fund Fiduciary Net Position

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

19. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan Description

The County's agent multiple-employer defined benefit postemployment healthcare plan (OPEB Plan) is administered by the Santa Barbara County Employees' Retirement System (SBCERS). The OPEB Plan is funded by the County and participating employers, 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 participating employers currently operate under the Voluntary Compliance Plan Statement and regulations adopted in 2013.

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

On June 26, 2012, the County closed the OPEB Plan to new general employees, and on June 20, 2016, the OPEB Plan was closed to new County Safety members.

SBCERS issues its own Annual Comprehensive Financial Report which includes note disclosures and required supplementary information for the OPEB Plan. This may be obtained by writing to the Santa Barbara County Employees' Retirement System at 130 Robin Hill Road, Suite 100, Goleta, CA 93117 or on the SBCERS website under "Resources" at <http://sbcers.org>.

Benefits Provided

The OPEB Plan offers healthcare, vision, and dental benefits to eligible County retirees and their dependents. Benefits are provided by third party providers. The County negotiates health care insurance contracts with providers for both its active employees and the participating retired members of SBCERS. Retirees are offered the same health plans as active County employees, as well as enhanced senior plans for retirees on Medicare. Retiree premiums are rated separately from active County employees; as such, the County does not have a retiree premium implicit rate subsidy.

Retirees who elect to participate in a County-sponsored health insurance plan are eligible to receive an explicit subsidy for medical premiums funded by the County and other employers. 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, 2024, the following County employees were covered by the benefit terms:

Active employees	1,602
Inactive employees entitled to but not yet receiving benefit payments	725
Inactive employees or beneficiaries currently receiving benefit payments	4,557
	<hr/>
	6,884
	<hr/>

Contributions

On March 1, 2016, the County adopted a resolution approving an OPEB (401(h) Account) Funding Policy. This policy provides for funding the OPEB Plan at 4% of Covered Payroll for the 401(a) Pension Plan (see Note 20) (as opposed to the smaller covered payroll of the OPEB Plan). This funding policy went into effect on July 1, 2016. Employees are not required to contribute to the OPEB Plan.

Net OPEB Liability

At June 30, 2025, the County and its discretely presented component unit reported a net OPEB liability of \$47,458 and \$123, respectively. The net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023, updated to June 30, 2024.

Actuarial Assumptions

The total OPEB liability measured as of June 30, 2024 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increase rate

3% per year

Investment rate of return

7.00% per year

Discount Rate

The discount rate is based on the Tread Water Indicator (TWI) which gives the level of contributions needed to prevent the unfunded liability from increasing from one evaluation date to the next.

The TWI is the sum of the benefits earned during the year (normal cost) and one year of interest on the expected administrative expenses for the current year.

Healthcare cost trend rates

The Healthcare Cost Trend Rate is not applicable because the total cost of health benefits is not valued. Only the monthly benefit provided is valued using the assumption that no future increase will be granted to the amount.

Future retiree plan election

Non-Medicare-Eligible Retirees:

40% - monthly subsidy of \$15 per year of service; 60% - \$4 cash benefit option

Medicare-Eligible Retirees:

40% - monthly subsidy of \$15 per year of service; 60% - \$4 cash benefit option

Mortality rates

Healthy Lives:

Mortality rates for General active members are based on the sex distinct Public General 2010 Above-Median Income Employee Mortality Table, with generational mortality improvements projected from 2010 using 80% of Projection Scale MP-2020, without adjustment.

Non-duty related mortality rates for Safety active members are based on the sex distinct Public Safety 2010 Above-Median Income Employee Mortality Table, with generational mortality improvements projected from 2010 using 80% of Projection Scale MP-2020, without adjustment.

Safety active members are also subject to the 2021 CalPERS Preretirement Industrial Mortality Table for duty-related deaths, with generational improvements projected from 2017 using 80% of Projection Scale MP-2020.

Mortality rates for healthy General annuitants are based on the sex distinct Public General 2010 Above-Median Income Retiree Mortality Table, with generational mortality improvements projected from 2010 using 80% of Projection Scale MP-2020.

Mortality rates for Safety annuitants are based on the sex distinct Public Safety 2010 Above-Median Income Retiree Mortality Table, with generational improvements projected from 2010 using 80% of Projection Scale MP-2020.

Disabled Lives:

Mortality rates for General disabled retirees are differentiated by type of disability retirement.

- a) General disabled retirees with duty disabilities are valued with mortality rates based on the 2021 CalPERS Industrial Disabled Annuitant Mortality Table, with generational improvements projected from 2017 using 80% of Projection Scale MP-2020.
- b) General disabled retirees with non-duty disabilities are valued with mortality rates based on the 2021 CalPERS Non-Industrial Disabled Annuitant Mortality Table, with generational improvements projected from 2017 using 80% of Projection Scale MP-2020.
- c) Mortality rates for General active members assumed to become disabled are valued using the previously stated assumption that 60% of General disabilities are service related (e.g., duty or industrial). The mortality rates used for this group are a blend of 60% of the table described in (a) above and 40% of the table described in (b) above, with generational improvements projected from 2017 using 80% of Projection Scale MP-2020.

Mortality rates for Safety disabled retirees are based on 2021 CalPERS Industrial Disabled Annuitant Mortality Table, with generational improvements projected from 2017 using 80% of Projection Scale MP-2020.

The actuarial assumptions used in the valuation as of June 30, 2023, updated to June 30, 2024, were based on 1) the demographic assumptions determined in the actuarial experience study of July 1, 2019 – June 30, 2022 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, 2023, 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.

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, 2024 for the County and its discretely presented component unit's proportionate share.

	Increase (Decrease)		Proportionate Share	
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	County of Santa Barbara	First 5 Children and Families Commission
			Net OPEB Liability (a) - (b)	Net OPEB Liability
Balances at 6/30/2023	\$ 119,479	\$ 53,658	\$ 65,821	\$ 65,667 \$ 154
Changes for the year:				
Service cost	960	-	960	958 2
Interest	8,116	-	8,116	8,095 21
Differences between expected and actual experience	(3,113)	-	(3,113)	(3,105) (8)
Changes of assumptions	-	-	-	-
Contributions - employer	-	16,472	(16,472)	(16,429) (43)
Net investment income (loss)	-	8,208	(8,208)	(8,187) (21)
Benefit payments	(8,173)	(8,173)	-	-
Administrative expense	-	(477)	477	476 1
Allocation basis adjustment*	-	-	-	17
Net changes	(2,210)	16,030	(18,240)	(18,209) (31)
Balances at 6/30/2024	\$ 117,269	\$ 69,688	\$ 47,581	\$ 47,458 \$ 123

*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 23-24 to FY 24-25.

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	Discount Rate	1% Increase
	6.0%	7.0%	8.0%
County of Santa Barbara	\$ 59,261	\$ 47,458	\$ 37,412
First 5 Children and Families Commission	\$ 153	\$ 123	\$ 97

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, 2025, the County and its discretely presented component unit recognized OPEB credit of \$1,213 and \$3, 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, 2025, 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	\$ -	\$ 1,553	\$ -	\$ 4
Changes in assumptions	-	-	-	-
Net difference between projected and actual earnings on retirement plan investments	-	1,848	-	5
County and Commission contributions subsequent to the measurement date	17,580	-	46	-
	\$ 17,580	\$ 3,401	\$ 46	\$ 9

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 \$17,626 as deferred outflows of resources related to OPEB contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the measurement year ended June 30, 2025.

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
2026	\$ (1,993)	\$ (5)
2027	532	1
2028	(1,104)	(3)
2029	(836)	(2)
	\$ (3,401)	\$ (9)

20. DEFERRED COMPENSATION PLANS

Santa Barbara County Supplemental Retirement Plan

The Santa Barbara County Supplemental Retirement Plan is an employer discretionary, defined contribution plan established and governed under Internal Revenue Code Section 401(a). Employer-only annual contributions are calculated based upon a percentage of employee compensation under annual agreements with employee bargaining groups and unions.

This plan is administered through a third-party administrator, Empower Retirement, and is available to all employee groups. The County does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the County's financial statements.

The County's actual contributions for the current year and the two preceding years are as follows:

Fiscal Year Ended	Contributions
6/30/2023	\$ 281
6/30/2024	302
6/30/2025	404

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 \$23,000 (in whole dollars) during 2024 and \$22,500 during 2023 (calendar years) so as to shelter such funds and earnings from state and federal taxation until withdrawal. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

This plan is administered through a third-party administrator. The County does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the County's financial statements.

County of Santa Barbara Social Security Compliance Deferred Compensation Plan

The Social Security Compliance Deferred Compensation Plan is a supplemental retirement program utilized by the County in lieu of payments to Social Security (FICA), governed under Internal Revenue Code Sections 3121 and 457. Enrollment in this plan is mandatory for contract, extra-help, seasonal and temporary employees. Employees enrolled in the regular SBCERS pension plans are not eligible for this plan. Based upon the employee's gross compensation, the employee's deferral, on a before-tax basis, equals 6.0% and the County's contribution equals 1.5% for a combined total of 7.5%.

This plan is administered through a third-party administrator and is available to all employee groups. The County does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the County's financial statements.

The County's actual contributions for the current year and the two preceding years are as follows:

Fiscal Year Ended	Contributions
6/30/2023	\$ 176
6/30/2024	198
6/30/2025	223

21. RESTATEMENTS AND ADJUSTMENTS

Change in Accounting Principle (Column A)

In FY 2024-25, the County implemented new pronouncement GASB 101 Compensated Absences. The new pronouncement uniformed and defined the elements required in the compensated absence liability calculation retroactively. Under the new guidance, the County now includes sick leave in the compensated absence liability calculation.

The change in accounting principle affected the following line items in the prior year Government-wide statements: Current and other liabilities and Long-term liabilities. As a result, the Net Position and Changes in Net Position of governmental activities, business-type activities, and component unit were all understated in prior year. The change in accounting principle affected the following line items in the prior year Internal Service and Enterprise Fund statements: Current and other liabilities and Long-term liabilities. As a result, the Net Position was understated in prior year.

Correction of an Error in Previously Issued Financial Statements (Column B)

In FY 2024-25, the County determined that the FICA (SSA and Medicare) calculation methodology used for the compensated absences liability was not accurate. A flat combine rate was used for all employees but has been corrected to apply SSA and Medicare rates as appropriate to each employee.

The error correction affected the following line items in the prior year Government-wide statements: Current and other liabilities and Long-term liabilities. As a result, the Net Position and Changes in Net Position of governmental activities, business-type activities, and component unit were all understated in prior year. The error correction affected the following line items in the prior year Internal Service and Enterprise Fund statements: Current and other liabilities and Long-term liabilities. As a result, the Net Position was understated in prior year.

	July 1, 2024	Change in				
	As Previously	Accounting		Error Correction		July 1, 2024
	Reported	Principle (A)		(B)		As Restated
Net Position: Governmentwide						
Governmental Activities	\$ 1,143,025	\$ (29,501)		\$ 823		\$ 1,114,347
Business-type Activities	207,111	(663)		5		206,453
Component Unit - First 5	5,766	(121)				5,645
Total Governmentwide	\$ 1,355,902	\$ (30,285)		\$ 828		\$ 1,326,445

22. SUBSEQUENT EVENTS

The County evaluated subsequent events from July 1, 2025 through October 13, 2025, the date the financial statements were available to be issued and no items were identified to be disclosed.

23. CERTAIN RISK DISCLOSURES

Concentration of Intergovernmental Program Funding and Legislative Constraint

The County's Public Health and Social Services operations rely significantly on federal and state program revenues, creating a concentration of inflows from specific providers of financial resources. The One Big Beautiful Bill Act (OBBBA), enacted July 4, 2025, imposes eligibility changes and reduced appropriations that constrain the County's ability to obtain resources for these programs.

As of the date these financial statements are issued, management has determined it is more likely than not that within 12 months, events associated with the OBBBA will occur or continue and could cause a substantial impact on program revenues and service levels in the Public Health and Social Services Departments. Preliminary internal estimates indicate up to approximately 110 positions potentially impacted, including elimination of unfilled positions, subject to ongoing labor discussions and program decisions.

To mitigate the risk, the County has taken the following actions prior to the issuance of these financial statements: The County (1) Began actively pursuing supplemental grant funding opportunities at the state and federal levels, (2) Initiated discussions with potential interagency partners to explore options for preserving essential services, (3) Commenced a reevaluation of program delivery models to identify opportunities to optimize limited resources, and (4) Implemented cost-saving measures, which include the elimination of currently unfilled positions and initial planning for potential layoffs.



Required Supplementary Information



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

Schedule of the County's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years

Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
For use in	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>
County's proportion of the net pension liability	92.9606%	92.9301%	93.0133%	93.0976%	92.9214%	92.5287%	92.8477%	93.1085%	92.7824%	92.8017%
County's proportionate share of the net pension liability	\$ 624,532	\$ 708,848	\$ 692,352	\$ 439,563	\$ 981,008	\$ 789,465	\$ 802,341	\$ 875,937	\$ 780,034	\$ 675,252
County's covered payroll	\$ 408,710	\$ 382,509	\$ 367,195	\$ 360,865	\$ 346,073	\$ 328,862	\$ 319,452	\$ 316,948	\$ 304,480	\$ 295,365
County's proportionate share of the net pension liability as a percentage of its covered payroll	152.81%	185.32%	188.55%	121.81%	283.47%	240.06%	251.16%	276.40%	256.20%	228.60%
Plan fiduciary net position as a percentage of the total pension liability	86.80%	84.40%	84.00%	89.40%	75.20%	78.90%	77.60%	74.90%	75.20%	77.70%

Amounts presented above were determined as of 6/30.

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

Schedule of the County's Contributions

Last 10 Fiscal Years

Measurement date	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
For use in	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>
Actuarially determined contribution	\$ 159,234	\$ 157,972	\$ 145,895	\$ 149,818	\$ 139,647	\$ 131,337	\$ 124,021	\$ 122,369	\$ 113,544	\$ 113,889
Contributions in relation to the actuarially determined contribution	<u>159,234</u>	<u>157,972</u>	<u>145,895</u>	<u>149,818</u>	<u>139,647</u>	<u>131,337</u>	<u>124,021</u>	<u>122,369</u>	<u>113,544</u>	<u>113,889</u>
Contribution deficiency (excess)	<u>\$ -</u>									
County's covered payroll	\$ 445,838	\$ 408,710	\$ 382,509	\$ 367,195	\$ 360,865	\$ 346,073	\$ 328,862	\$ 319,452	\$ 316,948	\$ 304,480
Contributions as a percentage of covered payroll	35.72%	38.65%	38.14%	40.80%	38.70%	37.95%	37.71%	38.31%	35.82%	37.40%

Amounts presented above were determined as of 6/30.

The information presented above relates solely to the County and its discretely presented component unit and not Santa Barbara County Employees' Retirement System as a whole.

The Notes to Required Supplementary Information (RSI) are integral to the above schedules.

Other Postemployment Benefits (OPEB) Plan - Schedule of Changes in the County's Net OPEB Liability and Related Ratios

Schedule of Changes in the County's Net OPEB Liability and Related Ratios

Last 10 Fiscal Years*

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Total OPEB liability								
Service cost	\$ 958	\$ 1,161	\$ 1,380	\$ 1,439	\$ 1,538	\$ 1,625	\$ 1,741	\$ 1,856
Interest	8,115	8,603	8,630	8,718	9,017	9,057	9,131	8,962
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(3,113)	(2,602)	(1,790)	(2,874)	(3,396)	(2,706)	(3,456)	-
Changes of assumptions	-	(5,675)	-	-	(2,890)	-	-	-
Benefit payments	(8,173)	(8,513)	(8,504)	(8,508)	(8,520)	(8,462)	(8,352)	(8,342)
Net change in total OPEB liability	(2,213)	(7,026)	(284)	(1,225)	(4,251)	(486)	(936)	2,476
Total OPEB liability - beginning	<u>119,482</u>	<u>126,508</u>	<u>126,792</u>	<u>128,017</u>	<u>132,268</u>	<u>132,754</u>	<u>133,690</u>	<u>131,214</u>
Total OPEB liability - ending (a)	<u>\$ 117,269</u>	<u>\$ 119,482</u>	<u>\$ 126,508</u>	<u>\$ 126,792</u>	<u>\$ 128,017</u>	<u>\$ 132,268</u>	<u>\$ 132,754</u>	<u>\$ 133,690</u>
Plan fiduciary net position								
Contributions - employer	\$ 16,472	\$ 15,146	\$ 14,816	\$ 14,331	\$ 13,913	\$ 13,584	\$ 12,763	\$ 12,642
Net investment income	8,207	4,571	(5,055)	7,128	1,788	1,666	863	589
Benefit payments	(8,173)	(8,513)	(8,504)	(8,508)	(8,520)	(8,462)	(8,352)	(8,342)
Administrative expense	(476)	(462)	(439)	(383)	(351)	(379)	(397)	(352)
Net change in plan fiduciary net position	16,030	10,742	818	12,568	6,830	6,409	4,877	4,537
Plan fiduciary net position - beginning	<u>53,658</u>	<u>42,916</u>	<u>42,098</u>	<u>29,530</u>	<u>22,700</u>	<u>16,291</u>	<u>11,414</u>	<u>6,877</u>
Plan fiduciary net position - ending (b)	<u>\$ 69,688</u>	<u>\$ 53,658</u>	<u>\$ 42,916</u>	<u>\$ 42,098</u>	<u>\$ 29,530</u>	<u>\$ 22,700</u>	<u>\$ 16,291</u>	<u>\$ 11,414</u>
County's net OPEB liability (a) - (b)	<u>\$ 47,581</u>	<u>\$ 65,824</u>	<u>\$ 83,592</u>	<u>\$ 84,694</u>	<u>\$ 98,487</u>	<u>\$ 109,568</u>	<u>\$ 116,463</u>	<u>\$ 122,276</u>
Plan fiduciary net position as a percentage of the total OPEB liability	59.43%	44.91%	33.92%	33.20%	23.07%	17.16%	12.27%	8.54%
Covered payroll	\$ 408,710	\$ 382,509	\$ 367,195	\$ 360,865	\$ 346,073	\$ 328,862	\$ 319,452	\$ 316,948
County's net OPEB liability as a percentage of covered payroll	11.64%	17.21%	22.77%	23.47%	28.46%	33.32%	36.46%	38.58%

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

The information presented above relates solely to the County and its discretely presented component unit and not Santa Barbara County Employees' Retirement System as a whole.

The Notes to RSI are integral to the above schedule.

Governmental Funds – General and Major Special Revenue



COUNTY OF SANTA BARBARA, CALIFORNIA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED June 30, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 338,985	\$ 338,985	\$ 349,688	\$ 10,703
Licenses, permits, and franchises	7,471	7,421	6,226	(1,195)
Fines, forfeitures, and penalties	7,741	8,310	9,491	1,181
Use of money and property	9,600	18,925	22,413	3,488
Intergovernmental	155,344	175,555	154,839	(20,716)
Charges for services	83,048	83,428	82,740	(688)
Other	3,973	4,562	4,394	(168)
Total revenues	<u>606,162</u>	<u>637,186</u>	<u>629,791</u>	<u>(7,395)</u>
Expenditures				
Current:				
Policy & executive	29,201	29,468	25,800	3,668
Public safety	313,672	310,824	306,236	4,588
Health & human services	6,278	6,461	6,057	404
Community resources & public facilities	45,161	42,657	38,217	4,440
General government & support services	65,382	64,944	62,537	2,407
General county programs	66,900	80,783	68,451	12,332
Debt service:				
Principal	--	2,478	2,478	--
Interest	--	372	372	--
Capital outlay	<u>4,061</u>	<u>18,156</u>	<u>17,130</u>	<u>1,026</u>
Total expenditures	<u>530,655</u>	<u>556,143</u>	<u>527,278</u>	<u>28,865</u>
Excess of revenues over expenditures	<u>75,507</u>	<u>81,043</u>	<u>102,513</u>	<u>21,470</u>
Other financing sources (uses)				
Transfers in	20,595	44,671	35,369	(9,302)
Transfers out	(116,695)	(164,145)	(115,831)	48,314
Sale of capital assets	--	--	27	27
Leases issued	--	1,437	1,437	--
Subscription assets financing source	--	2,610	2,610	--
Total other financing uses, net	<u>(96,100)</u>	<u>(115,427)</u>	<u>(76,388)</u>	<u>39,039</u>
Net change in fund balances	<u>(20,593)</u>	<u>(34,384)</u>	<u>26,125</u>	<u>60,509</u>
Fund balances - beginning	<u>327,918</u>	<u>327,918</u>	<u>327,918</u>	<u>--</u>
Fund balances - ending	<u>\$ 307,325</u>	<u>\$ 293,534</u>	<u>\$ 354,043</u>	<u>\$ 60,509</u>
Amounts reported in the GAAP Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds are different because:				
Actual amounts (budgetary basis) Total other financing uses, net			\$ (76,388)	
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.			(16,553)	
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>16,553</u>	
Total other financing uses, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds			<u>\$ (76,388)</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 10,196	\$ 10,487	\$ 10,544	\$ 57
Licenses, permits, and franchises	1,041	1,041	622	(419)
Use of money and property	1,128	2,197	2,405	208
Intergovernmental	55,061	55,529	41,986	(13,543)
Charges for services	9,684	9,684	8,621	(1,063)
Other	111	111	78	(33)
Total revenues	<u>77,221</u>	<u>79,049</u>	<u>64,256</u>	<u>(14,793)</u>
Expenditures				
Current:				
Community resources & public facilities	91,080	72,916	51,606	21,310
Debt service:				
Principal	--	73	73	--
Interest	--	28	28	--
Capital outlay	998	19,177	18,684	493
Total expenditures	<u>92,078</u>	<u>92,194</u>	<u>70,391</u>	<u>21,803</u>
Deficiency of revenues under expenditures	<u>(14,857)</u>	<u>(13,145)</u>	<u>(6,135)</u>	<u>7,010</u>
Other financing sources (uses)				
Transfers in	17,958	24,485	22,847	(1,638)
Transfers out	(4,515)	(7,096)	(6,483)	613
Sale of capital assets	30	30	37	7
Total other financing sources, net	<u>13,473</u>	<u>17,419</u>	<u>16,401</u>	<u>(1,018)</u>
Net change in fund balances	<u>(1,384)</u>	<u>4,274</u>	<u>10,266</u>	<u>5,992</u>
Fund balances - beginning	<u>47,299</u>	<u>47,299</u>	<u>47,299</u>	<u>--</u>
Fund balances - ending	<u>\$ 45,915</u>	<u>\$ 51,573</u>	<u>\$ 57,565</u>	<u>\$ 5,992</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	\$ 64,256
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(6,547)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 57,709</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 70,391
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(6,547)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 63,844</u>
Actual amounts (budgetary basis) Total other financing sources, net	\$ 16,401
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(3,017)</u>
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>3,017</u>
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 16,401</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits, and franchises	\$ 888	\$ 723	\$ 419	\$ (304)
Fines, forfeitures, and penalties	616	616	525	(91)
Use of money and property	375	706	642	(64)
Intergovernmental	32,171	34,171	31,636	(2,535)
Charges for services	54,159	54,628	54,286	(342)
Other	218	730	690	(40)
Total revenues	<u>88,427</u>	<u>91,574</u>	<u>88,198</u>	<u>(3,376)</u>
Expenditures				
Current:				
Health & human services	103,879	107,844	104,267	3,577
Debt service:				
Principal	--	220	220	--
Interest	--	11	11	--
Capital outlay	394	1,305	985	320
Total expenditures	<u>104,273</u>	<u>109,380</u>	<u>105,483</u>	<u>3,897</u>
Deficiency of revenues under expenditures	<u>(15,846)</u>	<u>(17,806)</u>	<u>(17,285)</u>	<u>521</u>
Other financing sources (uses)				
Transfers in	12,195	13,003	12,587	(416)
Transfers out	(2,344)	(3,579)	(3,054)	525
Subscription assets financing source	--	306	306	--
Total other financing sources, net	<u>9,851</u>	<u>9,730</u>	<u>9,839</u>	<u>109</u>
Net change in fund balances	<u>(5,995)</u>	<u>(8,076)</u>	<u>(7,446)</u>	<u>630</u>
Fund balances - beginning	<u>21,528</u>	<u>21,528</u>	<u>21,528</u>	<u>--</u>
Fund balances - ending	<u>\$ 15,533</u>	<u>\$ 13,452</u>	<u>\$ 14,082</u>	<u>\$ 630</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	\$ 9,839
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(924)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	924
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 9,839</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 SOCIAL SERVICES SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits, and franchises	\$ 80	\$ 80	\$ 126	\$ 46
Fines, forfeitures, and penalties	25	25	12	(13)
Use of money and property	422	342	19	(323)
Intergovernmental	206,483	209,360	203,075	(6,285)
Charges for services	902	902	857	(45)
Other	383	383	578	195
Total revenues	<u>208,295</u>	<u>211,092</u>	<u>204,667</u>	<u>(6,425)</u>
Expenditures				
Current:				
Health & human services	223,678	224,647	219,811	4,836
Debt service:				
Principal	--	1,359	1,359	--
Interest	--	683	683	--
Capital outlay	268	183	67	116
Total expenditures	<u>223,946</u>	<u>226,872</u>	<u>221,920</u>	<u>4,952</u>
Deficiency of revenues under expenditures	<u>(15,651)</u>	<u>(15,780)</u>	<u>(17,253)</u>	<u>(1,473)</u>
Other financing sources (uses)				
Transfers in	10,348	11,052	11,053	1
Transfers out	(1,438)	(2,095)	(1,375)	720
Total other financing sources, net	<u>8,910</u>	<u>8,957</u>	<u>9,678</u>	<u>721</u>
Net change in fund balances	<u>(6,741)</u>	<u>(6,823)</u>	<u>(7,575)</u>	<u>(752)</u>
Fund balances - beginning	<u>7,594</u>	<u>7,594</u>	<u>7,594</u>	<u>--</u>
Fund balances - ending	<u>\$ 853</u>	<u>\$ 771</u>	<u>\$ 19</u>	<u>\$ (752)</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			\$ 204,667	
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.			<u>(502)</u>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds			<u>\$ 204,165</u>	
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule			221,920	
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.			<u>(502)</u>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds			<u>\$ 221,418</u>	
Actual amounts (budgetary basis) Total Other Financing Sources, Net			\$ 9,678	
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>(17)</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>17</u>	
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds			<u>\$ 9,678</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ --	\$ --	\$ 1	\$ 1
Fines, forfeitures, and penalties	120	120	47	(73)
Use of money and property	1,217	2,630	3,207	577
Intergovernmental	99,146	112,342	105,539	(6,803)
Charges for services	93,680	93,782	85,074	(8,708)
Other	244	6,404	6,835	431
Total revenues	<u>194,407</u>	<u>215,278</u>	<u>200,703</u>	<u>(14,575)</u>
Expenditures				
Current:				
Health & human services	205,718	207,149	193,097	14,052
Debt service:				
Principal	--	1,241	1,241	--
Interest	--	328	328	--
Capital outlay	1,364	5,487	5,096	391
Total expenditures	<u>207,082</u>	<u>214,205</u>	<u>199,762</u>	<u>14,443</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,675)</u>	<u>1,073</u>	<u>941</u>	<u>(132)</u>
Other financing sources (uses)				
Transfers in	12,648	13,155	13,270	115
Transfers out	(6,542)	(9,585)	(7,350)	2,235
Leases issued	--	587	587	--
Total other financing sources, net	<u>6,106</u>	<u>4,157</u>	<u>6,507</u>	<u>2,350</u>
Net change in fund balances	<u>(6,569)</u>	<u>5,230</u>	<u>7,448</u>	<u>2,218</u>
Fund balances - beginning	<u>59,316</u>	<u>59,316</u>	<u>59,316</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 52,747</u></u>	<u><u>\$ 64,546</u></u>	<u><u>\$ 66,764</u></u>	<u><u>\$ 2,218</u></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	\$ 200,703
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(16,966)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 183,737</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 199,762
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(16,966)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 182,796</u>
Actual amounts (budgetary basis) Total other financing sources, net	\$ 6,507
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>(4,885)</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>4,885</u>
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 6,507</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 16,531	\$ 16,531	\$ 16,902	\$ 371
Fines, forfeitures, and penalties	--	--	2	2
Use of money and property	1,139	2,821	3,891	1,070
Intergovernmental	19,019	19,019	14,141	(4,878)
Charges for services	4,828	4,828	5,290	462
Other	--	--	13	13
Total revenues	<u>41,517</u>	<u>43,199</u>	<u>40,239</u>	<u>(2,960)</u>
Expenditures				
Current:				
Community resources & public facilities	28,508	28,122	19,773	8,349
Debt service:			--	
Capital outlay	<u>24,788</u>	<u>24,787</u>	<u>7,695</u>	<u>17,092</u>
Total expenditures	<u>53,296</u>	<u>52,909</u>	<u>27,468</u>	<u>25,441</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,779)</u>	<u>(9,710)</u>	<u>12,771</u>	<u>22,481</u>
Other financing sources (uses)				
Transfers in	2,058	2,437	570	(1,867)
Transfers out	--	(1,529)	(1,148)	381
Sale of capital assets	--	--	56	56
Total other financing sources (uses)	<u>2,058</u>	<u>908</u>	<u>(522)</u>	<u>(1,430)</u>
Net change in fund balances	<u>(9,721)</u>	<u>(8,802)</u>	<u>12,249</u>	<u>21,051</u>
Fund balances - beginning	<u>67,428</u>	<u>67,428</u>	<u>67,428</u>	<u>--</u>
Fund balances - ending	<u>\$ 57,707</u>	<u>\$ 58,626</u>	<u>\$ 79,677</u>	<u>\$ 21,051</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			\$ 40,239	
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.			<u>(5,985)</u>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds			<u>\$ 34,254</u>	
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule			\$ 27,468	
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.			<u>(5,985)</u>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds			<u>\$ 21,483</u>	
Total other financing sources (uses) on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds			<u>\$ (522)</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 40	\$ 668	\$ 1,401	\$ 733
Intergovernmental	30,270	32,061	18,775	(13,286)
Charges for services	50	50	--	(50)
Other	1,882	1,882	1,813	(69)
Total revenues	<u>32,242</u>	<u>34,661</u>	<u>21,989</u>	<u>(12,672)</u>
Expenditures				
Current:				
Community resources & public facilities	42,386	37,497	23,454	14,043
Total expenditures	<u>42,386</u>	<u>37,497</u>	<u>23,454</u>	<u>14,043</u>
Deficiency of revenues under expenditures	(10,144)	(2,836)	(1,465)	1,371
Other financing sources (uses)				
Transfers in	13,882	8,293	5,242	(3,051)
Transfers out	(3,203)	(4,294)	(3,437)	857
Total other financing sources, net	<u>10,679</u>	<u>3,999</u>	<u>1,805</u>	<u>(2,194)</u>
Net change in fund balances	535	1,163	340	(823)
Fund balances - beginning	12,125	12,125	12,125	--
Fund balances - ending	<u>\$ 12,660</u>	<u>\$ 13,288</u>	<u>\$ 12,465</u>	<u>\$ (823)</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 76,034	\$ 76,034	\$ 77,811	\$ 1,777
Licenses, permits, and franchises	37	37	46	9
Fines, forfeitures, and penalties	--	--	18	18
Use of money and property	50	199	25	(174)
Intergovernmental	7,007	7,007	1,676	(5,331)
Charges for services	40,133	40,133	47,578	7,445
Other	38	186	202	16
Total revenues	<u>123,299</u>	<u>123,596</u>	<u>127,356</u>	<u>3,760</u>
Expenditures				
Current:				
Public safety	122,247	123,481	120,467	3,014
Debt service:				
Principal	--	192	192	--
Capital outlay	2,017	4,306	3,230	1,076
Total expenditures	<u>124,264</u>	<u>127,979</u>	<u>123,889</u>	<u>4,090</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(965)</u>	<u>(4,383)</u>	<u>3,467</u>	<u>7,850</u>
Other financing sources (uses)				
Transfers in	1,255	7,949	13,488	5,539
Transfers out	(17,825)	(19,138)	(10,252)	8,886
Sale of capital assets	20	20	99	79
Long-term debt issued	3,720	3,720	--	(3,720)
Subscription assets financing source	--	606	606	--
Total other financing sources (uses)	<u>(12,830)</u>	<u>(6,843)</u>	<u>3,941</u>	<u>10,784</u>
Net change in fund balances	<u>(13,795)</u>	<u>(11,226)</u>	<u>7,408</u>	<u>18,634</u>
Fund balances - beginning	<u>25,707</u>	<u>25,707</u>	<u>25,707</u>	<u>--</u>
Fund balances - ending	<u>\$ 11,912</u>	<u>\$ 14,481</u>	<u>\$ 33,115</u>	<u>\$ 18,634</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 Budgetary Compliance document that demonstrates legal compliance with budgetary control. This document is made available to the public on the County's website <https://www.countyofsb.org/375/Publications>, or can be obtained from the Auditor-Controller's office.

For the year ended June 30, 2025, 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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 155	\$ 2,891	\$ 3,784	\$ 893
Intergovernmental	1,247	2,516	1,975	(541)
Charges for services	550	550	552	2
Other	208	2,523	1,610	(913)
Total revenues	<u>2,160</u>	<u>8,480</u>	<u>7,921</u>	<u>(559)</u>
Expenditures				
Current:				
Public safety	60	97	80	17
General government & support services	375	3,210	2,072	1,138
Debt service:				
Principal	--	3	--	3
Capital outlay	<u>24,820</u>	<u>134,584</u>	<u>46,648</u>	<u>87,936</u>
Total expenditures	<u>25,255</u>	<u>137,894</u>	<u>48,800</u>	<u>89,094</u>
Deficiency of revenues under expenditures	<u>(23,095)</u>	<u>(129,414)</u>	<u>(40,879)</u>	<u>88,535</u>
Other financing sources (uses)				
Transfers in	21,444	129,765	46,940	(82,825)
Transfers out	(973)	(89,220)	(34,272)	54,948
Proceeds from sale of capital assets	--	--	42	42
Total other financing sources, net	<u>20,471</u>	<u>40,545</u>	<u>12,710</u>	<u>(27,835)</u>
Net change in fund balances	<u>(2,624)</u>	<u>(88,869)</u>	<u>(28,169)</u>	<u>60,700</u>
Fund balances - beginning	<u>107,704</u>	<u>107,704</u>	<u>107,704</u>	<u>--</u>
Fund balances - ending	<u>\$ 105,080</u>	<u>\$ 18,835</u>	<u>\$ 79,535</u>	<u>\$ 60,700</u>
Amounts reported in the GAAP Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds are different because:				
Actual amounts (budgetary basis) Total other financing sources, net			\$ 12,710	
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.			(23,225)	
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>23,225</u>	
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds			<u>\$ 12,710</u>	



Nonmajor Governmental Funds



Nonmajor governmental funds are funds that do not meet the definition of a major fund, as described in the glossary. The following funds are presented as nonmajor funds in the ACFR:

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to finance particular governmental activities and are financed by specific taxes or other revenues. Such funds are authorized by statutory provisions to pay for certain activities of a continuing nature. Included in the Special Revenue classification are the following funds:

Fish and Game

The Fish and Game Fund is used to account for fines and forfeitures received under Section 13003 of the State of California Fish and Game Code and for other revenues and expenditures for the propagation and conservation of fish and game. The Board of Supervisors authorizes expenditures on advice of the Fish and Game Commission.

Petroleum

The Petroleum Fund, established pursuant to Chapter 25 of the County Code, is used to account for the revenues and expenditures associated with administering the Petroleum Ordinance. The Petroleum Ordinance regulates the issuing of oil well drilling permits. It also regulates drilling, operating and abandoning petroleum wells, pipelines, tanks and associated petroleum equipment for prevention of erosion, pollution and fire hazards and for safety controls.

Clerk-Recorder

The Clerk-Recorder Fund is used to account for activity related to the Clerk-Recorder division of the Clerk-Recorder-Assessor department.

Special Aviation

The Special Aviation Fund is used to account for activity related to the Santa Ynez Airport. It is funded primarily by state and federal grants for airport improvements.

In-Home Supportive Services (IHSS) Public Authority

The In-Home Supportive Services Public Authority Fund was established by the Board of Supervisors to act as the employer of record for IHSS individual providers. As an administrative unit, it carries out functions prescribed in Welfare & Institutions Code Section 12301.6. Those functions include a provider screening process, a registry that will match eligible providers and consumers, and collective bargaining with providers and their representatives. IHSS also offers access to training for providers and consumers while continuing to allow for consumer choice in the selection of providers.

Child Support Services

AB 196, AB 150, and SB 542 established the Child Support Services Fund during FY 00-01 to provide separate fund accountability as required. These legislative bills mandated that all Family Support Divisions located in the District Attorney's Offices become separate and independent departments. Child Support Services establishes paternity, obtains and enforces court orders for child support, collects and distributes payments, and provides community outreach about those services for the benefit of minor children.

Fishermen Assistance

This column combines the following individual County funds:

Fisheries Enhancement

The Fisheries Enhancement Fund (FEF) was established to mitigate impacts to the commercial fishing industry from offshore oil and gas development. Impact fees paid by offshore energy producers, pursuant to permit conditions, support the FEF. The Planning Commission approved a supplemental needs assessment that, pursuant to Board of Supervisors adopted FEF Guidelines, recommends projects to be pursued for FEF awards.

Local Fishermen's Contingency

The Local Fishermen's Contingency Fund is financed by County permit conditions placed upon energy projects to mitigate impacts to the commercial fishing industry. The intent of the fund is to provide an interest-free loan

program to fishermen awaiting payment of claims from the Federal Fishermen's Contingency Fund. The claims are for damage or loss resulting from outer continental shelf development or production, and to reimburse fishermen for damage or loss of gear, not covered under the federal fund, which occurs in state waters because of federal or state oil and gas development, or because of oil production activities such as transport.

Coastal Resources Enhancement

The Coastal Resources Enhancement Fund was established on May 10, 1988 to account for revenues received from offshore oil and gas projects pursuant to permit conditions, and expanded by the Board of Supervisors to projects that mitigate impacts to coastal recreation, aesthetics, tourism, and/or sensitive environmental resources.

Court Activities

AB 2544 in FY 94-95 established the Court Activities Fund to account for the state's portion of Trial Court Funding. AB 233, adopted in FY 97-98, transferred state funding out of the County entity. This fund represents the portion of Trial Court Operations under the County's control.

Criminal Justice Construction

The Criminal Justice Construction Fund was established to account for state authorized surcharges on criminal fines, which are statutorily designated for the establishment of adequate criminal justice facilities in the County.

Courthouse Construction

The Courthouse Construction Fund was established to account for state authorized surcharges on fines for non-parking and other criminal cases, which are statutorily designated for renovation and/or construction of courtroom facilities.

Inmate Welfare

The Inmate Welfare Fund was established pursuant to Penal Code Section 4025 to account for profits from the County jail store and any money attributable to the use of pay telephones. The funds are expended primarily for the benefit, education, and welfare of the inmates confined within the jail.

Planning & Development

The Planning & Development Fund is used to account for activity and operations related to the Planning & Development department.

Opioid Settlement

The Opioid Settlement Fund was established in June of 2024 to account for revenues received from County-initiated litigation against distributors and manufacturers of prescription opioids. The awarded settlements allow the County to recover damages from opioid drug misuse caused by the deceptive marketing and sale of prescription opioids, and to obtain other remedies to mitigate the problem going forward. The Opioid Settlement Funds must be expended on approved opioid abatement activities as set forth in the various settlement agreements and bankruptcy plans.

Tobacco Settlement

The Tobacco Settlement Fund was established by the Board of Supervisors to account for funds received related to the 1998 settlement between several States and major tobacco companies. The funds are expended for various County health related programs.

Tidelands

The Tidelands Fund is used to account for monies received from oil companies which are to be used for operating costs of South County public beach parks.

SPECIAL DISTRICTS UNDER THE BOARD OF SUPERVISORS

Separate special districts have been established for the purpose of providing specific services to distinct geographical areas within the County. Those special districts that are under the jurisdiction of the Board of Supervisors are included within the Special Revenue Fund classification. These are financed principally from property taxes and benefit assessments, and are comprised of the following:

County Service Areas (CSAs)

This column combines the following individual County funds:

County Service Area #3

This service area serves part of the Goleta Valley, providing extended park and open space acquisition and maintenance, enhanced library services and street lighting. It provides 1,430 streetlights and maintains approximately 535 acres of open space and 148 acres of parks. This fund also made payments for the Goleta Valley Community Center and the Santa Barbara Shores property prior to the transfer of these assets to the City of Goleta.

County Service Area #4

This service area is located north of the City of Lompoc and serves the communities of Mission Hills and Vandenberg Village. It maintains approximately 52 acres of open space.

County Service Area #5

This service area serves the Orcutt area south of Santa Maria, providing extended park and open space activities. Extending from Waller Park, to just south of Rice Ranch Road, CSA #5 encompasses approximately 68 acres of parkland (Waller Park) and 11 acres of open space.

County Service Area #11

This service area embraces the unincorporated urbanized area of Carpinteria Valley and Summerland. The service area provides the community with parks and 77 streetlights.

County Service Area #12 – Mission Canyon Sewer Service Charge

This service area was established for the purpose of assessing property owners for the ongoing maintenance of the sewer system and septic tank inspection services for those properties in the prohibition area, but not on public sewers. A separate assessment is charged to properties remaining on septic systems in order to provide septic performance tracking.

County Service Area #31

This service area embraces the unincorporated community of Isla Vista, located west of the University of California at Santa Barbara, and provides 277 streetlights; installation, maintenance and repair of sidewalks, curbs and gutters and planting, along with maintenance and care of street trees.

County Service Area #41

This service area was established to assess property owners of the Rancho Santa Rita Subdivision, located outside the City of Lompoc, for road repairs, maintenance and improvements.

Community Facilities Districts (CFDs)

This column combines the following individual County funds:

Orcutt Community Facilities District

In October 2002, qualified landowners approved the formation of a CFD within the Orcutt Planning Area, located south of the City of Santa Maria. The CFD levied a special tax that may be used to finance infrastructure construction, fire and sheriff protection services, maintenance of parks, parkways and open space, and flood and storm protection services.

Providence Landing Community Facilities District

This Mello-Roos district encompasses the Providence Landing subdivision in South Vandenberg Village and provides funding for the maintenance of a public park.

Lighting Districts

This column combines the following individual County funds:

Mission Lighting District

This district provides 19 streetlights in the unincorporated area of Mission Canyon, located east of the City of Santa Barbara, and is financed by property taxes and benefit assessments.

North County Lighting District

Casmalia, Los Alamos, and Orcutt Lighting Districts and the lighting function of CSA #4 and CSA #5 were consolidated in FY 94-95 to form the North County Lighting District which provides 2,764 streetlights in the North County. This district is financed by property taxes and benefit assessments.

Sandyland Seawall Maintenance District

This district provides for the maintenance of a seawall constructed in the Sandyland Cove area, and is financed through benefit assessments levied against those properties adjacent to that beachfront area.

Water Agency

This agency prepares investigations and reports on the County's water requirements, project development, and efficient use of water. The agency provides technical assistance to other County departments, water districts, and the public concerning water availability and water well locations and design. The agency also administers the Cachuma Project and Twitchell Dam Project contracts with the U.S. Bureau of Reclamation. It is funded primarily by state grants and property tax revenue.

PERMANENT FUNDS

Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings (and not principal) may be used for the purposes of supporting the program.

Oak Restoration Fund

The Oak Restoration Fund is used to account for activities related to the restoration of oak trees in Santa Barbara County.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt.

Santa Barbara County Finance Corporation

The Santa Barbara County Finance Corporation Debt Service Fund accounts for the accumulation of resources for, and payment of, principal and interest incurred from the sale of Certificates of Participation and other municipal debt that is issued to finance various County capital projects.



COUNTY OF SANTA BARBARA, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2025 (in thousands)

	Special Revenue											
	Fish and Game		Petroleum		Clerk- Recorder		Special Aviation		IHSS Public Authority		Child Support Services	
	\$	751	\$	769	\$	3,356	\$	173	\$	882	\$	985
Assets												
Assets:												
Cash and investments	\$	751	\$	769	\$	3,356	\$	173	\$	882	\$	985
Accounts receivable, net:												
Licenses, permits, and franchises	--	--	--	--	--	--	--	--	--	--	--	
Fines, forfeitures, and penalties	--	--	--	--	--	--	--	--	--	--	--	
Use of money and property	6	7		27		2		(5)		9		
Intergovernmental	--	--	--	--	46		1,689		207			
Charges for services	--	--	--	--	--	--	--	--	95			
Other	--	--	--	--	--	--	--	--	--	--		
Due from other funds	--	--	--	--	--	--	--	--	--	--		
Other receivables	--	--	--	11	--	--	--	--	--	--		
Restricted cash and investments				--	--	--	--	--	--	--		
Total assets	\$	757	\$	776	\$	3,394	\$	221	\$	2,566	\$	1,296
Liabilities and fund balances												
Liabilities:												
Accounts payable	\$	46	\$	--	\$	--	\$	--	\$	1,096	\$	--
Salaries and benefits payable	--	--	21		139		--	--	--	534		
Advances from grantors and third parties	--	--	--	22		--	--	--	--	--		
Due to other funds	--	--	--	--	--	--	1,492		--	--		
Customer deposits payable	--	--	--	--	--	--	--	--	--	--		
Total liabilities	\$	46	\$	21	\$	161	\$	--	\$	2,588	\$	534
Fund balances:												
Nonspendable	--	--	--	--	--	--	--	--	--	--	--	
Restricted	705		755		3,255		212		--	752		
Committed	--	--	--	3		--	--	--	--	--		
Unassigned	6	--	--	(25)		9		(22)		10		
Total fund balances	\$	711	\$	755	\$	3,233	\$	221	\$	(22)	\$	762
Total liabilities and fund balances	\$	757	\$	776	\$	3,394	\$	221	\$	2,566	\$	1,296

Special Revenue																
Fishermen Assistance	Coastal Resources Enhancement	Court Activities	Criminal Justice Construction	Courthouse Construction	Inmate Welfare	Planning & Development	Assets									
\$ 482	\$ 2,876	\$ 415	\$ 1,841	\$ 1,813	\$ 2,517	\$ 3,029	Assets:	Assets:								
--	--	--	--	--	--	154	Cash and investments	Cash and investments								
--	--	122	43	34	--	--	Accounts receivable, net:	Accounts receivable, net:								
4	26	(1)	17	16	48	39	Licenses, permits, and franchises	Licenses, permits, and franchises								
--	--	--	--	--	--	--	Fines, forfeitures, and penalties	Fines, forfeitures, and penalties								
--	--	196	--	--	--	52	Use of money and property	Use of money and property								
14	--	--	--	--	224	--	Intergovernmental	Intergovernmental								
--	--	476	--	--	--	1,636	Charges for services	Charges for services								
--	--	--	--	--	--	--	Other	Other								
--	--	--	--	--	--	15,779	Due from other funds	Due from other funds								
\$ 500	\$ 2,902	\$ 1,208	\$ 1,901	\$ 1,863	\$ 2,789	\$ 20,689	Other receivables	Other receivables								
							Restricted cash and investments	Restricted cash and investments								
							Total assets	Total assets								
												Liabilities and fund balances				
												Liabilities:				
												Accounts payable				
												Salaries and benefits payable				
												Advances from grantors and third parties				
												Due to other funds				
												Customer deposits payable				
												Total liabilities				
												Fund balances:				
												Nonspendable				
												Restricted				
												Committed				
												Unassigned				
												Total fund balances				
												Total liabilities and fund balances				
\$ 500	\$ 2,902	\$ 1,208	\$ 1,901	\$ 1,863	\$ 2,789	\$ 20,689										

COUNTY OF SANTA BARBARA, CALIFORNIA
 COMBINING BALANCE SHEET (Continued)
 NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025 (in thousands)

	Special Revenue						Community Facilities Districts	Lighting Districts		
	Opioid Settlement	Tobacco Settlement	Tidelands	County Service Areas	Community Facilities Districts	Lighting Districts				
Assets										
Assets:										
Cash and investments	\$ 10,629	\$ 6,486	\$ 280	\$ 7,452	\$ 1,182	\$ 981				
Accounts receivable, net:										
Licenses, permits, and franchises	--	--	--	--	--	--				
Fines, forfeitures, and penalties	--	--	--	--	--	--				
Use of money and property	97	80	--	65	11	8				
Intergovernmental	--	--	--	--	--	--				
Charges for services	--	--	--	--	--	--				
Other	--	--	--	--	--	--				
Due from other funds	--	--	--	--	--	--				
Other receivables	--	--	--	--	--	--				
Restricted cash and investments	--	--	--	--	--	--				
Total assets	<u>\$ 10,726</u>	<u>\$ 6,566</u>	<u>\$ 280</u>	<u>\$ 7,517</u>	<u>\$ 1,193</u>	<u>\$ 989</u>				
Liabilities and fund balances										
Liabilities:										
Accounts payable	\$ --	\$ 19	\$ --	\$ 361	\$ 2	\$ 39				
Salaries and benefits payable	--	--	--	--	--	--				
Advances from grantors and third parties	--	--	--	--	--	--				
Due to other funds	--	--	4	--	--	--				
Customer deposits payable	--	--	--	--	--	--				
Total liabilities	<u>--</u>	<u>19</u>	<u>4</u>	<u>361</u>	<u>2</u>	<u>39</u>				
Fund balances:										
Nonspendable	--	--	--	--	--	--				
Restricted	10,433	--	276	7,043	1,169	934				
Committed	--	6,471	--	--	--	--				
Unassigned	293	76	--	113	22	16				
Total fund balances	<u>10,726</u>	<u>6,547</u>	<u>276</u>	<u>7,156</u>	<u>1,191</u>	<u>950</u>				
Total liabilities and fund balances	<u>\$ 10,726</u>	<u>\$ 6,566</u>	<u>\$ 280</u>	<u>\$ 7,517</u>	<u>\$ 1,193</u>	<u>\$ 989</u>				

Special Revenue				Permanent		Debt Service			
Sandyland Seawall Maintenance District	Water Agency	Special Revenue Total		Oak Restoration	Santa Barbara County Finance Corporation		Total Nonmajor Governmental Funds		
\$ 609	\$ 22,516	\$ 70,024	\$ 825	\$ 87	\$ 70,936				
—	—	154	—	—	—	154			
—	—	199	—	—	—	199			
5	183	644	7	1	652				
—	34	1,976	—	—	1,976				
—	—	343	—	—	—	343			
—	—	238	—	—	—	238			
—	37	2,149	—	—	—	2,149			
—	—	11	—	—	—	11			
—	120	15,899	—	1,511	—	17,410			
\$ 614	\$ 22,890	\$ 91,637	\$ 832	\$ 1,599	\$ 94,068				

Assets	
Assets:	
Cash and investments	
Accounts receivable, net:	
Licenses, permits, and franchises	
Fines, forfeitures, and penalties	
Use of money and property	
Intergovernmental	
Charges for services	
Other	
Due from other funds	
Other receivables	
Restricted cash and investments	
Total assets	

Liabilities and fund balances	
Liabilities:	
Accounts payable	
Salaries and benefits payable	
Advances from grantors and third parties	
Due to other funds	
Customer deposits payable	
Total liabilities	
Fund balances:	
Nonspendable	
Restricted	
Committed	
Unassigned	
Total fund balances	
Total liabilities and fund balances	

COUNTY OF SANTA BARBARA, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED June 30, 2025 (in thousands)

	Special Revenue					
	Fish and Game	Petroleum	Clerk- Recorder	Special Aviation	IHSS Public Authority	Child Support Services
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses, permits, and franchises	--	1	433	--	--	--
Fines, forfeitures, and penalties	5	--	5	--	--	--
Use of money and property	45	43	190	12	124	58
Intergovernmental	--	--	10	72	12,468	10,054
Charges for services	--	431	2,390	--	--	3
Other	--	--	2	--	--	31
Total revenues	50	475	3,030	84	12,592	10,146
Expenditures						
Current:						
Public safety	--	--	--	--	--	--
Health & human services	--	--	--	--	15,175	10,022
Community resources & public facilities	123	504	--	--	--	--
General government & support services	--	--	3,332	1	--	--
General county programs	--	--	--	--	--	--
Debt service:						
Principal	--	--	--	--	--	40
Interest	--	--	--	--	--	24
Capital outlay	--	--	--	93	--	--
Total expenditures	123	504	3,332	94	15,175	10,086
Excess (deficiency) of revenues over (under) expenditures	(73)	(29)	(302)	(10)	(2,583)	60
Other financing sources (uses)						
Transfers in	--	--	--	--	1,699	--
Transfers out	--	--	--	--	--	(13)
Total other financing sources (uses)	--	--	--	--	1,699	(13)
Net change in fund balances	(73)	(29)	(302)	(10)	(884)	47
Fund balances - beginning	784	784	3,535	231	862	715
Fund balances - ending	\$ 711	\$ 755	\$ 3,233	\$ 221	\$ (22)	\$ 762

Special Revenue								
Fishermen Assistance	Coastal Resources Enhancement	Court Activities	Criminal Justice Construction	Courthouse Construction	Inmate Welfare	Planning and Development		
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	15,864	Revenues
--	--	1,105	414	321	--	--	153	Taxes
27	176	74	107	99	342	--	180	Licenses, permits, and franchises
--	--	--	--	--	--	--	29	Fines, forfeitures, and penalties
--	--	1,719	--	--	--	--	498	Use of money and property
14	319	662	--	1	1,542	--	516	Intergovernmental
41	495	3,560	521	421	1,884	17,240		Charges for services
								Other
								Total revenues
								Expenditures
								Current:
--	--	11,267	--	--	2,017	--	--	Public safety
--	--	--	--	--	--	--	--	Health & human services
8	609	--	--	--	--	--	19,533	Community resources & public facilities
--	--	--	--	--	--	--	--	General government & support services
--	--	--	--	--	--	--	--	General county programs
								Debt service:
--	--	--	--	--	--	--	143	Principal
--	--	--	--	--	--	--	11	Interest
--	--	--	--	--	6	--	14	Capital outlay
8	609	11,267	--	--	2,023	19,701		Total expenditures
								Excess (deficiency) of revenues over (under) expenditures
33	(114)	(7,707)	521	421	(139)	(2,461)		
								Other financing sources (uses)
--	--	7,615	--	--	--	2,302		Transfers in
--	--	--	(326)	--	--	(78)		Transfers out
--	--	7,615	(326)	--	--	2,224		Total other financing sources (uses)
33	(114)	(92)	195	421	(139)	(237)		Net change in fund balances
467	2,941	1,194	1,706	1,442	2,651	3,892		Fund balances - beginning, as previously reported
\$ 500	\$ 2,827	\$ 1,102	\$ 1,901	\$ 1,863	\$ 2,512	\$ 3,655		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, 2025 (in thousands)

Special Revenue											
	Opioid Settlement	Tobacco Settlement	Tidelands	County Service Areas	Community Facilities Districts	Lighting Districts					
Revenues											
Taxes	\$ --	\$ --	\$ --	\$ 2,075	\$ 1,176	\$ 752					
Licenses, permits, and franchises	--	--	--	--	--	--					
Fines, forfeitures, and penalties	--	--	--	--	--	--					
Use of money and property	561	495	--	402	63	50					
Intergovernmental	--	--	--	6	--	2					
Charges for services	--	--	--	581	--	--					
Other	7,503	3,701	--	(1)	--	--					
Total revenues	8,064	4,196	--	3,063	1,239	804					
Expenditures											
Current:											
Public safety	--	--	--	--	--	--					
Health & human services	--	--	--	--	--	--					
Community resources & public facilities	--	--	--	1,035	246	627					
General government & support services	--	--	--	--	--	--					
General county programs	--	186	--	--	--	--					
Debt service:											
Principal	--	--	--	--	--	--					
Interest	--	--	--	--	--	--					
Capital outlay	--	--	--	--	--	--					
Total expenditures	--	186	--	1,035	246	627					
Excess (deficiency) of revenues over (under) expenditures	8,064	4,010	--	2,028	993	177					
Other financing sources (uses)											
Transfers in	--	--	--	--	--	--					
Transfers out	(1,388)	(6,290)	--	(1,135)	(949)	--					
Total other financing sources (uses)	(1,388)	(6,290)	--	(1,135)	(949)	--					
Net change in fund balances	6,676	(2,280)	--	893	44	177					
Fund balances - beginning	4,050	8,827	276	6,263	1,147	773					
Fund balances - ending	\$ 10,726	\$ 6,547	\$ 276	\$ 7,156	\$ 1,191	\$ 950					

Special Revenue		Permanent		Debt Service		Santa Barbara County Finance Corporation	Total Nonmajor Governmental Funds	Revenues
Sandyland Seawall Maintenance District	Water Agency	Special Revenue Total	Oak Restoration					
\$ --	\$ 4,377	\$ 8,380	\$ --	\$ --	\$ --	\$ 8,380	\$ 8,380	Taxes
--	--	16,298	--	--	--	16,298		Licenses, permits, and franchises
--	--	2,003	--	--	--	2,003		Fines, forfeitures, and penalties
37	1,177	4,262	46		104	4,412		Use of money and property
--	580	23,221	--	1,373		24,594		Intergovernmental
--	4	5,626	--	--		5,626		Charges for services
1	1	14,292	--	--		14,292		Other
38	6,139	74,082	46	1,477		75,605		Total revenues
Expenditures								
Current:								
--	--	13,284	--	--	13,284			Public safety
--	--	25,197	--	--	25,197			Health & human services
154	2,758	25,597	--	--	25,597			Community resources & public facilities
--	--	3,333	--	--	3,333			General government & support services
--	--	186	--	13	199			General county programs
Debt service:								
--	--	183	--	4,351	4,534			Principal
--	--	35	--	5,435	5,470			Interest
--	--	113	--	--	113			Capital outlay
154	2,758	67,928	--	9,799	77,727			Total expenditures
Excess (deficiency) of revenues over (under) expenditures								
(116)	3,381	6,154	46	(8,322)	(2,122)			
Other financing sources (uses)								
--	--	11,616	--	8,516	20,132			Transfers in
--	(15)	(10,194)	--	--	(10,194)			Transfers out
--	(15)	1,422	--	8,516	9,938			Total other financing sources (uses)
(116)	3,366	7,576	46	194	7,816			Net change in fund balances
703	19,255	62,498	786	1,403	64,687			Fund balances - beginning, as previously reported
\$ 587	\$ 22,621	\$ 70,074	\$ 832	\$ 1,597	\$ 72,503			Fund balances - ending

COUNTY OF SANTA BARBARA, CALIFORNIA
 FISH AND GAME SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Fines, forfeitures, and penalties	\$ 7	\$ 7	\$ 5	\$ (2)
Use of money and property	10	30	45	15
Total revenues	<u>17</u>	<u>37</u>	<u>50</u>	<u>13</u>
Expenditures				
Current:				
Community resources & public facilities	36	163	123	40
Total expenditures	<u>36</u>	<u>163</u>	<u>123</u>	<u>40</u>
Deficiency of revenues under expenditures	(19)	(126)	(73)	53
Net change in fund balances	(19)	(126)	(73)	53
Fund balances - beginning	784	784	784	--
Fund balances - ending	<u>\$ 765</u>	<u>\$ 658</u>	<u>\$ 711</u>	<u>\$ 53</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits, and franchises	\$ 10	\$ 10	\$ 1	\$ (9)
Fines, forfeitures, and penalties	8	8	--	(8)
Use of money and property	10	29	43	14
Charges for services	595	595	431	(164)
Total revenues	<u>623</u>	<u>642</u>	<u>475</u>	<u>(167)</u>
Expenditures				
Current:				
Community resources & public facilities	642	643	504	139
Total expenditures	<u>642</u>	<u>643</u>	<u>504</u>	<u>139</u>
Deficiency of revenues under expenditures	(19)	(1)	(29)	(28)
Net change in fund balances	(19)	(1)	(29)	(28)
Fund balances - beginning	784	784	784	--
Fund balances - ending	<u>\$ 765</u>	<u>\$ 783</u>	<u>\$ 755</u>	<u>\$ (28)</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 CLERK-RECORDER SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits, and franchises	\$ 370	\$ 370	\$ 433	\$ 63
Fines, forfeitures, and penalties	5	5	5	--
Use of money and property	90	175	190	15
Intergovernmental	--	--	10	10
Charges for services	2,515	2,503	2,390	(113)
Other	5	5	2	(3)
Total revenues	<u>2,985</u>	<u>3,058</u>	<u>3,030</u>	<u>(28)</u>
Expenditures				
Current:				
General government & support services	3,987	3,988	3,332	656
Capital outlay	25	25	--	25
Total expenditures	<u>4,012</u>	<u>4,013</u>	<u>3,332</u>	<u>681</u>
Deficiency of revenues under expenditures	<u>(1,027)</u>	<u>(955)</u>	<u>(302)</u>	<u>653</u>
Other financing sources				
Transfers in	50	50	--	(50)
Total other financing sources	<u>50</u>	<u>50</u>	<u>--</u>	<u>(50)</u>
Net change in fund balances	<u>(977)</u>	<u>(905)</u>	<u>(302)</u>	<u>603</u>
Fund balances - beginning	3,535	3,535	3,535	--
Fund balances - ending	<u>\$ 2,558</u>	<u>\$ 2,630</u>	<u>\$ 3,233</u>	<u>\$ 603</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ --	\$ 6	\$ 12	\$ 6
Intergovernmental	--	141	72	(69)
Total revenues	--	147	84	(63)
Expenditures				
Current:				
General government & support services	--	1	1	--
Capital outlay	--	172	93	79
Total expenditures	--	173	94	79
Deficiency of revenues under expenditures	--	(26)	(10)	16
Net change in fund balances	--	(26)	(10)	16
Fund balances - beginning	231	231	231	--
Fund balances - ending	<u>\$ 231</u>	<u>\$ 205</u>	<u>\$ 221</u>	<u>\$ 16</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ --	\$ 56	\$ 124	\$ 68
Intergovernmental	12,992	12,547	12,468	(79)
Total revenues	<u>12,992</u>	<u>12,603</u>	<u>12,592</u>	<u>(11)</u>
Expenditures				
Current:				
Health & human services	14,725	15,185	15,175	10
Total expenditures	<u>14,725</u>	<u>15,185</u>	<u>15,175</u>	<u>10</u>
Deficiency of revenues under expenditures	(1,733)	(2,582)	(2,583)	(1)
Other financing sources				
Transfers in	1,394	1,698	1,699	1
Total other financing sources	<u>1,394</u>	<u>1,698</u>	<u>1,699</u>	<u>1</u>
Net change in fund balances	(339)	(884)	(884)	--
Fund balances - beginning	862	862	862	--
Fund balances - ending	<u>\$ 523</u>	<u>\$ (22)</u>	<u>\$ (22)</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 24	\$ 50	\$ 58	\$ 8
Intergovernmental	11,173	11,173	10,054	(1,119)
Charges for services	--	--	3	3
Other	--	--	31	31
Total revenues	11,197	11,223	10,146	(1,077)
Expenditures				
Current:				
Health & human services	11,197	11,065	10,022	1,043
Debt service:				
Principal	--	40	40	--
Interest	--	24	24	--
Total expenditures	11,197	11,129	10,086	1,043
Excess of revenues over expenditures	--	94	60	(34)
Other financing uses				
Transfers out	--	(69)	(13)	56
Total other financing uses	--	(69)	(13)	56
Net change in fund balances	--	25	47	22
Fund balances - beginning	715	715	715	--
Fund balances - ending	\$ 715	\$ 740	\$ 762	\$ 22

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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 4	\$ 17	\$ 27	\$ 10
Other	10	10	14	4
Total revenues	<u>14</u>	<u>27</u>	<u>41</u>	<u>14</u>
Expenditures				
Current:				
Community resources & public facilities	30	30	8	22
Total expenditures	<u>30</u>	<u>30</u>	<u>8</u>	<u>22</u>
Excess (deficiency) of revenues over (under) expenditures	(16)	(3)	33	36
Net change in fund balances	(16)	(3)	33	36
Fund balances - beginning	467	467	467	--
Fund balances - ending	<u>\$ 451</u>	<u>\$ 464</u>	<u>\$ 500</u>	<u>\$ 36</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 15	\$ 94	\$ 176	\$ 82
Other	319	319	319	--
Total revenues	<u>334</u>	<u>413</u>	<u>495</u>	<u>82</u>
Expenditures				
Current:				
Community resources & public facilities	755	756	609	147
Total expenditures	<u>755</u>	<u>756</u>	<u>609</u>	<u>147</u>
Deficiency of revenues under expenditures	(421)	(343)	(114)	229
Net change in fund balances	(421)	(343)	(114)	229
Fund balances - beginning	2,941	2,941	2,941	--
Fund balances - ending	<u>\$ 2,520</u>	<u>\$ 2,598</u>	<u>\$ 2,827</u>	<u>\$ 229</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Fines, forfeitures, and penalties	\$ 1,170	\$ 1,171	\$ 1,105	\$ (66)
Use of money and property	35	58	74	16
Charges for services	1,838	1,838	1,719	(119)
Other	1,252	1,252	662	(590)
Total revenues	<u>4,295</u>	<u>4,319</u>	<u>3,560</u>	<u>(759)</u>
Expenditures				
Current:				
Public safety	12,067	12,068	11,267	801
Total expenditures	<u>12,067</u>	<u>12,068</u>	<u>11,267</u>	<u>801</u>
Deficiency of revenues under expenditures	(7,772)	(7,749)	(7,707)	42
Other financing sources				
Transfers in	7,617	7,617	7,615	(2)
Total other financing sources	<u>7,617</u>	<u>7,617</u>	<u>7,615</u>	<u>(2)</u>
Net change in fund balances	(155)	(132)	(92)	40
Fund balances - beginning	1,194	1,194	1,194	--
Fund balances - ending	<u>\$ 1,039</u>	<u>\$ 1,062</u>	<u>\$ 1,102</u>	<u>\$ 40</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Fines, forfeitures, and penalties	\$ 390	\$ 390	\$ 414	\$ 24
Use of money and property	23	71	107	36
Total revenues	413	461	521	60
Expenditures				
Total expenditures	--	--	--	--
Excess of revenues over expenditures	413	461	521	60
Other financing uses				
Transfers out	(950)	(950)	(326)	624
Total other financing uses, net	(950)	(950)	(326)	624
Net change in fund balances	(537)	(489)	195	684
Fund balances - beginning	1,706	1,706	1,706	--
Fund balances - ending	\$ 1,169	\$ 1,217	\$ 1,901	\$ 684

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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Fines, forfeitures, and penalties	\$ 380	\$ 380	\$ 321	\$ (59)
Use of money and property	26	71	99	28
Other	--	--	1	1
Total revenues	<u>406</u>	<u>451</u>	<u>421</u>	<u>(30)</u>
Expenditures				
Total expenditures	--	--	--	--
Excess of revenues over expenditures	<u>406</u>	<u>451</u>	<u>421</u>	<u>(30)</u>
Other financing uses				
Transfers out	(1,500)	(1,500)	--	1,500
Total other financing uses	<u>(1,500)</u>	<u>(1,500)</u>	<u>--</u>	<u>1,500</u>
Net change in fund balances	(1,094)	(1,049)	421	1,470
Fund balances - beginning	1,442	1,442	1,442	--
Fund balances - ending	<u>\$ 348</u>	<u>\$ 393</u>	<u>\$ 1,863</u>	<u>\$ 1,470</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 239	\$ 302	\$ 342	\$ 40
Other	1,425	1,425	1,542	117
Total revenues	<u>1,664</u>	<u>1,727</u>	<u>1,884</u>	<u>157</u>
Expenditures				
Current:				
Public safety	2,538	2,538	2,017	521
Capital outlay	50	50	6	44
Total expenditures	<u>2,588</u>	<u>2,588</u>	<u>2,023</u>	<u>565</u>
Deficiency of revenues under expenditures	(924)	(861)	(139)	722
Net change in fund balances	(924)	(861)	(139)	722
Fund balances - beginning	2,651	2,651	2,651	--
Fund balances - ending	<u>\$ 1,727</u>	<u>\$ 1,790</u>	<u>\$ 2,512</u>	<u>\$ 722</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 PLANNING & DEVELOPMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits, and franchises	\$ 15,942	\$ 15,942	\$ 15,864	\$ (78)
Fines, forfeitures, and penalties	30	30	153	123
Use of money and property	5	185	180	(5)
Intergovernmental	--	--	29	29
Charges for services	1,345	1,720	498	(1,222)
Other	408	408	516	108
Total revenues	<u>17,730</u>	<u>18,285</u>	<u>17,240</u>	<u>(1,045)</u>
Expenditures				
Current:				
Community resources & public facilities	20,836	21,057	19,533	1,524
Debt service:				
Principal	--	143	143	--
Interest	--	11	11	--
Capital outlay	57	57	14	43
Total expenditures	<u>20,893</u>	<u>21,268</u>	<u>19,701</u>	<u>1,567</u>
Deficiency of revenues under expenditures	<u>(3,163)</u>	<u>(2,983)</u>	<u>(2,461)</u>	<u>522</u>
Other financing sources (uses)				
Transfers in	2,610	2,630	2,302	(328)
Transfers out	(36)	(687)	(78)	609
Total other financing sources (uses)	<u>2,574</u>	<u>1,943</u>	<u>2,224</u>	<u>281</u>
Net change in fund balances	<u>(589)</u>	<u>(1,040)</u>	<u>(237)</u>	<u>803</u>
Fund balances - beginning	<u>3,892</u>	<u>3,892</u>	<u>3,892</u>	<u>--</u>
Fund balances - ending	<u>\$ 3,303</u>	<u>\$ 2,852</u>	<u>\$ 3,655</u>	<u>\$ 803</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 OPIOID SETTLEMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ --	\$ 501	\$ 561	\$ 60
Other	--	7,920	7,503	(417)
Total revenues	--	8,421	8,064	(357)
Expenditures				
Current:				
Health & human services	--	580	--	580
Total expenditures	--	580	--	580
Excess of revenues over expenditures	--	7,841	8,064	223
Other financing uses				
Transfers out	--	(1,526)	(1,388)	138
Total other financing uses	--	(1,526)	(1,388)	138
Net change in fund balances	--	6,315	6,676	361
Fund balances - beginning	4,050	4,050	4,050	--
Fund balances - ending	<u>\$ 4,050</u>	<u>\$ 10,365</u>	<u>\$ 10,726</u>	<u>\$ 361</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 170	\$ 393	\$ 495	\$ 102
Other	4,400	4,400	3,701	(699)
Total revenues	<u>4,570</u>	<u>4,793</u>	<u>4,196</u>	<u>(597)</u>
Expenditures				
Current:				
General county programs	78	190	186	4
Total expenditures	<u>78</u>	<u>190</u>	<u>186</u>	<u>4</u>
Excess of revenues over expenditures	<u>4,492</u>	<u>4,603</u>	<u>4,010</u>	<u>(593)</u>
Other financing uses				
Transfers out	(6,295)	(6,295)	(6,290)	5
Total other financing uses	<u>(6,295)</u>	<u>(6,295)</u>	<u>(6,290)</u>	<u>5</u>
Net change in fund balances	(1,803)	(1,692)	(2,280)	(588)
Fund balances - beginning	8,827	8,827	8,827	--
Fund balances - ending	<u>\$ 7,024</u>	<u>\$ 7,135</u>	<u>\$ 6,547</u>	<u>\$ (588)</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 TIDELANDS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2025 (in thousands)

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

COUNTY OF SANTA BARBARA, CALIFORNIA
 COUNTY SERVICE AREAS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 2,191	\$ 2,214	\$ 2,075	\$ (139)
Use of money and property	84	266	402	136
Intergovernmental	6	6	6	--
Charges for services	565	565	581	16
Other	--	--	(1)	(1)
Total revenues	<u>2,846</u>	<u>3,051</u>	<u>3,063</u>	<u>12</u>
Expenditures				
Current:				
Community resources & public facilities	1,296	1,337	1,035	302
Total expenditures	<u>1,296</u>	<u>1,337</u>	<u>1,035</u>	<u>302</u>
Excess of revenues over expenditures	<u>1,550</u>	<u>1,714</u>	<u>2,028</u>	<u>314</u>
Other financing uses				
Transfers out	(1,653)	(1,653)	(1,135)	518
Total other financing uses	<u>(1,653)</u>	<u>(1,653)</u>	<u>(1,135)</u>	<u>518</u>
Net change in fund balances	<u>(103)</u>	<u>61</u>	<u>893</u>	<u>832</u>
Fund balances - beginning	6,263	6,263	6,263	--
Fund balances - ending	<u>\$ 6,160</u>	<u>\$ 6,324</u>	<u>\$ 7,156</u>	<u>\$ 832</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,144	\$ 1,144	\$ 1,176	\$ 32
Use of money and property	1	29	63	34
Total revenues	<u>1,145</u>	<u>1,173</u>	<u>1,239</u>	<u>66</u>
Expenditures				
Current:				
Community resources & public facilities	210	261	246	15
Total expenditures	<u>210</u>	<u>261</u>	<u>246</u>	<u>15</u>
Excess of revenues over expenditures	<u>935</u>	<u>912</u>	<u>993</u>	<u>81</u>
Other financing uses				
Transfers out	(954)	(954)	(949)	5
Total other financing uses	<u>(954)</u>	<u>(954)</u>	<u>(949)</u>	<u>5</u>
Net change in fund balances	(19)	(42)	44	86
Fund balances - beginning	1,147	1,147	1,147	--
Fund balances - ending	<u>\$ 1,128</u>	<u>\$ 1,105</u>	<u>\$ 1,191</u>	<u>\$ 86</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 740	\$ 740	\$ 752	\$ 12
Use of money and property	11	33	50	17
Intergovernmental	--	--	2	2
Total revenues	<u>751</u>	<u>773</u>	<u>804</u>	<u>31</u>
Expenditures				
Current:				
Community resources & public facilities	635	635	627	8
Total expenditures	<u>635</u>	<u>635</u>	<u>627</u>	<u>8</u>
Excess of revenues over expenditures	116	138	177	39
Net change in fund balances	116	138	177	39
Fund balances - beginning	773	773	773	--
Fund balances - ending	<u>\$ 889</u>	<u>\$ 911</u>	<u>\$ 950</u>	<u>\$ 39</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 8	\$ 25	\$ 37	\$ 12
Other	--	--	1	1
Total revenues	<u>8</u>	<u>25</u>	<u>38</u>	<u>13</u>
Expenditures				
Current:				
Community resources & public facilities	<u>375</u>	<u>375</u>	<u>154</u>	<u>221</u>
Total expenditures	<u>375</u>	<u>375</u>	<u>154</u>	<u>221</u>
Deficiency of revenues under expenditures	<u>(367)</u>	<u>(350)</u>	<u>(116)</u>	<u>234</u>
Net change in fund balances	<u>(367)</u>	<u>(350)</u>	<u>(116)</u>	<u>234</u>
Fund balances - beginning	<u>703</u>	<u>703</u>	<u>703</u>	<u>--</u>
Fund balances - ending	<u>\$ 336</u>	<u>\$ 353</u>	<u>\$ 587</u>	<u>\$ 234</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 2,466	\$ 2,466	\$ 4,377	\$ 1,911
Use of money and property	218	744	1,177	433
Intergovernmental	2,445	2,445	580	(1,865)
Charges for services	--	--	4	4
Other	--	--	1	1
Total revenues	<u>5,129</u>	<u>5,655</u>	<u>6,139</u>	<u>484</u>
Expenditures				
Current:				
Community resources & public facilities	8,038	8,029	2,758	5,271
Total expenditures	<u>8,038</u>	<u>8,029</u>	<u>2,758</u>	<u>5,271</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,909)</u>	<u>(2,374)</u>	<u>3,381</u>	<u>5,755</u>
Other financing uses				
Transfers out	(71)	(80)	(15)	65
Total other financing uses	<u>(71)</u>	<u>(80)</u>	<u>(15)</u>	<u>65</u>
Net change in fund balances	(2,980)	(2,454)	3,366	5,820
Fund balances - beginning	19,255	19,255	19,255	--
Fund balances - ending	<u>\$ 16,275</u>	<u>\$ 16,801</u>	<u>\$ 22,621</u>	<u>\$ 5,820</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 OAK RESTORATION PERMANENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED June 30, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ --	\$ 21	\$ 46	\$ 25
Total revenues	<u>--</u>	<u>21</u>	<u>46</u>	<u>25</u>
Expenditures				
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over expenditures	<u>--</u>	<u>21</u>	<u>46</u>	<u>25</u>
Net change in fund balances	<u>--</u>	<u>21</u>	<u>46</u>	<u>25</u>
Fund balances - beginning	786	786	786	--
Fund balances - ending	<u>\$ 786</u>	<u>\$ 807</u>	<u>\$ 832</u>	<u>\$ 25</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, 2025 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 12	\$ 14	\$ 104	\$ 90
Intergovernmental	1,374	1,374	1,373	(1)
Total revenues	1,386	1,388	1,477	89
Expenditures				
Current:				
General county programs	65	65	13	52
Debt service:				
Principal	4,351	4,351	4,351	--
Interest	5,435	5,435	5,435	--
Total expenditures	9,851	9,851	9,799	52
Deficiency of revenues under expenditures	(8,465)	(8,463)	(8,322)	141
Other financing sources				
Transfers in	8,427	10,647	8,516	(2,131)
Total other financing sources	8,427	10,647	8,516	(2,131)
Net change in fund balances	(38)	2,184	194	(1,990)
Fund balances - beginning	1,403	1,403	1,403	--
Fund balances - ending	\$ 1,365	\$ 3,587	\$ 1,597	\$ (1,990)

Internal Service Funds



INTERNAL SERVICE FUNDS

Internal Service Funds are established to account for services furnished to the County and various other governmental agencies. They are exempt from legal compliance for budgetary control and follow commercial accounting principles for a determination of operating, rather than budgetary, results. Their major source of revenue consists of charges to user departments for services rendered. These charges are based upon standard rates calculated on an estimated cost recovery basis. A more detailed description of the funds established and used by the County follows:

Information Technology Services

This fund provides enterprise information technology services to County departments and various other governmental agencies. Four lines of service are supported: Network and Security, Infrastructure, Desktop Support, and Enterprise Applications. Costs are allocated to all users based upon utilization factors for each service and are designed to recover costs of each system. Profits or losses are carried forward and used to adjust allocations in subsequent years. Costs of operating the fund include personnel, supplies, utilities, maintenance, and depreciation of equipment.

Vehicle Operations and Maintenance

This fund provides for the maintenance, servicing and repair of County vehicles. Rental rates, which include the cost of gas, oil, maintenance, replacement of equipment and personnel costs, are charged to the user department to support the vehicle program. Vehicles are replaced based on mileage and age criteria which varies per class of vehicle; new additions to the vehicle fleet are provided through the Garage Equipment and Motor Pool budgets of the General Fund and through contributions from other funds.

Risk Management and Insurance

This column combines the County's three self-insurance funds - Dental, General Liability, and Unemployment – and the County's Workers' Compensation fund.

Dental Self-Insurance

This fund provides for the payment of dental expenses incurred by County employees, eligible dependents and retirees who are part of the self-funded plan. This fund does not account for employees or retirees on the Dental Net, Prudential or Firefighter health plans. Professional administrators process all claims and make payments to claimants based on a payment schedule of medical and dental benefits. The fund reimburses the claims administrator for the payment of claims plus a fee for administration and participation in a prescription drug program. Additionally, the County contracts with a preferred provider organization for reduced fees from member dental service providers, physicians, and other specialists. The County contributes towards the cost of employee coverage through departmental budgets; the employee pays any remaining employee or dependent coverage.

General Liability Self-Insurance

This fund provides for payment of self-insured general liability and automobile liability claims, excess insurance, claims adjusting services, litigation costs, and administrative services. The County is self-insured to \$500 per occurrence for losses occurring prior to July 1, 2021 and is self-insured to \$750 for losses beginning on July 1, 2021 going forward. The County purchases additional excess liability coverage above the County's self-insured retention through a PRISM program.

In addition, the fund provides for payment of various property insurance. Building and contents insurance is allocated to the departments based upon their relative occupancy of a given building. Nearly all structures have been appraised for insurance purposes by an outside appraiser. The County's vehicle and equipment insurance is purchased by the fund and allocated to the Vehicle Operations Fund which then further allocates it to the departments based upon their vehicle usage. Other insurance, such as aviation, pollution, cyber and crime bond is also purchased by the fund and allocated to the user departments.

Beginning in fiscal year 2018-19, the Medical Malpractice Plan was brought into the County General Liability fund. This plan purchases primary insurance coverage for medical malpractice and general liability losses which arise from the

operations of Public Health Departments, for claim investigation services, legal fees and payment of claims, subject to a \$10 deductible.

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

Unemployment Self-Insurance

State law requires the County to maintain unemployment insurance. The County has elected to be self-insured and has established this fund for the payment of unemployment insurance claims by County employees, which have been processed and approved by the State Employment Development Department. Each department has been charged a percentage of its gross payroll for the establishment of a general reserve for this program and to provide for claim payments.

Workers' Compensation Fund

This fund allocates the premiums and Workers' Compensation Program management expenses to all departments. The County purchases workers' compensation primary insurance through PRISM (formerly CSAC – Excess Insurance Authority). The County departmental rates are approved by the Risk Management Evaluation Team (RMET) consisting of representatives from the Risk Management Division, County Executive Office, Auditor-Controller, and County Counsel.

Communications Services

This fund provides communication services to County departments and various other governmental agencies. Telephone, radio and audio-visual systems are maintained. Costs are billed from a standard price schedule which is periodically adjusted to reflect cost changes and are designed to recover costs of each system. Profits or losses are carried forward and used to adjust allocations in subsequent years. Costs of operating the fund include personnel, supplies, utilities, maintenance, and depreciation of equipment.

Utilities

This fund provides for payment of Countywide utility costs. Utility costs are allocated to various County departments based on their energy consumption. Charging County departments for their energy usage fosters awareness and accountability related to energy costs and savings.

COUNTY OF SANTA BARBARA, CALIFORNIA
 INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET POSITION
June 30, 2025 (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)	\$ 15,926	\$ 31,962	\$ 29,731	\$ 22,605	\$ 1,459	\$ 101,683
Accounts receivable, net:						
Use of money and property	115	255	247	77	6	700
Intergovernmental	--	--	--	--	11	11
Charges for services	19	169	84	43	378	693
Other	--	--	281	--	104	385
Inventories	--	618	--	110	--	728
Prepaid items	--	8	--	--	--	8
Total current assets	<u>16,060</u>	<u>33,012</u>	<u>30,343</u>	<u>22,835</u>	<u>1,958</u>	<u>104,208</u>
Noncurrent assets:						
Other receivables	--	--	273	--	110	383
Restricted cash and investments (Note 4)	--	10	--	6,410	--	6,420
Capital assets, not being depreciated/amortized	--	3,691	--	21,433	7,130	32,254
Capital assets, net of						
accumulated depreciation/amortization (Note 6)	11,270	23,835	--	2,458	1,226	38,789
Right-to-use lease assets, net of accumulated amortizat	--	--	--	1,338	--	1,338
Total noncurrent assets	<u>11,270</u>	<u>27,536</u>	<u>273</u>	<u>31,639</u>	<u>8,466</u>	<u>79,184</u>
Total assets	<u>27,330</u>	<u>60,548</u>	<u>30,616</u>	<u>54,474</u>	<u>10,424</u>	<u>183,392</u>
Deferred outflows of resources						
Deferred pensions (Note 18)	3,119	878	464	401	53	4,915
Deferred OPEB (Note 19)	236	77	35	34	--	382
Total deferred outflows of resources	<u>3,355</u>	<u>955</u>	<u>499</u>	<u>435</u>	<u>53</u>	<u>5,297</u>
Liabilities						
Current liabilities:						
Accounts payable	395	53	2,931	8,818	188	12,385
Salaries and benefits payable	720	196	99	95	11	1,121
Interest payable	84	--	--	4	--	88
Other payables	--	--	--	92	--	92
Compensated absences (Note 10)	550	185	114	68	12	929
Certificates of participation	--	--	--	290	--	290
Other short - term liabilities	--	--	283	--	--	283
Bonds and notes payable (Note 10)	--	--	--	--	694	694
Lease Liability-short term	--	--	--	9	--	9
Subscription liability - short-term	2,522	24	--	--	--	2,546
Liability for self-insurance claims (Note 11)	--	--	5,898	--	--	5,898
Total current liabilities	<u>4,271</u>	<u>458</u>	<u>9,325</u>	<u>9,376</u>	<u>905</u>	<u>24,335</u>
Noncurrent liabilities:						
Compensated absences (Note 10)	748	277	156	98	5	1,284
Lease Liability-long term	--	--	--	1,356	--	1,356
Subscription liability - long-term	3,275	89	--	--	--	3,364
Certificates of participation	--	--	--	9,593	--	9,593
Bonds and notes payable (Note 10)	--	--	--	--	2,861	2,861
Liability for self-insurance claims (Note 11)	--	--	10,632	--	--	10,632
Net pension liability (Note 18)	8,032	2,261	1,196	1,032	136	12,657
Net OPEB liability (Note 19)	638	207	94	92	--	1,031
Total noncurrent liabilities	<u>12,693</u>	<u>2,834</u>	<u>12,078</u>	<u>12,171</u>	<u>3,002</u>	<u>42,778</u>
Total liabilities	<u>16,964</u>	<u>3,292</u>	<u>21,403</u>	<u>21,547</u>	<u>3,907</u>	<u>67,113</u>
Deferred inflows of resources						
Deferred pensions (Note 18)	410	115	61	53	7	646
Deferred OPEB (Note 19)	46	15	7	7	--	75
Total deferred inflows of resources	<u>456</u>	<u>130</u>	<u>68</u>	<u>60</u>	<u>7</u>	<u>721</u>
Net position						
Net investment in capital assets	5,473	27,412	--	13,889	4,801	51,575
Unrestricted	7,792	30,669	9,644	19,413	1,762	69,280
Total net position	<u>\$ 13,265</u>	<u>\$ 58,081</u>	<u>\$ 9,644</u>	<u>\$ 33,302</u>	<u>\$ 6,563</u>	<u>\$ 120,855</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, 2025 (in thousands)

	Information Technology Services	Vehicle Operations and Maintenance	Risk Management and Insurance	Communi- cations Services	Utilities	Total
Operating revenues						
Charges for services	\$ 25,056	\$ 14,838	\$ 55,767	\$ 7,084	\$ 8,849	\$ 111,594
Self-insurance recovery	--	--	1,766	--	--	1,766
Other operating revenues	452	248	--	--	104	804
Total operating revenues	<u>25,508</u>	<u>15,086</u>	<u>57,533</u>	<u>7,084</u>	<u>8,953</u>	<u>114,164</u>
Operating expenses						
Salaries and benefits	12,737	2,926	1,502	1,208	173	18,546
Services and supplies	5,960	7,097	44,012	3,780	8,738	69,587
Self-insurance claims	--	--	8,605	--	--	8,605
Contractual services	557	94	2,662	166	--	3,479
Depreciation and amortization	2,925	3,049	3	590	376	6,943
County overhead allocation	257	362	1,144	65	6	1,834
Total operating expenses	<u>22,436</u>	<u>13,528</u>	<u>57,928</u>	<u>5,809</u>	<u>9,293</u>	<u>108,994</u>
Operating income (loss)	<u>3,072</u>	<u>1,558</u>	<u>(395)</u>	<u>1,275</u>	<u>(340)</u>	<u>5,170</u>
Non-operating revenues (expenses)						
Use of money and property	726	1,706	1,625	1,021	36	5,114
Interest expense	(81)	--	--	(430)	(68)	(579)
Gain (loss) on sale of capital assets	(265)	(1,409)	--	--	--	(1,674)
Other non-operating revenues (expenses)	--	10	228	--	930	1,168
Total non-operating revenues (expenses)	<u>380</u>	<u>307</u>	<u>1,853</u>	<u>591</u>	<u>898</u>	<u>4,029</u>
Income before transfers	<u>3,452</u>	<u>1,865</u>	<u>1,458</u>	<u>1,866</u>	<u>558</u>	<u>9,199</u>
Transfers in	682	2,946	--	13,593	1,359	18,580
Transfers out	--	(6,814)	--	--	--	(6,814)
Total transfers in, net	<u>682</u>	<u>(3,868)</u>	<u>--</u>	<u>13,593</u>	<u>1,359</u>	<u>11,766</u>
Change in net position	<u>4,134</u>	<u>(2,003)</u>	<u>1,458</u>	<u>15,459</u>	<u>1,917</u>	<u>20,965</u>
Total net position - beginning previously reported	9,416	60,255	8,255	17,880	4,651	100,457
Adjustment - Error correction (Note 21)	(1)	--	--	(4)	--	(5)
Adjustment - Change in accounting principle (Note 21)	(284)	(171)	(69)	(33)	(5)	(562)
Total net position - beginning restated	<u>9,131</u>	<u>60,084</u>	<u>8,186</u>	<u>17,843</u>	<u>4,646</u>	<u>99,890</u>
Total net position - ending	<u>\$ 13,265</u>	<u>\$ 58,081</u>	<u>\$ 9,644</u>	<u>\$ 33,302</u>	<u>\$ 6,563</u>	<u>\$ 120,855</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED June 30, 2025 (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	\$ 25,486	\$ 15,509	\$ 55,538	\$ 7,082	\$ 8,820	\$ 112,435
Receipts from self-insurance recovery	--	--	1,766	--	--	1,766
Payments to employees	(10,789)	(3,021)	(1,511)	(1,424)	(182)	(16,927)
Payments to suppliers	(7,247)	(8,494)	(45,619)	3,682	(8,632)	(66,310)
Payments for self-insurance claims	--	--	(6,175)	--	--	(6,175)
County overhead allocation payments (to) from the General Fund	(257)	(362)	(1,144)	(65)	(6)	(1,834)
Other receipts	--	10	228	--	906	1,144
Net cash provided by operating activities	<u>7,193</u>	<u>3,642</u>	<u>3,083</u>	<u>9,275</u>	<u>906</u>	<u>24,099</u>
Cash flows from noncapital financing activities						
Transfers from other funds	682	2,946	--	13,593	1,359	18,580
Transfers to other funds	--	(6,085)	--	--	--	(6,085)
Net cash provided (used) by noncapital financing activities	<u>682</u>	<u>(3,139)</u>	<u>--</u>	<u>13,593</u>	<u>1,359</u>	<u>12,495</u>
Cash flows from capital and related financing activities						
Purchase of capital assets	(999)	(5,232)	(3)	(14,608)	(1,212)	(22,054)
Proceeds from sale of capital assets	--	5,731	--	--	--	5,731
Principal paid on bonds and notes payable	--	--	--	--	(683)	(683)
Interest paid on bonds and notes payable	--	--	--	--	(68)	(68)
Principal paid on certificates of participation	--	--	--	(255)	--	(255)
Interest paid on certificates of participation	--	--	--	(485)	--	(485)
Principal paid on right to use assets	(2,632)	(11)	--	(11)	--	(2,654)
Interest paid on right to use assets	(31)	(1)	--	(39)	--	(71)
Net cash provided (used) by capital and related financing activities	<u>(3,662)</u>	<u>487</u>	<u>(3)</u>	<u>(15,398)</u>	<u>(1,963)</u>	<u>(20,539)</u>
Cash flows from investing activities						
Use of money and property received	699	1,625	1,573	1,025	26	4,948
Net cash provided by investing activities	<u>699</u>	<u>1,625</u>	<u>1,573</u>	<u>1,025</u>	<u>26</u>	<u>4,948</u>
Net change in cash and cash equivalents	4,912	2,615	4,653	8,495	328	21,003
Cash and cash equivalents - beginning	11,014	29,357	25,078	20,520	1,131	87,100
Cash and cash equivalents - ending	<u>\$ 15,926</u>	<u>\$ 31,972</u>	<u>\$ 29,731</u>	<u>\$ 29,015</u>	<u>\$ 1,459</u>	<u>\$ 108,103</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position						
Cash and investments per Statement of Net Position	\$ 15,926	\$ 31,962	\$ 29,731	\$ 22,605	\$ 1,459	\$ 101,683
Restricted cash and investments per Statement of Net Position	--	10	--	6,410	--	6,420
Total cash and cash equivalents per Statement of Net Position	<u>\$ 15,926</u>	<u>\$ 31,972</u>	<u>\$ 29,731</u>	<u>\$ 29,015</u>	<u>\$ 1,459</u>	<u>\$ 108,103</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 3,072	\$ 1,558	\$ (395)	\$ 1,275	\$ (340)	\$ 5,170
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	2,925	3,049	3	590	376	6,943
Other operating revenue	--	10	228	--	906	1,144
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:						
Accounts and other receivables	(19)	421	(230)	--	(129)	43
Inventories	--	(448)	--	--	--	(448)
Accounts payable	70	(853)	1,056	7,626	102	8,001
Salaries and benefits payable	1,948	(95)	(9)	(216)	(9)	1,619
Liability for self-insurance claims			2,430			2,430
Adjustment for Commvault SBITA	<u>(803)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(803)</u>
Net cash provided by operating activities	<u>\$ 7,193</u>	<u>\$ 3,642</u>	<u>\$ 3,083</u>	<u>\$ 9,275</u>	<u>\$ 906</u>	<u>\$ 24,099</u>



Fiduciary Funds



Fiduciary funds are custodial in nature and account for assets held on behalf of others.

CUSTODIAL FUNDS

Account for assets which are held for other governmental agencies or individuals by the County in a custodial capacity.

Unapportioned Collections

Accounts for property taxes held pending authority for apportionment

State and City Revenue Funds

Temporarily holds various fees, fines, and penalties collected by the County departments for the State of California or various cities in Santa Barbara County, which are passed through to these entities.

Public Administrator/Public Guardian Funds

Accounts for assets held by the County for dependents who have no known relatives who are willing to administer their estate or for County residents who have lost the ability to care for themselves and have no one else available to care for them.

Other Custodial Funds

Accounts for other assets held in a custodial capacity.



COUNTY OF SANTA BARBARA, CALIFORNIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - CUSTODIAL FUNDS
June 30, 2025 (in thousands)

	Unapportioned Collections	State and City Revenue Funds	Public Administrator/ Public Guardian Funds	Other Custodial Funds	Total Custodial Funds
Assets					
Cash and investments (Note 3)	\$ 25,753	\$ 18,682	\$ 1,518	\$ 370	\$ 46,323
Other receivables	895	129	8	1	1,033
Total assets	<u>26,648</u>	<u>18,811</u>	<u>1,526</u>	<u>371</u>	<u>47,356</u>
Liabilities					
Accounts payable	--	1,459	--	--	1,459
Total liabilities	--	1,459	--	--	1,459
Net position					
Restricted for:					
Individuals, organizations, and other government	26,648	17,352	1,526	371	45,897
Total net position	<u>\$ 26,648</u>	<u>\$ 17,352</u>	<u>\$ 1,526</u>	<u>\$ 371</u>	<u>\$ 45,897</u>

COUNTY OF SANTA BARBARA, CALIFORNIA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - CUSTODIAL FUNDS
 FOR THE FISCAL YEAR ENDED June 30, 2025 (in thousands)

	Unapportioned Collections	State and City Revenue Funds	Public Administrator/ Public Guardian Funds	Other Custodial Funds	Total Custodial Funds
Additions					
Contributions to pooled investments	\$ --	\$ --	\$ 455	\$ 2,295	\$ 2,750
Property tax collections	4,374,668	--	--	--	4,374,668
Other taxes and fees collected for other government	--	42,355	--	--	42,355
Net investment gains	5,057	733	60	6	5,856
Total additions	<u>4,379,725</u>	<u>43,088</u>	<u>515</u>	<u>2,301</u>	<u>4,425,629</u>
Deductions					
Beneficiary payments	--	--	205	2,270	2,475
Property tax distributions	4,378,555	--	--	--	4,378,555
Payments to other governments	--	36,324	--	--	36,324
Total deductions	<u>4,378,555</u>	<u>36,324</u>	<u>205</u>	<u>2,270</u>	<u>4,417,354</u>
Net increase (decrease) in fiduciary net position	1,170	6,764	310	31	8,275
Net position - beginning	25,478	10,588	1,216	340	37,622
Net position - ending	<u>\$ 26,648</u>	<u>\$ 17,352</u>	<u>\$ 1,526</u>	<u>\$ 371</u>	<u>\$ 45,897</u>

STATISTICAL SECTION

STATISTICAL SECTION



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The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the Annual Comprehensive Financial Report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the County's economic condition.

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Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.



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

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 as restated	2023-24	2024-25
Governmental activities										
Net investment in capital assets	\$ 612,548	\$ 648,420	\$ 692,549	\$ 736,255	\$ 755,491	\$ 782,419	\$ 819,198	\$ 877,297	\$ 828,960	\$ 919,009
Restricted for:										
Policy & executive	--	436	716	972	1,164	1,392	1,641	1,641	262	256
Public safety	38,927	49,093	54,810	62,243	66,293	77,606	77,573	95,203	99,507	112,151
Health & human services	35,910	36,411	36,848	48,951	37,386	61,204	88,134	89,888	97,897	100,030
Community resources & public facilities	149,668	154,523	154,848	163,959	187,676	191,632	208,806	211,822	223,408	249,020
General government & support services	5,242	5,804	5,447	6,164	4,833	8,304	7,723	8,835	6,363	6,640
General county programs	16,232	18,352	18,373	20,052	19,405	24,649	10,978	37,688	123,000	88,683
Unrestricted	(529,641)	(532,968)	(562,947)	(534,700)	(537,682)	(504,884)	(402,780)	(323,650)	(236,372)	(161,863)
Total governmental activities net position	<u>\$ 328,886</u>	<u>\$ 380,071</u>	<u>\$ 400,644</u>	<u>\$ 503,896</u>	<u>\$ 534,566</u>	<u>\$ 642,322</u>	<u>\$ 811,273</u>	<u>\$ 998,724</u>	<u>\$ 1,143,025</u>	<u>\$ 1,313,926</u>
Business-Type activities										
Net investment in capital assets	\$ 78,188	\$ 80,852	\$ 83,764	\$ 82,723	\$ 88,655	\$ 98,539	\$ 111,953	\$ 125,396	\$ 145,420	\$ 163,276
Unrestricted	19,888	21,326	34,638	45,582	57,723	61,334	60,403	57,141	61,691	64,816
Total business-type activities net position	<u>\$ 98,076</u>	<u>\$ 102,178</u>	<u>\$ 118,402</u>	<u>\$ 128,305</u>	<u>\$ 146,378</u>	<u>\$ 159,873</u>	<u>\$ 172,356</u>	<u>\$ 182,537</u>	<u>\$ 207,111</u>	<u>\$ 228,092</u>
Primary government										
Net investment in capital assets	\$ 690,736	\$ 729,272	\$ 776,313	\$ 818,978	\$ 844,146	\$ 880,958	\$ 931,151	\$ 1,002,693	\$ 974,380	\$ 1,082,285
Restricted for:										
Policy & executive	--	436	716	972	1,164	1,392	1,641	1,641	262	256
Public safety	38,927	49,093	54,810	62,243	66,293	77,606	77,573	95,203	99,507	112,151
Health & human services	35,910	36,411	36,848	48,951	37,386	61,204	88,134	89,888	97,897	100,030
Community resources & public facilities	149,668	154,523	154,848	163,959	187,676	191,632	208,806	211,822	223,408	249,020
General government & support services	5,242	5,804	5,447	6,164	4,833	8,304	7,723	8,835	6,363	6,640
General county programs	16,232	18,352	18,373	20,052	19,405	24,649	10,978	37,688	123,000	88,683
Unrestricted	(509,753)	(511,642)	(528,309)	(489,118)	(479,959)	(443,550)	(342,377)	(266,509)	(174,681)	(97,047)
Total primary government net position	<u>\$ 426,962</u>	<u>\$ 482,249</u>	<u>\$ 519,046</u>	<u>\$ 632,201</u>	<u>\$ 680,944</u>	<u>\$ 802,195</u>	<u>\$ 983,629</u>	<u>\$ 1,181,261</u>	<u>\$ 1,350,136</u>	<u>\$ 1,542,018</u>

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

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 as restated	2023-24	2024-25
Expenses										
Governmental activities:										
Policy & executive	\$ 13,056	\$ 14,315	\$ 18,938	\$ 17,878	\$ 19,074	\$ 19,661	\$ 13,207	\$ 17,900	\$ 15,331	\$ 10,479
Public safety	275,809	314,026	361,703	341,931	376,065	389,249	328,392	340,981	403,563	423,720
Health & human services	363,789	364,675	360,185	361,494	397,009	412,050	375,447	428,423	467,901	510,951
Community resources & public facilities	94,254	94,387	110,529	119,654	122,448	147,650	133,562	153,218	176,348	149,798
General government & support services	37,131	37,716	39,023	37,982	46,294	48,950	38,517	39,923	45,609	45,996
General county programs	2,807	2,206	2,514	963	1,819	9,583	46,135	65,655	60,257	68,521
Interest on long-term debt	2,275	2,152	2,024	1,895	1,772	1,619	2,173	2,490	3,157	7,020
Subtotal governmental activities expenses	789,121	829,477	894,916	881,797	964,481	1,028,762	937,433	1,048,590	1,172,166	1,216,485
Business-type activities:										
Resource Recovery	23,017	29,196	24,507	32,819	34,258	34,030	40,528	49,522	38,785	46,652
Laguna Sanitation	5,631	6,822	6,564	7,204	7,356	8,736	8,806	9,372	9,227	9,814
Subtotal business-type activities expenses	28,648	36,018	31,071	40,023	41,614	42,766	49,334	58,894	48,012	56,466
Total expenses	\$ 817,769	\$ 865,495	\$ 925,987	\$ 921,820	\$ 1,006,095	\$ 1,071,528	\$ 986,767	\$ 1,107,484	\$ 1,220,178	\$ 1,272,951
Program revenues										
Governmental activities:										
Charges for services	\$ 93,580	\$ 97,021	\$ 94,589	\$ 108,234	\$ 104,073	\$ 113,940	\$ 109,439	\$ 108,586	\$ 110,940	\$ 140,532
Health & human services	51,704	55,405	59,746	57,201	55,358	61,308	63,061	65,149	73,151	82,492
Public safety	54,348	57,559	61,750	66,119	94,762	67,919	71,895	85,616	83,569	79,592
Other	349,865	364,316	386,829	416,369	380,748	490,869	498,469	547,079	587,848	625,903
Operating grants & contributions	85	3,201	200	58	81	523	144	297	152	272
Subtotal governmental activities	549,582	578,402	603,114	647,981	635,022	734,559	743,008	806,727	855,660	928,791
Business-type activities:										
Charges for services	24,617	26,053	30,721	31,060	38,096	37,263	43,516	48,936	49,456	54,244
Resource Recovery	12,377	12,644	13,183	14,091	15,228	14,917	15,396	15,729	16,318	16,190
Laguna Sanitation	1,150	1,155	1,049	2,437	4,253	3,488	7,406	3,167	1,898	1,624
Subtotal business-type activities	38,144	39,852	44,953	47,588	57,577	55,668	66,318	67,832	67,672	72,058
Total program revenues	\$ 587,726	\$ 618,254	\$ 648,067	\$ 695,569	\$ 692,599	\$ 790,227	\$ 809,326	\$ 874,559	\$ 923,332	\$ 1,000,849
Net (expense) / revenue										
Governmental activities	\$ (239,539)	\$ (251,075)	\$ (291,802)	\$ (233,816)	\$ (329,459)	\$ (294,203)	\$ (194,425)	\$ (241,863)	\$ (316,506)	\$ (287,694)
Business-type activities	9,496	3,834	13,882	7,565	15,963	12,902	16,984	8,938	19,660	15,592
Total net expense	\$ (230,043)	\$ (247,241)	\$ (277,920)	\$ (226,251)	\$ (313,496)	\$ (281,301)	\$ (177,441)	\$ (232,925)	\$ (296,846)	\$ (272,102)
General revenues and other changes in net position										
Governmental activities:										
Taxes	\$ 254,166	\$ 267,613	\$ 284,284	\$ 290,046	\$ 309,150	\$ 323,795	\$ 343,092	\$ 369,807	\$ 389,407	\$ 409,966
Property taxes	147	167	198	182	--	--	--	--	--	--
Motor vehicle in-lieu tax	16,332	18,172	18,118	18,995	19,068	21,104	25,664	25,803	25,713	26,606
Sales taxes	9,072	10,068	8,364	10,320	10,182	12,535	16,984	17,202	17,746	22,179
Transient occupancy tax	--	--	--	6,761	12,182	15,747	8,719	6,117	5,770	5,185
Cannabis tax	854	335	753	4,356	3,484	(783)	(9,735)	3,177	14,954	17,944
Unrestricted investment gain (loss)	(15)	--	36	80	21	(77)	--	--	(129)	(132)
Transfers	9,494	5,905	5,778	5,834	6,042	7,645	6,652	7,128	7,346	5,525
Subtotal governmental activities	290,050	302,260	317,531	336,574	360,129	379,966	391,376	429,234	460,807	487,273
Business-type activities:										
Unrestricted investment gain (loss)	416	265	405	2,370	2,109	(185)	(3,933)	1,217	4,747	5,914
Transfers	15	--	(36)	(80)	(21)	77	--	--	129	132
Other	99	3	--	48	22	701	(568)	26	38	1
Subtotal business-type activities	530	268	369	2,338	2,110	593	(4,501)	1,243	4,914	6,047
Total primary government	\$ 290,580	\$ 302,528	\$ 317,900	\$ 338,912	\$ 362,239	\$ 380,559	\$ 386,875	\$ 430,477	\$ 465,721	\$ 493,320
Special Item										
Litigation settlement	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Changes in net position										
Governmental activities	\$ 50,511	\$ 51,185	\$ 25,729	\$ 102,758	\$ 30,670	\$ 85,763	\$ 168,951	\$ 187,371	\$ 144,301	\$ 199,579
Business-Type activities	10,026	4,102	14,251	9,903	18,073	13,495	12,483	10,181	24,574	21,639
Total primary government	\$ 60,537	\$ 55,287	\$ 39,980	\$ 112,661	\$ 48,743	\$ 99,258	\$ 181,434	\$ 197,552	\$ 168,875	\$ 221,218

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

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (2)	2022-23		2023-24	2024-25
								as restated			
General Fund											
Nonspendable	\$ 12,130	\$ 13,619	\$ 11,977	\$ 11,407	\$ 2,318	\$ 56	\$ 56	\$ 55	\$ 55	\$ 55	\$ 55
Restricted	27,527	31,529	38,002	44,054	55,068	62,161	79,433	105,197	105,751	105,509	
Committed	67,703	60,161	69,305	102,087	131,484	181,517	169,714	168,567	198,936	218,373	
Unassigned	7,684	7,761	10,591	18,654	13,029	19,839	13,518	35,296	23,176	30,106	
Subtotal General Fund	115,044	113,070	129,875	176,202	201,899	263,573	262,721	309,115	327,918	354,043	
All Other Governmental Funds (1)											
Nonspendable	1,496	1,942	1,714	--	--	955	704	1,020	1,020	700	
Restricted	163,656	175,173	175,660	193,207	206,072	248,532	287,268	289,148	390,196	393,807	
Committed	19,236	30,864	29,378	20,960	27,212	28,585	30,046	28,564	29,175	22,747	
Unassigned	--	--	--	--	--	--	(10,171)	(12,858)	(7,003)	(1,529)	
Subtotal all other governmental funds	184,388	207,979	206,752	214,167	233,284	278,072	307,847	305,874	413,388	415,725	
Total governmental fund balance	\$ 299,432	\$ 321,049	\$ 336,627	\$ 390,369	\$ 435,183	\$ 541,645	\$ 570,568	\$ 614,989	\$ 741,306	\$ 769,768	

Notes:

(1) Substantial increases or decreases in fund balance components are explained in the Management's Discussion and Analysis (MD&A).

(2) Per GASB 100 restatement of FY2021-22 is deemed impracticable.

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

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (3)	2022-23 as restated	2023-24	2024-25
Revenues (by source)											
Taxes	\$ 269,412	\$ 281,279	\$ 295,066	\$ 309,983	\$ 325,337	\$ 349,820	\$ 372,365	\$ 393,784	\$ 418,252	\$ 438,026	\$ 463,326
Licenses, permits, and franchises	13,660	14,282	14,221	16,758	17,281	17,296	19,764	21,010	21,825	23,514	23,737
Fines, forfeitures, and penalties	9,581	9,160	9,141	11,281	8,883	12,965	9,468	12,667	12,690	12,417	12,098
Use of money and property	4,902	4,809	3,332	4,324	12,047	10,233	1,643	(18,129)	9,622	34,026	42,199
Intergovernmental	340,807	345,428	361,392	382,633	402,412	369,325	486,640	511,015	533,194	563,248	592,251
Charges for services	161,637	181,022	189,834	189,613	201,067	200,162	217,264	220,903	227,247	236,643	266,609
Other	19,033	16,149	16,177	16,255	20,252	48,174	22,775	15,919	26,587	24,339	30,505
Total revenues	819,032	852,129	889,163	930,847	987,279	1,007,975	1,129,919	1,157,169	1,249,417	1,332,213	1,430,725
Expenditures (by function)											
Policy & executive	15,563	16,484	16,585	21,242	21,707	21,046	23,531	22,040	26,682	25,213	25,800
Public safety	281,211	288,174	303,151	329,172	330,711	348,327	363,881	371,971	375,239	417,014	440,067
Health & human services	343,584	351,911	361,796	353,241	361,345	386,431	402,524	421,227	451,866	493,874	530,961
Community resources & public facilities	93,443	106,380	99,463	108,561	122,690	121,468	159,335	167,909	188,275	194,273	146,115
General government & support services	47,357	50,104	52,597	53,563	53,640	57,334	61,781	64,324	61,340	62,736	67,942
General county programs	3,190	2,679	2,167	1,590	334	2,942	9,378	46,357	73,083	68,260	68,650
Debt service											
Principal	15,318	3,764	3,874	3,951	4,026	4,034	4,417	5,134	5,895	7,406	10,097
Interest	2,516	2,111	2,002	1,889	1,775	1,666	1,530	2,098	2,417	2,520	6,892
Capital outlay	8,353	6,229	24,983	39,756	35,416	16,110	15,309	14,716	20,409	41,892	99,648
Total expenditures	810,535	827,836	866,618	912,965	931,644	959,358	1,041,686	1,115,776	1,205,206	1,313,188	1,396,172
Excess (deficiency) of revenues over (under) expenditures	8,497	24,293	22,545	17,882	55,635	48,617	88,233	41,393	44,211	19,025	34,553
Other financing sources (uses)											
Transfers in	60,305	54,535	68,603	57,082	52,729	96,412	103,100	96,553	100,593	155,462	132,877
Transfers out	(61,278)	(55,935)	(69,673)	(59,669)	(55,282)	(100,328)	(108,609)	(97,904)	(104,169)	(160,158)	(144,775)
Proceeds from sale of capital assets	347	205	142	283	166	113	1,745	121	289	139	261
Long-term debt issued	9,925	10	--	--	--	--	--	--	--	90,014	--
Leases issued	--	--	--	--	--	--	--	16,760	548	3,984	2,024
Subscription issued	--	--	--	--	--	--	--	--	3,017	7,286	3,522
Issuance premium on long-term debt	--	--	--	--	--	--	--	--	--	10,565	--
Total other financing sources (uses)	9,299	(1,185)	(928)	(2,304)	(2,387)	(3,803)	(3,764)	15,530	278	107,292	(6,091)
Special Item											
Litigation settlement	--	--	--	--	--	--	--	(28,000)	--	--	--
Net change in fund balance	\$ 17,796	\$ 23,108	\$ 21,617	\$ 15,578	\$ 53,248	\$ 44,814	\$ 84,469	\$ 28,923	\$ 44,489	\$ 126,317	\$ 28,462
Debt service as a percentage											
of noncapital expenditures (1):	2.27%	0.74%	0.71%	0.68%	0.65%	0.62%	0.60%	0.65%	0.74%	0.81%	1.31%
Expenditures (2)											
General government	\$ 64,462	\$ 68,216	\$ 74,054	\$ 74,874	\$ 82,831	\$ 87,194	\$ 117,315	\$ 126,221	\$ 134,568	\$ 134,656	\$ 137,760
Public protection	328,238	336,140	353,536	386,355	382,468	403,545	418,481	446,630	1,031,399	516,882	\$ 549,956
Public ways and facilities	25,750	30,620	23,720	29,672	37,417	36,655	44,182	42,647	46,284	66,782	\$ 47,016
Health and sanitation	171,631	173,590	180,615	180,185	186,688	205,917	216,911	217,605	519,077	254,191	\$ 281,986
Public assistance	159,753	165,569	166,155	158,593	161,040	167,035	173,713	178,965	199,174	215,310	\$ 235,251
Education	3,132	3,568	3,800	4,097	3,866	4,106	4,494	4,690	4,669	4,927	\$ 5,104
Recreational and cultural services	12,811	14,237	14,022	16,306	14,776	15,603	16,042	16,912	18,534	22,498	\$ 22,460
Debt service	17,834	5,875	5,876	5,840	5,801	5,700	5,947	7,230	8,312	9,926	\$ 16,990
Capital outlay	26,924	30,021	44,840	57,043	56,757	33,603	44,601	74,876	75,133	88,016	\$ 99,648
Total expenditures	\$ 810,535	\$ 827,836	\$ 866,618	\$ 912,965	\$ 931,644	\$ 959,358	\$ 1,041,686	\$ 1,115,776	\$ 2,037,150	\$ 1,313,188	\$ 1,396,172

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.

(3) Per GASB 100 restatement of FY2021-22 is deemed impracticable.

COUNTY OF SANTA BARBARA, CALIFORNIA

ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF PROPERTY (UNAUDITED)

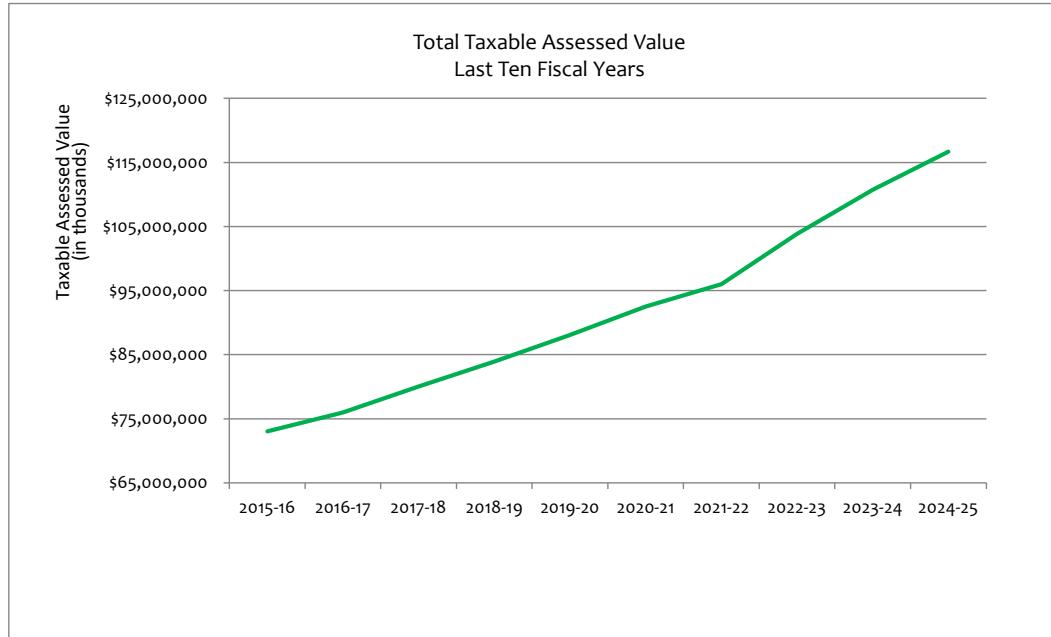
LAST TEN FISCAL YEARS (in thousands)

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 fair 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 fair 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 (%)
2015 - 2016	71,941,255	3,619,135	1,004,561	(3,505,586)	73,059,365	100.00%
2016 - 2017	75,131,736	3,603,348	1,064,198	(3,807,072)	75,992,210	100.00%
2017 - 2018	79,372,934	3,798,374	1,001,291	(4,123,907)	80,048,692	100.00%
2018 - 2019	83,555,061	3,870,105	1,053,450	(4,560,120)	83,918,496	100.00%
2019 - 2020	87,781,519	3,739,695	1,094,610	(4,549,691)	88,066,133	100.00%
2020 - 2021	92,073,180	3,833,714	1,194,253	(4,577,525)	92,523,622	100.00%
2021 - 2022	95,948,582	3,856,295	1,180,717	(4,997,281)	95,988,313	100.00%
2022 - 2023	103,282,227	3,973,106	1,360,133	(4,752,419)	103,863,047	100.00%
2023 - 2024	109,849,187	4,458,408	1,436,604	(4,992,098)	110,752,101	100.00%
2024 - 2025	115,727,252	4,547,718	1,555,335	(5,135,003)	116,695,302	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		Cities (1)	Schools (2)		
	General					
2015 - 2016	1.00000%		0.00011%	0.01979%	1.01990%	
2016 - 2017	1.00000%		0.00010%	0.01875%	1.01885%	
2017 - 2018	1.00000%		0.00010%	0.01816%	1.01826%	
2018 - 2019	1.00000%		0.00014%	0.02339%	1.02353%	
2019 - 2020	1.00000%		0.00000%	0.02208%	1.02208%	
2020 - 2021	1.00000%		0.00000%	0.02139%	1.02139%	
2021 - 2022	1.00000%		0.00000%	0.02201%	1.02201%	
2022 - 2023	1.00000%		0.00000%	0.02214%	1.02214%	
2023 - 2024	1.00000%		0.00000%	0.01791%	1.01791%	
2024 - 2025	1.00000%		0.00000%	0.01691%	1.01691%	

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, 2025 AND June 30, 2016 (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, 2025 and June 30, 2016

June 30, 2025:

Taxpayers	Type of Business	(1) Net Assessed Secured Property Value	Percentage of Total Net Assessed Value	(2) Total Secured Tax Levy Fiscal Year 2024-25	Percentage of Total Secured Tax Levy Fiscal Year
					2024-25
Southern California Edison Co	Utilities	\$ 559,791	0.48%	\$ 7,736	0.69%
Ruby SB Hotel LLC	Hotels	521,254	0.45%	5,726	0.51%
Southern California Gas Company	Utilities	435,355	0.37%	6,022	0.54%
Miramar Acquisition Company LLC	Hotels	316,062	0.27%	3,566	0.32%
Pacific Gas & Electric Co	Utilities	281,532	0.24%	3,893	0.35%
1260 BB Property LLC	Hotels	248,013	0.21%	2,974	0.27%
Windset Farms California Inc	Agriculture	237,772	0.20%	2,591	0.23%
Islay Investments	Real Estate Holdings	213,310	0.18%	2,482	0.22%
Celite Corporation	Mining	186,043	0.16%	2,108	0.19%
Regency Tropicana LLC	Real Estate Holdings	183,647	0.16%	2,087	0.19%
Ten largest taxpayers		3,182,779	2.73%	39,185	3.51%
All other taxpayers		113,512,523	97.27%	1,074,999	96.49%
Total		\$ 116,695,302	100.00%	\$ 1,114,184	100.00%

June 30, 2016:

Taxpayers	Type of Business	(1) Net Assessed Secured Property Value	Percentage of Total Net Assessed Value	(2) Total Secured Tax Levy Fiscal Year 2015-16	Percentage of Total Secured Tax Levy Fiscal Year 2015-16
					2015-16
United Launch Alliance LLC	Aerospace	\$ 396,622	0.54%	\$ 4,717	0.68%
Southern California Edison Company	Utilities	296,570	0.41%	3,581	0.52%
Venoco, Inc	Petroleum & Gas	308,897	0.42%	3,228	0.47%
Exxon Corporation	Petroleum & Gas	303,625	0.42%	3,117	0.45%
Southern California Gas Company	Utilities	216,605	0.30%	2,617	0.38%
Pacific Coast Energy Company	Petroleum & Gas	236,601	0.32%	2,600	0.38%
1260 BB Property, LLC (Biltmore)	Hotels	212,366	0.29%	2,497	0.36%
BRS Investment Properties, LLC (Bacara)	Hotels	189,646	0.26%	2,083	0.30%
Windset Farms California, Inc	Agriculture	169,767	0.23%	1,874	0.27%
Pacific Gas & Electric Company	Utilities	150,572	0.21%	1,819	0.26%
Ten largest taxpayers		2,481,271	3.40%	28,133	4.08%
All other taxpayers		70,578,094	96.60%	662,193	95.92%
Total		\$ 73,059,365	100.00%	\$ 690,326	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	Amount	% of Levy
2015 - 2016	\$ 690,326	\$ 684,131	99.10%	\$ 6,143	\$ 690,274	99.99%	
2016 - 2017	720,855	714,505	99.12%	6,256	720,761	99.99%	
2017 - 2018	759,352	751,947	99.02%	7,221	759,168	99.98%	
2018 - 2019	796,449	788,819	99.04%	7,325	796,144	99.96%	
2019 - 2020	837,914	827,552	98.76%	9,919	837,471	99.95%	
2020 - 2021	880,847	870,620	98.84%	9,609	880,229	99.93%	
2021 - 2022	918,049	909,652	99.09%	7,317	916,969	99.88%	
2022 - 2023	991,721	981,309	98.95%	8,686	989,995	99.83%	
2023 - 2024	1,055,644	1,043,210	98.82%	8,523	1,051,733	99.63%	
2024 - 2025	1,114,184	1,098,116	98.56%	--	1,098,116	98.56%	

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						
	Certificates of Participation (1)	Leases (5)		SBITAs (6)		Other Long-Term Obligations (4)		Bonds and Notes Payable	Certificates of Participation (1)	Bonds and Notes Payable	Total Primary Government	Percentage of Personal Income (2)	Per Capita (3)
2015 - 2016	\$ 28,693	\$ 2,351	\$ --	\$ --	\$ 20,690	\$ 5,323	\$ 6,704	\$ 63,761	0.29%	143			
2016 - 2017	27,798	1,983	--	--	17,745	4,554	5,930	58,010	0.24%	129			
2017 - 2018	26,872	1,636	--	--	14,730	3,766	5,139	52,143	0.21%	118			
2018 - 2019	25,908	1,315	--	--	11,655	167,038	4,335	210,251	0.79%	463			
2019 - 2020	24,910	1,075	--	--	8,515	165,037	3,513	203,050	0.73%	451			
2020 - 2021	23,490	932	--	--	5,928	191,451	2,674	233,199	0.79%	529			
2021 - 2022	22,014	14,281	--	--	4,481	186,164	1,811	236,556	0.75%	536			
2022 - 2023	20,478	24,880	3,551	--	3,633	180,401	930	241,644	0.71%	548			
2023 - 2024	128,617	25,994	9,605	--	5,770	174,146	625	352,311	1.05%	794			
2024 - 2025	15,085	27,914	27,914	--	4,662	167,957	315	243,847	0.67%	550			

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.

(1) Beginning in fiscal year 2013-14, the Certificates of Participation totals in this schedule were updated to include unamortized premiums and discounts.

See the "Demographics and Economic Statistics" schedule for personal income and population data. Note that this ratio is calculated using population for the latest calendar year for each corresponding fiscal year.

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.

Beginning in fiscal year 2024-25, this schedule was updated to exclude Long-Term Settlements. Prior year balances have been updated to reflect this change.

(5) GASB Statement No. 87 was implemented for leases in FY 2021-22. Prior years recognize capital leases pre-GASB Statement No. 87.

(6) GASB statement No. 96 was implemented for SBITAs in FY 2022-23. As a result, data for previous fiscal years is not available.

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
2016 -	2017	75,992,210	949,903	--	949,903	1
2017 -	2018	80,048,692	1,000,609	--	1,000,609	1
2018 -	2019	83,918,496	1,048,981	--	1,048,981	1
2019 -	2020	88,066,133	1,100,827	--	1,100,827	1
2020 -	2021	92,523,622	1,156,545	--	1,156,545	1
2021 -	2022	95,988,313	1,199,854	--	1,199,854	1
2022 -	2023	103,863,047	1,298,288	--	1,298,288	1
2023 -	2024	110,752,072	1,384,401	--	1,384,401	1
2024 -	2025	116,695,237	1,458,690		1,458,690	

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, 2025

2024-25 Assessed Valuation: \$ 116,695,237

	Percent	
	Applicable (1)	Debt
Overlapping Tax and Assessment Debt:		
Allan Hancock Joint Community College District	99.707%	139,645
Santa Barbara Community College District	100.000%	45,740
Santa Maria Joint Union High School District	99.998%	161,821
Santa Ynez Valley Union High School District	100.000%	9,205
Carpinteria Unified School District	100.000%	85,865
Cuyama Joint Unified School District	71.672%	2,777
Lompoc Unified School District	100.000%	35,635
Santa Barbara Unified and High School District	100.000%	202,079
Santa Barbara Unified School District & Elementary School District	100.000%	87,764
Buellton Union School District	100.000%	10,455
Cold Spring School District	100.000%	2,535
College School District	100.000%	3,500
Goleta Union School District	100.000%	78,275
Guadalupe Union School District	100.000%	23,983
Hope Elementary School District	100.000%	50,336
Los Olivos School District	100.000%	2,749
Montecito Union School District	100.000%	830
Orcutt Union School District	100.000%	44,430
Santa Maria-Bonita Joint School District	99.997%	44,289
Solvang School District	100.000%	7,529
Lompoc Healthcare District	100.000%	57,225
City and Special District 1915 Act Bonds	62.175% – 100%	3,145
Total Overlapping Tax and Assessment Debt		<u>1,099,812</u>

Direct and Overlapping General Fund Debt

Santa Barbara County General Fund Obligations	100.000%	113,330
Santa Maria-Bonita School District Certificates of Participation	99.997%	42,263
Cuyama Joint Unified School District General Fund Obligations	71.672%	496
Lompoc Unified School District General Fund Obligations	100.000%	13,468
Santa Ynez Valley Union High School District General Fund Obligations	100.000%	548
Cold Spring School District General Fund Obligations	100.000%	509
College School District General Fund Obligations	100.000%	1,070
City of Goleta General Fund Obligations	100.000%	27,808
City of Lompoc General Fund Obligations	100.000%	2,264
City of Santa Barbara General Fund Obligations	100.000%	145,200
Goleta West Sanitary District General Fund Obligations	100.000%	12,684
Total Gross Overlapping General Fund Obligation Debt		<u>359,640</u>
Less: Santa Barbara County utility supported obligations		(740)
Less: City of Santa Barbara revenue bonds supported by airport revenues		(23,180)
Total Net Overlapping General Fund Obligation Debt		<u>335,720</u>
Total Net Overlapping Tax and Assessment and General Fund Obligation Debt		<u>1,435,532</u>

Overlapping Tax Increment Debt:

Direct General Fund Obligation Debt:		
General Fund Obligation - Governmental Activities (3)	160,248	(4)
Total Direct General Fund Obligation Debt	<u>160,248</u>	
 Total Net Combined Overlapping and Direct Debt		 <u>\$ 1,617,190</u>
Total Gross Combined Overlapping and Direct Debt		<u>\$ 1,641,110</u> (2)

Ratios to 2024-25 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	0.94%
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Ratios to Adjusted Assessed Valuation:

Total Gross Direct Debt	0.10%
Total Net Direct Debt	0.10%
Gross Combined Total Debt	1.27%
Net Combined Total Debt	1.25%

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 lease obligations and state contractual obligations within the Department of Water Resources.
- (3) Includes Certificates of Participation and Bonds, Notes, Leases, and Subscriptions.
- (4) Excludes 2008, 2018, and 2020 COPs for Business-type activities which are legal obligations of the General Fund. Detailed information can be found at Note-10 Long-term Liabilities.

Source:

California Municipal Statistics, Incorporated

COUNTY OF SANTA BARBARA, CALIFORNIA

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS* (in thousands)

Fiscal Year	Resource Recovery and Waste Management Fund (Resource Recovery) Revenue Bond (1)									
	Operating Revenue (3)	Less: Operating Expenses	Net Operating Revenue	Debt Service			Total Debt Service	Coverage Ratio		
				Principal	Interest					
2018 - 2019	\$ 31,060	\$ 29,319	1,741	\$ 1,650	\$ 3,720		\$ 5,370	0.3		
2019 - 2020	38,096	27,346	10,750	--	7,253		7,253	1.5		
2020 - 2021	37,263	27,767	9,496	--	7,253		7,253	1.3		
2021 - 2022	43,516	34,437	9,079	2,455	7,212		9,667	0.9		
2022 - 2023	48,936	43,515	5,421	2,885	7,122		10,007	0.5		
2023 - 2024	55,660	39,338	16,322	3,330	7,013		10,343	1.6		
2024 - 2025	58,705	45,437	13,268	3,810	6,874		10,684	1.2		

Fiscal Year	Laguna County Sanitation District (Laguna Sanitation) Revenue Bond (2)									
	Operating Revenue (3)	Less: Operating Expenses	Net Operating Revenue	Debt Service			Total Debt Service	Coverage Ratio		
				Principal	Interest					
2020 - 2021	\$ 14,917	\$ 8,244	6,673	\$ --	\$ 614		\$ 614	11		
2021 - 2022	15,396	8,232	7,164	780	847		1,627	4		
2022 - 2023	15,729	8,840	6,889	820	807		1,627	4		
2023 - 2024	16,318	8,788	7,530	865	765		1,630	5		
2024 - 2025	16,198	9,396	6,802	905	721		1,626	4		

Notes:

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

(1) New in 2018-2019.

(2) New in 2020-2021.

(3) `

(2) New in 2020-2021.

(3) Operating Revenue includes Charges for services, Sale of scrap and recyclables, and Other operating revenues.

Source:

Auditor-Controller, County of Santa Barbara

COUNTY OF SANTA BARBARA, CALIFORNIA
DEMOGRAPHICS AND ECONOMIC STATISTICS (UNAUDITED)
LAST FISCAL TEN YEARS

(1) Year	(2) Population	(3),(4) Personal Income	Per Capita Personal Income	(5) School Enrollment	(6) Unemployment Rate
2016	446,717	\$ 22,300,000,000	\$ 49,920	69,069	4.9%
2017	450,663	24,200,000,000	53,699	69,062	4.3%
2018	453,457	25,000,000,000	55,132	69,752	3.9%
2019	454,593	26,646,853,000	58,617	69,379	3.5%
2020	451,840	27,992,849,000	61,953	69,006	11.6%
2021	441,172	29,502,767,000	66,874	67,470	5.9%
2022	445,164	30,190,183,000	67,818	67,137	2.8%
2023	440,557	33,037,087,000	74,989	66,758	3.8%
2024	443,623	33,607,554,000	75,757	66,864	4.2%
2025	447,132	36,507,933,000	81,649	67,011	4.7%

Detail of estimated population, as of January 1, 2025:

(2) Incorporated Cities

Buellton	5,091
Carpinteria	12,735
Goleta	32,747
Guadalupe	8,851
Lompoc	43,424
Santa Barbara	86,451
Santa Maria	112,208
Solvang	5,755
Total of Incorporated Cities	307,262
Total of Unincorporated Areas	139,870
Total Population	447,132

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

TOP TEN INDUSTRIES (UNAUDITED)

June 30, 2025 AND June 30, 2016

Industry	June 30, 2025			June 30, 2016		
	Jobs (1)	Rank	Percent of	Jobs (1)	Rank	Percent of
			Total County Employment			Total County Employment
Government	37,500	1	16.61%	39,000	1	19.05%
Farming	37,500	1	16.61%	23,400	5	11.43%
Private Education and Health Services	33,300	3	14.75%	26,600	4	12.99%
Leisure and Hospitality	28,400	4	12.58%	27,800	2	13.58%
Trade, Transportation, and Utilities	25,800	5	11.43%	26,900	3	13.14%
Professional and Business Services	23,700	6	10.50%	21,700	6	10.60%
Manufacturing	11,800	7	5.23%	13,400	7	6.55%
Mining, Logging and Construction	10,500	8	4.65%	9,000	8	4.40%
Financial Activities	6,800	9	3.01%	6,400	9	3.13%
Information	3,700	10	1.64%	4,500	10	2.20%
Top ten industries	219,000		97.03%	198,700		97.07%
Total all other industries	6,700		2.97%	6,000		2.93%
Total all industries	<u><u>225,700</u></u>		<u><u>100.00%</u></u>	<u><u>204,700</u></u>		<u><u>100.00%</u></u>

Sources:

(1) Employment Development Department, State of California

Notes:

Employment data is presented by industry rather than by individual employers, as we were unable to obtain employer-specific figures.

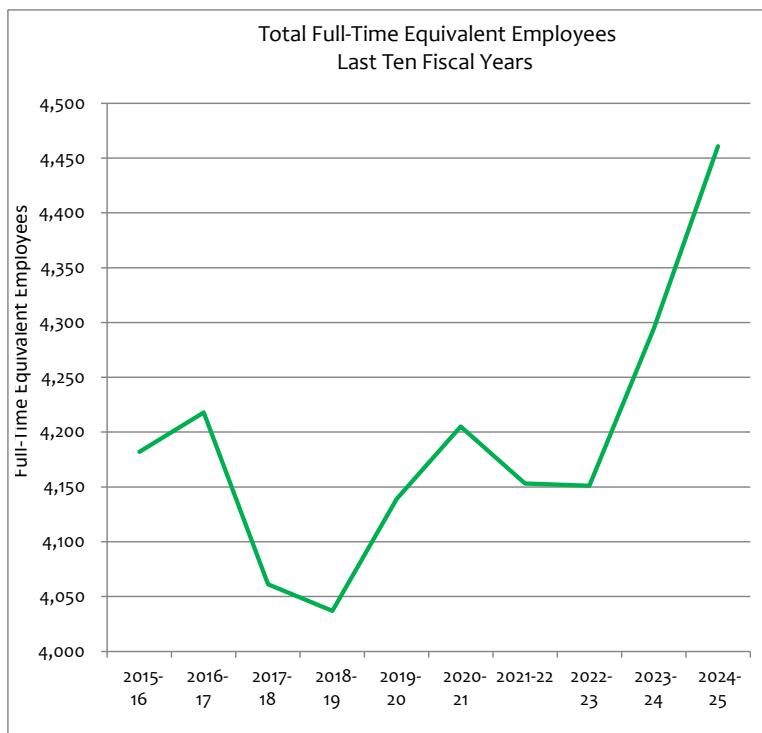
COUNTY OF SANTA BARBARA, CALIFORNIA
 COUNTY EMPLOYEES BY FUNCTION/PROGRAM (UNAUDITED)
 LAST TEN FISCAL YEARS

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Paid employees (1)										
Policy & executive	105	103	106	109	109	118	111	111	107	110
Public safety	1,521	1,540	1,540	1,550	1,594	1,606	1,619	1,634	1,671	1,706
Health & public assistance	1,973	1,961	1,806	1,751	1,780	1,806	1,740	1,731	1,780	1,865
Community resources & public facilities	424	443	442	453	464	469	459	468	484	492
General government & support services	359	361	348	341	351	359	363	362	380	392
General county programs	6	6	5	5	7	7	9	6	4	4
Resource Recovery	77	80	77	78	82	81	80	77	82	90
Laguna Sanitation	15	16	17	18	18	18	19	18	18	19
Total County employees	<u>4,480</u>	<u>4,510</u>	<u>4,341</u>	<u>4,305</u>	<u>4,405</u>	<u>4,464</u>	<u>4,400</u>	<u>4,407</u>	<u>4,526</u>	<u>4,678</u>
Actual full-time equivalent employees (2)										
Policy & executive	94	93	93	97	97	105	101	104	102	103
Public safety	1,433	1,448	1,452	1,463	1,509	1,533	1,538	1,532	1,583	1,620
Health & public assistance	1,841	1,842	1,697	1,652	1,681	1,707	1,654	1,652	1,712	1,804
Community resources & public facilities	389	402	402	413	426	432	427	428	438	450
General government & support services	335	339	325	320	330	333	338	343	363	378
General county programs	1	1	1	--	--	--	--	--	--	--
Resource Recovery	74	77	74	75	78	77	77	75	78	88
Laguna Sanitation	15	16	17	17	18	18	18	17	18	18
Total County employees	<u>4,182</u>	<u>4,218</u>	<u>4,061</u>	<u>4,037</u>	<u>4,139</u>	<u>4,205</u>	<u>4,153</u>	<u>4,151</u>	<u>4,294</u>	<u>4,461</u>

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

(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	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Public safety										
Other:										
Filed felonies-District Attorney	2,898	2,835	2,659	2,801	2,582	2,181	2,407	2,463	2,671	2,547
Filed misdemeanors-District Attorney	12,355	12,404	11,124	10,065	8,935	6,534	6,886	5,678	7,074	6,696
Public Defender's total new caseload (1)	24,024	23,414	24,014	12,316	12,247	7,872	16,167	12,439	13,531	8,848
Fire emergency responses	14,307	15,123	15,763	15,634	14,723	14,618	16,239	17,330	17,231	17,231
Sheriff:										
Total miles patrolled	1,439,005	1,413,060	1,454,032	1,441,414	1,406,295	1,362,890	1,276,095	1,241,442	1,241,630	1,290,671
Processed and booked adult offenders	17,744	15,623	14,130	13,710	11,108	8,326	10,001	10,317	11,268	11,903
Probation:										
Juvenile referrals processed	3,371	3,150	2,964	2,656	1,987	722	985	980	1,151	1,000
Adult and Juvenile cases supervised	8,114	8,112	7,358	6,088	7,318	4,801	4,247	3,943	4,791	4,382
Institutional care for minors	37,372	34,214	26,695	22,147	16,344	6,920	7,397	8,669	8,222	9,253
Submit written reports to courts on Adults	6,856	7,337	6,763	5,238	3,911	2,538	6,234	8,932	9,128	9,053
Health & public assistance										
Behavioral Wellness clients served	14,653	15,344	13,004	14,711	14,052	10,652	11,774	11,804	11,209	11,625
Established orders for child support	11,452	11,317	11,270	11,227	10,964	10,458	10,159	9,852	8,970	8,739
Assistance claims paid to eligible recipients	99,597	97,127	91,623	88,672	85,710	79,809	80,211	86,181	80,491	83,207
Patient encounters at Public Health clinics	107,000	115,000	111,000	118,500	113,500	121,000	112,500	101,459	103,086	106,065
Community resources & public facilities										
Building inspections	22,583	21,804	24,230	26,930	24,952	24,943	24,877	23,649	23,631	23,518
Enhanced or maintained road lanes (miles)	24	23	21	44	64	46	53	56	59	51
General government & support services										
Clerk-Recorder-Assessor										
Recorded documents & vital copies issued	110,846	110,089	95,912	90,740	104,052	140,571	120,479	78,426	74,142	80,748
Resource Recovery										
Waste recycled (tons per month)	5,084	5,241	5,825	7,645	7,882	8,253	7,598	6,117	11,774	9,654
Landfill waste disposal (tons per month)	16,690	17,172	19,050	19,215	17,744	16,245	15,946	16,024	14,442	16,564

Notes:

(1) Beginning in FY 18-19 Public Defender does not include cases previously appointed that were reappointed during the fiscal year. The Public Defender's caseload amount for FY 21-22 was adjusted due to a departmental system error.

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	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Policy & executive										
Buildings										
Public safety										
Court buildings	7	7	7	7	7	7	7	7	7	7
Other buildings	5	5	5	5	5	5	5	5	5	5
Fire stations	16	16	16	16	16	16	16	16	16	16
Fire trucks	41	41	43	43	45	45	45	45	46	46
Ambulances	6	6	6	6	6	6	6	6	6	6
Sheriff sub stations	4	4	4	4	4	4	4	9	9	9
Patrol units	52	60	60	59	63	6,110	67	69	69	69
Aircrafts	6	6	6	7	6	7	7	7	6	6
Jail and detention facilities	6	6	6	6	6	6	7	7	7	7
Administration buildings	9	9	9	10	10	10	10	10	10	10
Health & public assistance										
Clinics	9	9	9	11	12	12	12	12	12	13
Administration buildings	5	5	5	3	3	3	3	3	4	4
Community resources & public facilities										
Public parks & open space acreage	2,122	2,122	2,122	2,122	2,122	2,160	2,160	2,160	2,160	2,160
Day use & camping parks	26	26	26	26	26	26	26	26	26	26
Open space areas (County developed)	45	45	45	45	45	45	45	45	45	45
Outdoor events center	1	1	1	1	1	1	1	1	1	1
Veterans buildings	3	3	3	3	3	3	3	3	3	3
Seawalls	2	2	2	2	2	2	2	2	2	2
Road lane miles	1,671	1,651	1,650	1,650	1,650	1,657	1,658	1,658	1,658	1,658
Bridges	115	115	118	120	120	120	122	123	123	124
Traffic signals	44	44	43	43	43	43	43	43	43	43
Roads heavy equipment	43	43	48	48	49	49	48	49	50	50
Sanitary sewers (miles of collection)	129	129	129	129	129	129	129	129	131	131
Treatment capacity (million gallons per day)	4	4	4	4	4	4	4	4	4	4
Resource Recovery heavy equipment	58	59	71	72	77	84	90	98	89	101
General government & support services										
Buildings	7	7	7	7	7	7	7	7	7	7

Notes:

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

Sources:

Various Department Personnel, County of Santa Barbara



GLOSSARY



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).

ACCURAL BASIS OF ACCOUNTING - The recording of the financial effects of a government's 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.

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

ADDITIONS - Term used to describe increases in the net position of fiduciary funds.

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

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) - An ACFR is a financial report that encompasses all funds and component units of the government. It contains (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. It is the governmental unit's official annual report and it also contains introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

APPROPRIATION - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

ASSESSED VALUATION - A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSIGNED FUND BALANCE - Amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds.

AUDITOR'S REPORT - In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with GAAP or some other comprehensive basis of accounting.

BALANCE SHEET - The financial statement disclosing the assets, liabilities, and equity of an entity at a specified date in conformity with GAAP.

BASIC FINANCIAL STATEMENTS (BFS) - The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: governmentwide financial statements, fund financial statements, and notes to the financial statements.

BASIS OF ACCOUNTING - A term used to refer to when revenues, expenditures, expenses, and transfers, and the related assets and liabilities, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

BENEFICIAL INTEREST - The right to a portion of the benefits from donated resources pursuant to a split-interest agreement in which the donor enters into a trust or other legally enforceable agreement with characteristics that are equivalent to a split-interest agreement and transfers the resources to an intermediary.

BUDGET - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body for adoption, and sometimes, the plan finally approved by that body.

BUDGETARY CONTROL - The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

BUSINESS-TYPE ACTIVITIES - One of two classes of activities reported in the governmentwide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. These activities are usually reported in enterprise funds.

CAPITAL AND RELATED FINANCING ACTIVITIES - Term used in connection with cash flows reporting. Capital and related financing activities include (1) acquiring and disposing of capital assets used in providing services or producing goods, (2) borrowing money for acquiring, constructing, or improving capital assets and repaying the amounts borrowed, including interest, and (3) paying for capital assets obtained from vendors on credit.

CAPITAL ASSETS - Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

CAPITAL OUTLAY - Expenditures resulting in the acquisition of or addition to the government's general capital assets.

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).

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

CASH BASIS OF ACCOUNTING - A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CASH EQUIVALENT - Short-term, highly liquid investments that are both (1) readily convertible to known amounts of cash and (2) so near their maturity that they present insignificant risk of changes in value due to changes in interest rates.

CEDED PREMIUMS/CLAIMS COSTS - Premiums paid to a public-entity risk pool and claims costs that are transferred to another enterprise in connection with a reinsurance arrangement.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM - A voluntary program administered by the GFOA to encourage governments to publish efficiently organized and easily readable ACFRs/Component Unit Financial Reports (CUFRs) and to provide technical assistance and peer recognition to the finance officers preparing them.

CHANGE IN THE FAIR VALUE OF INVESTMENTS - The difference between the fair value of investments at the beginning of the year and at the end of the year, taking into consideration investment purchases, sales, and redemptions.

CLOSED AMORTIZATION PERIOD - Term used in connection with the unfunded actuarial accrued liability associated with defined benefit pension and other postemployment benefit plans. A specific number of years that is counted from one date and, therefore, declines to zero with the passage of time. For example, if the amortization period is initially 30 years on a closed basis, 29 years remain after the first year, 28 years after the second year, and so forth.

COLLECTIVE DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS AND OPEB - Deferred outflows of resources and deferred inflows of resources related to pensions or OPEB arising from certain changes in the collective net pension liability or the collective net OPEB liability.

COLLECTIVE NET PENSION OR OPEB LIABILITY - The net pension or OPEB liability for benefits provided through (1) a cost-sharing pension or OPEB plan or (2) a single-employer or agent pension or OPEB plan in circumstances in which there is a special funding situation.

COLLECTIVE PENSION OR OPEB EXPENSE - Pension or OPEB expense arising from certain changes in the collective net pension or OPEB liability.

COLLECTIVE TOTAL PENSION LIABILITY - The total pension liability for benefits provided through (a) a pension or plan that is used to provide pensions to the employees of a primary government and its component units or (b) a pension plan in circumstances in which there is a special funding situation.

COMMITTED FUND BALANCE - Amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

COMPENSATED ABSENCES - Absences, such as vacation, illness, and holidays, for which it is expected employees will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation, or other long-term fringe benefits, such as group insurance and long-term disability pay.

COMPONENT UNIT - Legally separate organization for which the elected officials of the primary government are financially accountable.

CONDUIT DEBT OBLIGATION - A debt instrument issued in the name of a state or local government (the issuer) that is for the benefit of a third party that is primarily liable for the repayment of the debt instrument (the third-party obligor). A conduit debt obligation has all of the following characteristics: (a) There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee. There may be more than one third-party obligor, debt holder, or debt trustee; (b) the issuer and the third-party obligor are not within the same financial reporting entity; (c) the debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer; (d) the third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance; and (e) the third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

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.

COUNTYWIDE - Encompasses, applies to or affects the entire county (including incorporated cities) either in policy, service or an event.

CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS - Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

CUSTODIAL CREDIT RISK - Risk that a government will not be able (1) to recover deposits if the depository financial institution fails or (2) to recover the value of investments or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails.

CUSTODIAL FUND - A fund established to account for all fiduciary activities that are not governed by a trust agreement or equivalent agreement.

DEBT - An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

DEBT SERVICE FUND - A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEDUCTIONS - Term used to describe decreases in the net position of fiduciary funds.

DEFERRED INFLOWS OF RESOURCES – An acquisition of net position that is applicable to a future reporting period.

DEFERRED OUTFLOWS OF RESOURCES – A consumption of net position that is applicable to a future reporting period.

DEFICIT - (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

DEFINED BENEFIT OPEB - OPEB for which the benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The OPEB may be stated as (a) a specified dollar amount; (b) an amount that is calculated based on one or more factors such as age, years of service, and compensation; or (c) a type or level of coverage such as prescription drug coverage or a percentage of health insurance premiums.

DEFINED BENEFIT OPEB PLAN – OPEB plans that are used to provide defined benefit OPEB.

DEFINED BENEFIT PENSION PLAN - Pension plans that are used to provide defined benefit pensions.

DEFINED BENEFIT PENSIONS - Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation.

DEPRECIATION - (1) Expiration in the service life of capital assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. (2) The portion of the cost of a capital asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

DISCOUNT RATE - A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

DUE FROM OTHER FUNDS - An asset account reflecting amounts owed to a particular fund by another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

DUE TO OTHER FUNDS - A liability account reflecting amounts owed by a particular fund to another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

ECONOMIC RESOURCES MEASUREMENT FOCUS - Measurement focus under which the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net position. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for governmentwide financial reporting. It is also used by business enterprises in the private sector.

EMPLOYER'S CONTRIBUTIONS - Contributions made in relation to the annual required contributions of the employer (ARC). An employer has made a contribution in relation to the ARC if the employer has (a) made payments of benefits directly to or on behalf of a retiree or beneficiary, (b) made premium payments to an insurer, or (c) irrevocably transferred assets to a trust, or equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator.

ENABLING LEGISLATION - Legislation that authorizes a government to levy, charge, or otherwise mandate payments of resources from outside parties, subject to a legally enforceable requirement that the resources thus obtained be used only for the specific purposes stipulated in the legislation.

ENCUMBRANCES - Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

ENTERPRISE FUND - Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

ENTRY AGE ACTUARIAL COST METHOD - A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the *normal cost*. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the *actuarial accrued liability*.

EXCHANGE-LIKE TRANSACTION - Transaction in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange.

EXPENDITURES - Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service, and capital outlays, and intergovernmental grants, entitlement, and shared revenues.

EXPENDITURE-DRIVEN GRANTS - Government-mandated or voluntary non-exchange transactions in which expenditure is the prime factor for determining eligibility. Also referred to as reimbursement grants.

EXPENSES - Outflows or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services, or carrying out other activities that constitute the entity's ongoing major or central operations.

EXTERNAL AUDITORS - Independent auditors typically engaged to conduct an audit of a government's financial statements.

EXTERNAL INVESTMENT POOL - An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants is not part of the sponsor's reporting entity. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the primary government and its component units, it is an internal investment pool and not an external investment pool.

FAIR VALUE - The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FIDUCIARY FUNDS - A category of funds used to report assets held in a trust agreement or equivalent arrangement that has certain characteristics or in a custodial capacity for the benefit of others and which therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds.

FINANCIAL RESOURCES - Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables or investments). Financial resources may also include inventories and prepaids (because they obviate the need to expend current available resources).

FISCAL AGENT - A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

FUND - A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE - The difference between fund assets and fund liabilities of governmental and similar trust funds.

FUND FINANCIAL STATEMENTS - Basic financial statements presented on the basis of funds. Term used in contrast with governmentwide financial statements.

FUND TYPE - One of eleven groupings, subordinate to the three fund categories, into which all individual funds can be further categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds.

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 - Affecting or involving all areas and departments of the County of Santa Barbara government.

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.

IMPAIRMENT - Significant, unexpected decline in the service utility of a capital asset that will remain in use.

IMPROVEMENT - An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

INACTIVE EMPLOYEES - Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.

INDIRECT EXPENSES - Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category.

INFRASTRUCTURE - Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

INTANGIBLE ASSETS - Assets with an initial useful life that extends beyond a single reporting period that lack physical substance and that are neither financial in nature (neither a monetary asset nor a claim to a monetary asset) nor primarily held for the purpose of directly obtaining income or profit.

INTERFUND RECEIVABLE/PAYABLE - Short-term loans made by one fund to another, or the current portion of an advance to or from another fund.

INTERFUND TRANSFERS - Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

INTERMEDIARY - The trustee, fiscal agent, government, or any other legal or natural person that is holding and administering donated resources pursuant to a split-interest agreement. An intermediary is not required to be a third party.

INTERNAL SERVICE FUND - A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

INVESTMENTS WITH FISCAL AGENT - An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

IRREVOCABLE SPLIT-INTEREST AGREEMENT - A split-interest agreement in which the donor has not reserved, or conferred to another person, the right to terminate the agreement at will and have the assets returned to the donor or a third party.

JOINT VENTURE - A legal entity or other contractual arrangement in which a government participates as a separate and specific activity for the benefit of the public or service recipients and in which the government retains an ongoing financial interest.

LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS - Costs incurred to provide for the protection of the environment that occur near or after the date that a municipal solid-waste landfill stops accepting solid waste and throughout the postclosure period. Closure and postclosure care costs include the cost of equipment and facilities (leachate collection systems and final cover) as well as the cost of services (postclosure maintenance and monitoring costs)

LAPSE - As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time. At the end of this period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

LEAD INTEREST - A type of beneficial interest that confers the right to receive all or a portion of the benefits of resources during the term of a split-interest agreement.

LEASE - A contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction.

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

LESSEE - The party to a lease contract who acquires the right to use another entity's nonfinancial asset(s) (i.e., tenant).

LESSOR - The party to a lease contract who conveys the right to use its nonfinancial asset(s) to another entity (i.e., landlord).

LEVEL PERCENTAGE OF PROJECTED PAYROLL AMORTIZATION METHOD - Amortization payments are calculated so that they are a constant percentage of the projected payroll of active plan members over a given number of years. The dollar amount of the payments generally will increase over time as payroll increases due to inflation; in dollars adjusted for inflation, the payments can be expected to remain level.

LIABILITIES - Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

LIFE-CONTINGENT TERM - A term specifying that the termination of a split-interest agreement is contingent upon the occurrence of a specified event, commonly the death of either the donor or other lead interest beneficiary.

LOANS RECEIVABLE - An asset account reflecting amounts loaned to individuals or organizations external to a government, including notes taken as security for such loans. Loans to other funds and governments should be recorded and reported separately.

MAJOR FUND - A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are funds whose revenues/expenditures, assets, or liabilities are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other governmental or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - A component of required supplementary information used to introduce the basic financial statements and to provide an analytical overview of the government's financial activities.

MEASUREMENT FOCUS - A way of presenting an entity's financial performance and position by considering which resources are measured (financial or economic) and when the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of governmentwide financial statements, proprietary fund financial statements, and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

MEASUREMENT PERIOD - The period between the prior and the current measurement dates.

MODIFIED ACCRUAL BASIS OF ACCOUNTING - The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recognized when the fund liability is incurred. All governmental funds, expendable trust funds, and custodial funds are accounted for using the modified accrual basis of accounting.

MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN - A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.

NET INVESTMENT IN CAPITAL ASSETS - One of three components of net position that must be reported in both governmentwide and proprietary fund financial statements. Related debt, for this purpose, includes the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets of the government.

NET OPEB LIABILITY - The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria of GASB Statement No. 75.

NET PENSION LIABILITY - The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan.

NET POSITION - The residual of all other elements presented in a statement of financial position.

NONCAPITAL FINANCING ACTIVITIES - Term used in connection with cash flows reporting. Noncapital financing activities include (1) borrowing money for purposes other than to acquire, construct, or improve capital assets, and (2) repaying the amounts borrowed, including interest. This category includes proceeds from all borrowings not clearly attributable to the acquisition, construction, or improvement of capital assets, regardless of the form of the borrowing. Also included are certain other interfund and intergovernmental receipts and payments.

NONOPERATING REVENUES AND EXPENSES - In the context of the proprietary fund operating statement, revenues and expenses not qualifying as operating items (e.g., taxes, grants that are not equivalent to contracts for services, and most interest revenue and expense).

NONSPENDABLE FUND BALANCE - Amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

OPERATING ACTIVITIES - Term used in connection with cash flows reporting. Operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as capital and related financing, noncapital financing, or investing activities.

OPERATING REVENUES AND EXPENSES - Cost of goods sold and services provided to customers and the revenue thus generated.

OPERATING TRANSFERS - All interfund transfers other than residual equity transfers (e.g., legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended).

OTHER FINANCING SOURCES - An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP.

OTHER FINANCING USES - A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of other financing uses category is limited to items so classified by GAAP.

OTHER POSTEMPLOYMENT BENEFITS (OPEB) - Benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as postemployment healthcare benefits paid in the period after employment (if any), regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits or termination payments for sick leave.

OPEB PLANS - Arrangements through which OPEB is determined, assets dedicated for OPEB (if any) are accumulated and managed, and benefits are paid as they come due.

OVERLAPPING DEBT - The proportionate share that property within a government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessment receivable in each jurisdiction, which will be used wholly or in part to pay off the debt, to total assessments receivable, which will be used wholly or in part for this purpose.

PASS-THROUGH GRANTS - Grants and other financial assistance received by a governmental entity to transfer to, or spend on behalf of, a secondary recipient.

PAYMENT IN LIEU OF TAXES (PILOT) - Payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives that normally are financed through property taxes.

PAYROLL GROWTH RATE - An actuarial assumption with respect to future increases in total covered payroll attributable to inflation; used in applying the level percentage of projected payroll amortization method.

PENSION BENEFITS - Retirement income and all other benefits, including disability benefits, death benefits, life insurance, and other ancillary benefits, except healthcare benefits, that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or after retirement. Postemployment healthcare benefits are considered other postemployment benefits, whether they are provided through a defined benefit pension plan or another type of plan.

PENSION PLANS - Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed, and benefits are paid as they come due.

PENSIONS - Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.

PERIOD-CERTAIN TERM - A term specifying that the termination of a split-interest agreement occurs after a specified period. (For example, a number of years.)

PERMANENT FUNDS - Governmental fund type used to report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry).

PLAN MEMBERS - Individuals that are covered under the terms of a pension or OPEB plan. Plan members generally include (a) employees in active service (active plan members) and (b) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).

POLLUTION REMEDIATION OBLIGATION - An obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities.

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.

POST-IMPLEMENTATION/OPERATION STAGE - In the context of internally generated computer software, the stage of development that includes application training and software maintenance.

PRELIMINARY PROJECT STAGE - In the context of internally generated computer software, the stage of development that includes the conceptual formulation and evaluation of alternatives, the determination of the existence of needed technology, and the final selection of alternatives for the development of the software.

PREPAIDS (OR PREPAID ITEMS) - Costs of services to be received in future periods that have been paid in advance (insurance), resulting in an asset.

PROGRAM - Group activities, operations, or organizational units directed to attaining specific purposes or objectives.

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.

PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS (P3s) - An arrangement in which a government, known as the transferor, contracts with another party, known as an operator, to provide public services by conveying to the operator control of the right to operate or use a nonfinancial asset, such as infrastructure or another capital asset (the underlying PPP asset). To be a PPP, the contract must be for a defined period of time and be entered into in an exchange or exchange-like transaction. The transferor in a PPP is always a government, and the operator may be either another government or a private party.

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

REALIZED GAINS AND LOSSES. - Difference between the carrying value of an asset and its price at the time of sale if the asset had been reported at other than fair value.

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.

REFUNDING - Issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose (a current refunding), or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at some later date (an advance refunding).

REINSURANCE - Transaction in which an assuming enterprise (reinsurer), in return for consideration (premium), assumes all or part of a risk undertaken originally by another insurer (ceding enterprise). However, the legal rights of the insured are not affected by the reinsurance transaction, and the ceding enterprise issuing the original insurance contract remains liable to the insured for payment of policy benefits.

REMAINDER INTEREST - A type of beneficial interest that confers the right to receive all or a portion of the resources remaining at the end of a split-interest agreement's term.

REPORTING ENTITY - The oversight unit and all of its component units, if any, that are combined in the ACFR/BFS.

REQUIRED SUPPLEMENTARY INFORMATION - Consists of statements, schedules, statistical data, or other information that according to the GASB is necessary to supplement, although not required to be a part of, the basic financial statements.

RESTRICTED ASSETS - Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

RESTRICTED FUND BALANCE - Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

RESTRICTED NET POSITION - A component of net position calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

REVENUE BONDS - Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

REVENUES - (1) Increases in the net current assets of a governmental fund type from other than expenditure refunds and residual equity transfers. Also, general long-term debt proceeds and operating transfers in are classified as "other financing sources", rather than as revenues. (2) Increases in the net total assets of a proprietary fund type from other than expense refunds, capital contributions, and residual equity transfers. Also, operating transfers in are classified separately from revenues.

RISK MANAGEMENT - All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

SELF-INSURANCE - A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

SERVICE CONCESSION ARRANGEMENT - An arrangement whereby a government transfers the operation of one of its capital assets to a third-party operator in exchange for significant consideration, with the operator then being compensated from the fees and charges it collects in connection with the operation of that asset, and with the transferor retaining control over the service and a significant residual interest in the capital asset.

SERVICE COSTS - The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.

SERVICE LIFE - The average remaining years of service of all members of the retirement plan (both current employees and retirees).

SINGLE AUDIT - An audit performed in accordance with Title 2 U.S. Code of Federal Regulations. The Single Audit allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal agencies.

SPECIAL DISTRICT - An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, cemetery districts, transit authorities, port authorities, and electric power authorities.

SPECIAL REVENUE FUND - A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

SPLIT-INTEREST AGREEMENT - An agreement in which the donor enters into a trust or other legally enforceable agreement (with characteristics that are equivalent to a split-interest agreement) under which the donor transfers resources to an intermediary to administer for the benefit of at least two beneficiaries, one of which could be a government.

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) - An arrangement in which a government contracts with another party, known as a SBITA vendor, to convey to the government the right to use the SBITA vendor's IT software, either alone or in combination with tangible capital assets (the underlying IT assets). To be a SBITA, the contract must be for a defined period of time and be entered into in an exchange or exchange-like transaction.

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 retrievable 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.

UNAVAILABLE REVENUE - Resource inflows that do not qualify for recognition as revenue in a governmental fund because they are not yet considered to be available.

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.

UNREALIZED GAINS AND LOSSES - Difference between the carrying value of an asset and its fair value prior to sale.

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.

WEIGHTED AVERAGE MATURITY - In the context of interest-rate risk disclosure for investments, measurement of investment time horizons—the time when investments become due and payable—in years or months, weighted to reflect the dollar size of individual investments within an investment type.



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