

Attachment C

Financial Highlights for the fiscal year ended June 30, 2022

Please see the attached printed publication.

Financial Highlights

Fiscal Year Ended June 30, 2022
Santa Barbara County, CA



one
COUNTY
one
FUTURE

Betsy M. Schaffer, CPA, CPFO
Auditor-Controller

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

This Financial Highlights publication is intended to provide the general public with an easy-to-read overview of Santa Barbara County's (County) financial condition. The information contained in this report is derived from the County's Annual Comprehensive Financial Report (ACFR) which is more detailed in nature and in conformance with generally accepted accounting principles (GAAP) in the United States of America. This report provides highlights of the significant financial and economic activity of the County for the fiscal year ended June 30, 2022. Copies of the ACFR can be obtained by contacting the Auditor-Controller's office, or can be found on the Auditor-Controller's website at www.countyofsb.org/375/Publications.

TABLE OF CONTENTS

COUNTY OVERVIEW

Message from the Auditor-Controller	1
Who We Are	2
County at a Glance	4
County Services at a Glance	5
County Timeline	6
County Outlook	7

FINANCIAL

COVID Funding	8
Statement of Net Position / Activities	9
Capital Assets	10
Debt	11

BUDGET & ECONOMY

Governmental Funds	12
General Fund	13
Economy at a Glance	14

OTHER INFORMATION

County Festivals and Events	16
Whistleblower Hotline	17
Glossary	17

While the financial statements' data presented within the County's Financial Highlights conform to Generally Accepted Accounting Principles (GAAP), some statistics are taken from various sources and are not GAAP-based data.

TO THE CITIZENS OF SANTA BARBARA COUNTY:

It's time. It's time to celebrate and revive our identity through our traditions that have been on hold. After two long years, it's time to display our strawberries and juice our lemons – together – in the same space, if we want. We still want to be safe, but the fear is fading thanks to the gifts of vaccinations and boosters.

Throughout this publication, you will see images of traditions of our County*. Pictures of festivals that celebrate the historic, the unique, the wonder, and the abundance of our community. These festivals and traditions remind us of who we are, they ground us, and help us remember a different time. But, we're not living in the past. We're appreciating, so that when the Now beckons, we can distinguish how it used to be in order to understand how things now need to be.

This is true for the financial condition of the County, too. We have the traditionally stable revenue source of property tax, which grew 6% over the prior fiscal year. But, the County also received some "new" revenue to meet the expenditure needs that were unique to the pandemic. Federal funds of \$27.3M became available and funded numerous new programs such as The Emergency Rental Assistance Program and reimbursed costs that were required to support the health and safety of the community.

Fiscal year 2021-22 also saw the completion and opening of the Tajiguas ReSource Recovery Project and the Northern Branch Jail. Both of these projects represent current and future needs now being addressed well into the future. Other capital projects underway include the Laguna Sanitation project, the Radio Towers project, and the Cuyama Fire Station Replacement project. The County also completed a needs assessment and selection process for an enterprise resource planning (ERP) system to eventually replace our financial, human resources, and budgeting systems. While roads support the County's transportation infrastructure, the ERP

system will support the County organization's financial, operational, and administrative infrastructure. Phase 1 of the ERP system is scheduled to "go live" in FY 2023-24.

Sometimes in difficult times, it's hard to remember who we are and how and why we do certain things. It's a process to remember. It's a process to consider if we want to go back to how things were. It's a process to get to the new normal. Processes are meant to change, to be improved. Our traditions, and what those traditions mean to our identity, are meant to be enriched by our processes. And a way to enjoy the process, the journey, back to our identity, is to celebrate. It's time.

With Much Gratitude,



A handwritten signature in black ink that reads "Betsy M. Schaffer".

Betsy M. Schaffer, CPA, CPFO
AUDITOR-CONTROLLER

* See page 16 for highlights of County festivals and events.

The County's 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 sets policy for County departments, oversees a budget of over \$1.3 billion, and adopts ordinances on local matters, as well as land use policies that affect unincorporated areas (areas outside of cities).



County of Santa Barbara
2022 Board of Supervisors

COUNTY DISTRICTS





Das Williams
First District
VICE CHAIR



Gregg Hart
Second District



Joan Hartmann
Third District
CHAIR



Bob Nelson
Fourth District



Steve Lavagnino
Fifth District



HEALTH & HUMAN SERVICES

FTE: 1,654 **(53)** from FY 2020-21
Exp: \$421.2M **+\$18.7M** FY 2020-21

This functional group strives to improve the health of the community through preventive health services, aiding individuals and families to become emotionally, socially and fiscally self-sufficient, serving children and families by enforcing child support orders, and providing a comprehensive array of alcohol, drug, and mental health services.



GENERAL GOVERNMENT & SUPPORT SERVICES

FTE: 338 **+ 5** from FY 2020-21
Exp: \$64.3M **+\$2.5M** FY 2020-21

This functional group provides important general government services to the citizens such as elections, property tax administration, treasury operations, and also provides support services to County operations such as information technology, payroll, and capital projects. These departments provide financial integrity for the County, as well as management of the County's assets.



PUBLIC SAFETY

FTE: 1,538 **+ 5** from FY 2020-21
Exp: \$372.0M **+\$8.1M** FY 2020-21

Public Safety protects the community, including people and their property via law enforcement, fire protection, custody of adult and juvenile criminals, and probation monitoring of offenders. This function also protects the rights and the safety of citizens through criminal/civil prosecution and defense of the accused.



POLICY & EXECUTIVE

FTE: 101 **(4)** from FY 2020-21
Exp: \$22.0M **(\$1.5M)** FY 2020-21

The Policy and Executive group includes the County Board of Supervisors. The group is responsible for: setting policy, risk management programs, emergency operations, recommending and overseeing the budget, and providing legal services.



COMMUNITY RESOURCES & PUBLIC FACILITIES

FTE: 427 **+ 5** from FY 2020-21
Exp: \$167.9M **+\$8.6M** FY 2020-21

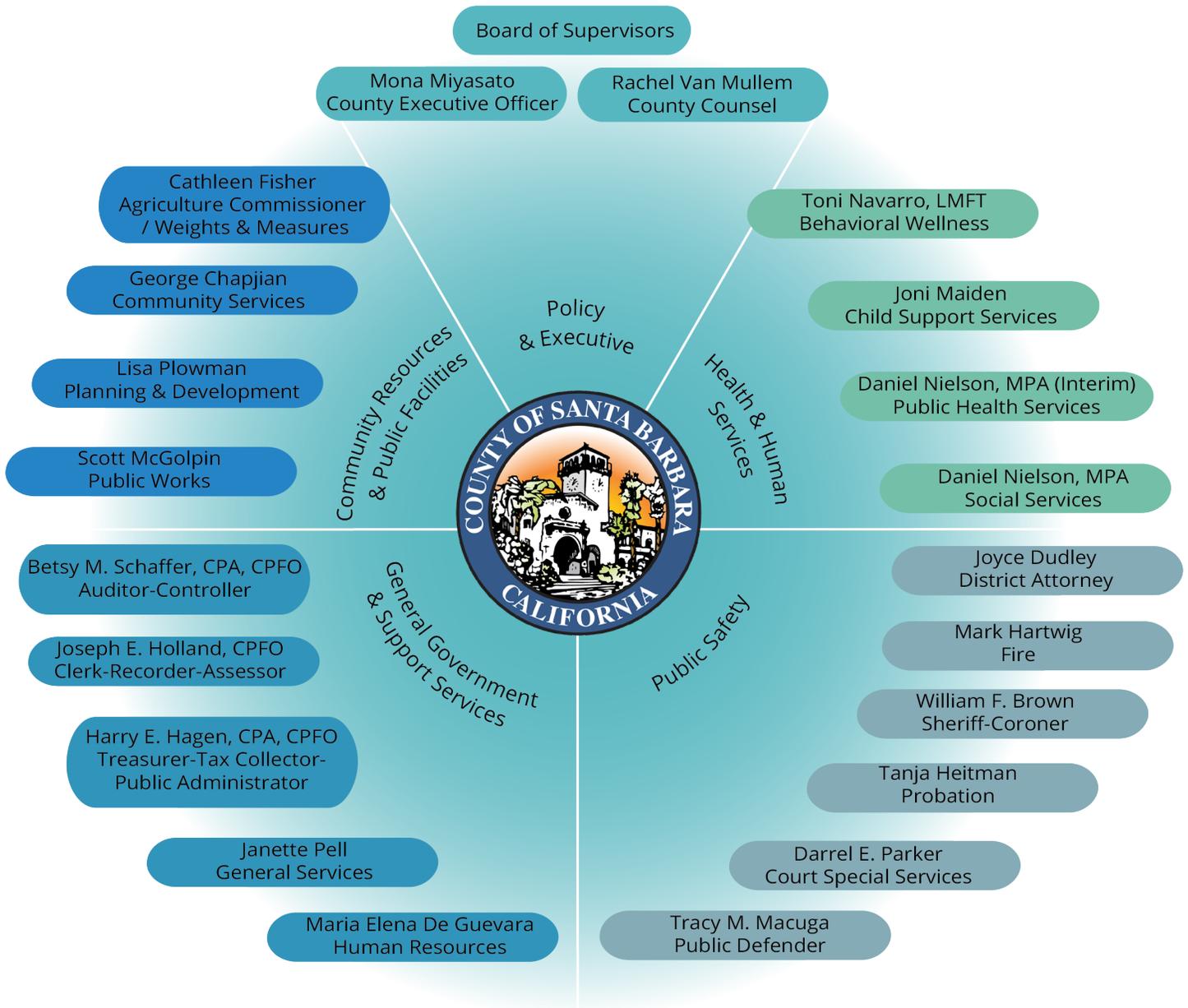
The departments in this functional group are devoted to enhancing the quality of life in the County. They look to preserve and protect natural resources, foster safe long-term land use, develop affordable housing, support the use of parks, protect agriculture and maintain essential public works facilities to make everyday life as safe and convenient as possible.



GENERAL COUNTY PROGRAMS

FTE: 0 **+ 0** from FY 2020-21
Exp: \$46.4M **+\$37.0M** FY 2020-21

This group performs functions that are not directly associated with a specific department, such as organizational development. Transfers to other government entities, such as the Human Services Commission, and the Local Agency Formation Commission, are also accounted for in this functional group.



The County departments have dual roles in providing services to their residents. Firstly, basic local government services are provided to residents in the unincorporated areas of the County. These services include fire protection and maintenance of County roads, as well as services in some cities by contract, such as Sheriff patrol. Secondly, countywide services are provided as a regional government, such as District Attorney prosecution and Sheriff jail operations, or as agents for the State through public assistance programs and property tax administration. Details about such County

services may be found in the County’s Recommended Budget publication available online at www.countyofsb.org/ceo.

The County has five elected department directors responsible for the offices of the Auditor-Controller, Clerk-Recorder-Assessor, District Attorney, Sheriff-Coroner, and Treasurer-Tax Collector-Public Administrator. The above organization chart reflects the various functional groups reported in the ACFR, along with the names of the principal officials.

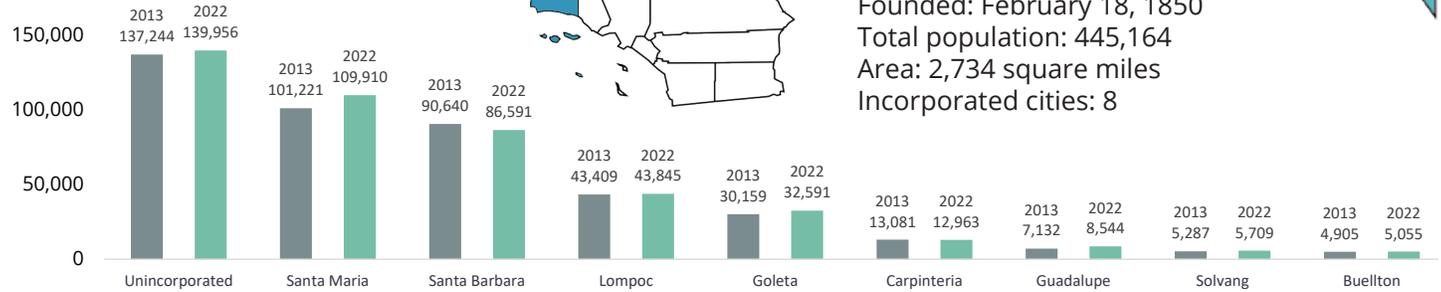
SANTA BARBARA COUNTY

Santa Barbara County offers idyllic settings for residents and visitors. Located approximately 100 miles northwest of Los Angeles and bordered by the Pacific Ocean to the west and south, it is known for its mild climate, picturesque coastline, vineyards, abundant agriculture, scenic mountains, and numerous parks and beaches – including the richly biodiverse marine habitat of the Channel Islands.



POPULATION CHANGES*

(2013 VS 2022)

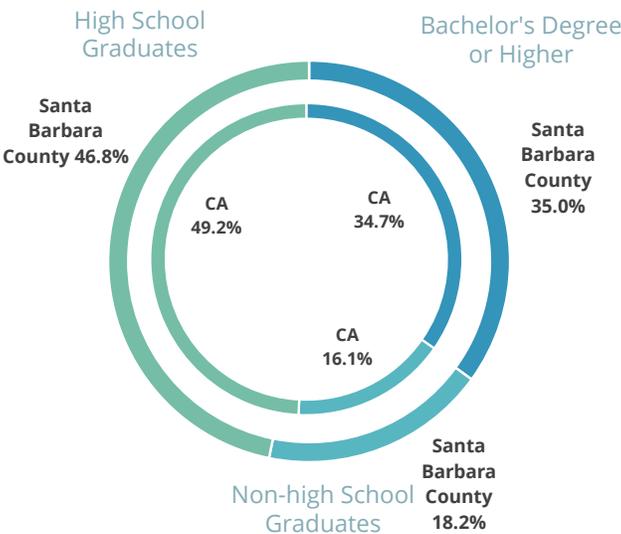


*Provided by The State of California Department of Finance

QUICK FACTS

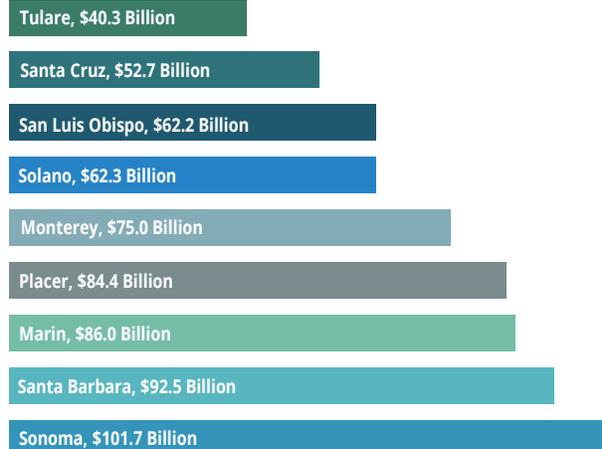
Founded: February 18, 1850
 Total population: 445,164
 Area: 2,734 square miles
 Incorporated cities: 8

AVERAGE EDUCATION LEVELS (2016 - 2020)



FY 2020-21 PROPERTY TAX ROLL

VALUES OF COMPARABLE COUNTIES



OPERATING INDICATORS BY FUNCTION/PROGRAM

Function/Program	FY 2020-21	FY 2021-22	FY 2021-22
Public Safety			
Other:			
Filed felonies-District Attorney	2,181	226	2,407
Filed misdemeanors-District Attorney	6,534	352	6,886
Public Defender's total new caseload	7,872	10,452	18,324
Fire emergency responses	14,618	1,621	16,239
Sheriff:			
Total miles patrolled	1,362,890	(86,795)	1,276,095
Processed and booked adult offenders	8,326	1,675	10,001
Probation:			
Juvenile referrals processed	722	263	985
Adult and Juvenile cases supervised	4,801	(554)	4,247
Institutional care for minors	6,920	477	7,397
Submit written reports to courts on Adults	2,538	3,696	6,234
Health & Human Services			
Behavioral Wellness clients served	10,652	1,122	11,774
Established orders for child support	10,458	(299)	10,159
Assistance claims paid to eligible recipients	79,809	402	80,211
Patient encounters at Public Health clinics	121,000	(8,500)	112,500
Community Resources & Public Facilities			
Building inspections	24,943	(66)	24,877
Enhanced or maintained road lanes (miles)	46	7	53
General Government & Support Services			
Clerk-Recorder-Assessor:			
Recorded documents & vital copies issued	140,571	(20,092)	120,479
Resource Recovery			
Waste recycled (tons per month)	8,253	(655)	7,598
Landfill waste disposal (tons per month)	16,245	(299)	15,946

CAPITAL ASSETS AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM

Function/Program	FY 2020-21	FY 2021-22	FY 2021-22
Public Safety			
Court buildings	7	--	7
Other buildings	5	--	5
Fire stations	16	--	16
Fire trucks	45	--	45
Ambulances	6	--	6
Sheriff sub stations	4	--	4
Patrol units	61	6	67
Aircrafts	7	--	7
Jail and detention facilities	6	1	7
Administration buildings	10	--	10
Health & Human Services			
Clinics	12	--	12
Administration buildings	3	--	3
Community Resources & Public Facilities			
Public parks & open space acreage	2,160	--	2,160
Day use & camping parks	26	--	26
Open space areas (County developed)	45	--	45
Outdoor events center	1	--	1
Veterans buildings	3	--	3
Seawalls	2	--	2
Road lane miles	1,650	7	1,657
Bridges	120	2	122
Traffic signals	43	--	43
Roads heavy equipment	49	(1)	48
Sanitary sewers (miles of collection)	129	--	129
Treatment capacity (million gallons per day)	4	--	4
Resource Recovery heavy equipment	84	6	90
General Government & Support Services			
Buildings	7	--	7

HEADLINES

JULY 2021 → **Tajiguas Landfill Officially Opens Recycling, Methane-Energy Plant**
- Santa Barbara Independent - Jul. 16, 2021

← **AUGUST**

← **Old Spanish Days Events to Proceed with Precautions**
- Santa Barbara Independent - Aug. 3, 2021

→ **SEPTEMBER** → **Board of Supervisors to Hear Update on Cannabis Tax Collection**
- Santa Barbara News-Press - Sept. 12, 2021

← **OCTOBER**

← **Santa Barbara ranked 7th Worst City for First-Time Home Buyers**
- Edhat - Oct. 2, 2021

← **NOVEMBER** → **California's District Maps Are Changing Here's What It Means for S.B.**
- Santa Barbara Independent - Nov. 19, 2021

→ **DECEMBER** → **Omicron Variant Found in California**
- Santa Barbara News-Press - Dec. 2, 2021

← **JANUARY 2022**

← **County to Pursue Funding to Purchase Super 8 Motel for Homeless Housing**
- Edhat - Jan. 12, 2022

→ **FEBRUARY** → **Santa Barbara's Commercial Real Estate Is Red Hot**
- Santa Barbara Independent - Feb. 11, 2022

← **MARCH**

← **Santa Barbara County Sees Third Year in a Row of Drought**
- Santa Barbara Independent - Mar. 9, 2022

APRIL

→ **MAY** → **Buyers Need 40% More Income to Purchase Homes in Top Metro Areas**
- Santa Barbara News-Press - May. 15, 2022

← **JUNE**

← **Space Force Buys 8 Rocket Launches; 2 Planned for Vandenberg SFB**
- Noozhawk - Jun. 5, 2022

ECONOMIC CONDITION

The ongoing global pandemic and its disparate health and economic impacts on Californians, saw state revenues grow at historic rates, with an estimated state surplus (the difference between projected revenues and spending under current law and policy) of \$31 billion in FY 2021-22. Revenue growth was due in large part to a significant increase of several measures of economic activity including double digit growth in retail sales, the rebound in stock market investments, and historically high earnings by several major firms, resulting in much higher tax revenues in FY 2021-22 as compared to budget act estimates.

Higher inflation affects the State in many ways. For revenues, increases in collections due in part to higher wages occur. Higher inflation also upsets stability in the financial markets and the economy as a whole, which then may lead to a decrease in revenues. Increased inflation increases the costs of delivering services, and as interest rates rise, the costs of federal government loans and bond debt service will also increase.

The State's unemployment rate has fallen steadily over the course of the ongoing recovery, with the July 2022 rate of 3.9% actually 0.2% lower than before the pan-

demic in February 2020. California has enjoyed steady and rapid job growth over the course of its ongoing recovery with over 97% of the pandemic-related job losses regained. California’s job gains over the course of the April 2020-July 2022 recovery has been well distributed across industry sectors with the hard-hit leisure and hospitality sector gaining more jobs than any other sector.

The California labor market continues to be robust, as the economy continues its recovery from the economic downturn brought on by the pandemic. California is enjoying historically low unemployment statewide with jobs continuing to be added across most industry sectors and economic regions, though the growth rate has slowed as the labor market normalizes.

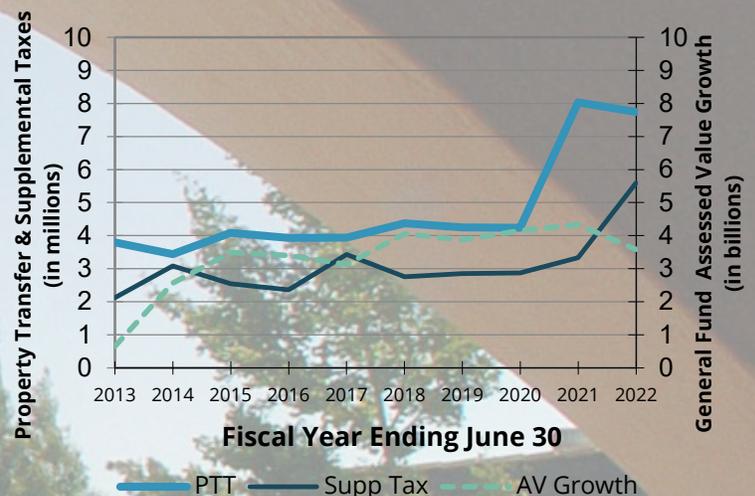
High inflation continues to endure as the looming threats of a pandemic resurgence and unstable geopolitical environment upsets economic stability. In response, the U.S. Federal Reserve has been using available monetary tools, including aggressive interest rate increases, in an attempt to bring inflation under control. The interest rates hikes are projected to moderate labor markets as increased borrowing costs on businesses and consumers will soften the pressures of increasing prices.

Although the economy continues to remain strong, signs of slowdown are appearing, indicating an increased risk that a recession in the next 12 to 18 months may occur.

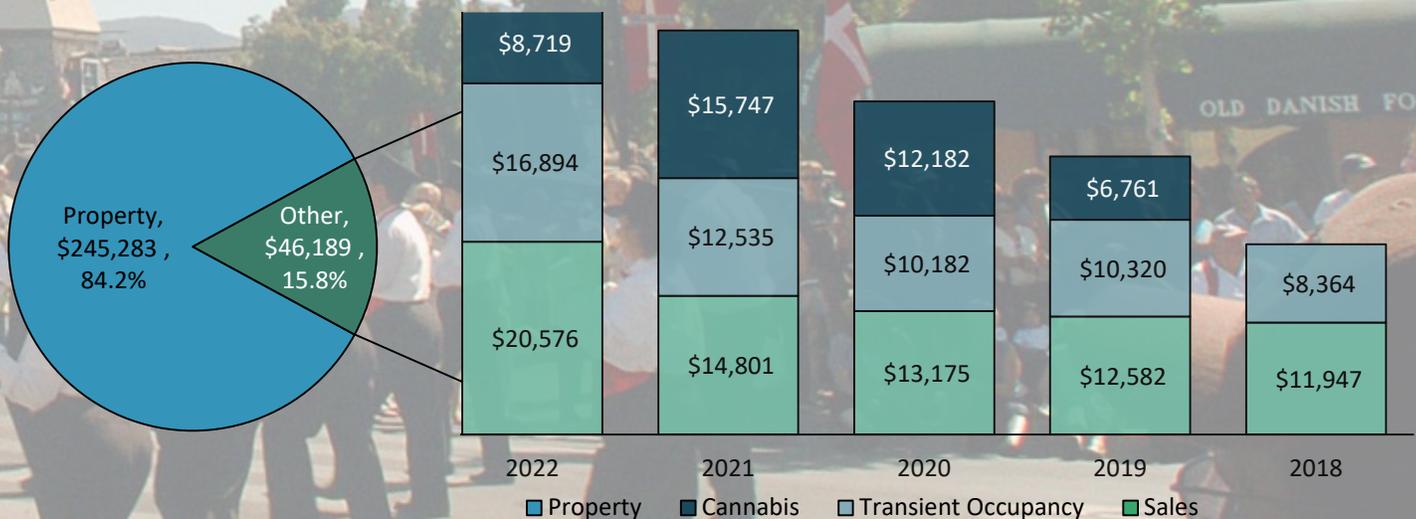
INTERGOVERNMENTAL TAX REVENUE (IN MILLIONS)

Fiscal Year	2021-22	2020-21	Change	PCT % Change
Revenue				
State	\$ 338.9	\$ 341.9	(3.0)	(0.9%)
Federal	166.2	137.8	28.4	20.6%
Other	5.9	6.8	(0.9)	(13.2%)
Total Revenue	\$ 511.0	\$ 486.5	\$ 24.5	

COUNTY GENERAL FUND ASSESSED VALUE (AV) GROWTH VS. PROPERTY TRANSFER TAX (PTT) & SUPPLEMENTAL TAXES (SUPP TAX)

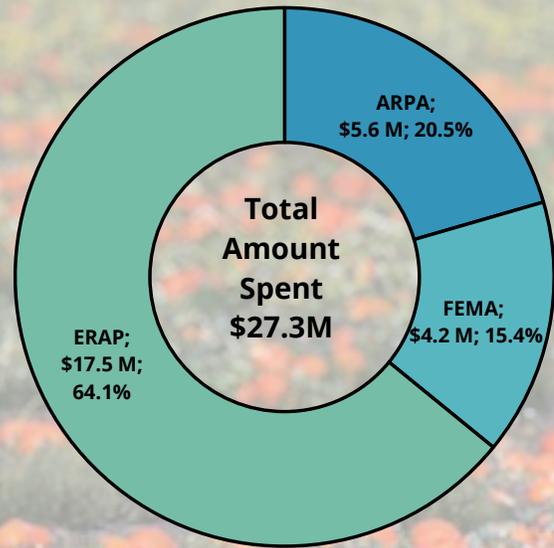


FY 2021-22 GENERAL TAX REVENUE AND TRENDS (IN THOUSANDS)



FY 2021-22 COVID FUNDING

Due to the widespread impacts of Coronavirus (COVID), the County received multiple state and federal funds to offset the increased costs of operating programs during the pandemic. Monies received included funding from the American Rescue Plan Act (ARPA), the Federal Emergency Management Agency (FEMA) and the Emergency Rental Assistance Program (ERAP). Although the County has spent \$27.3M of COVID funding, over \$40M of funding remains set aside in the General fund that are primarily due to ARPA projects that will have costs incurred in future fiscal years. For more information on COVID-19 Recovery Resources please visit: <https://www.readysbc.org/699/COVID-Recovery>.

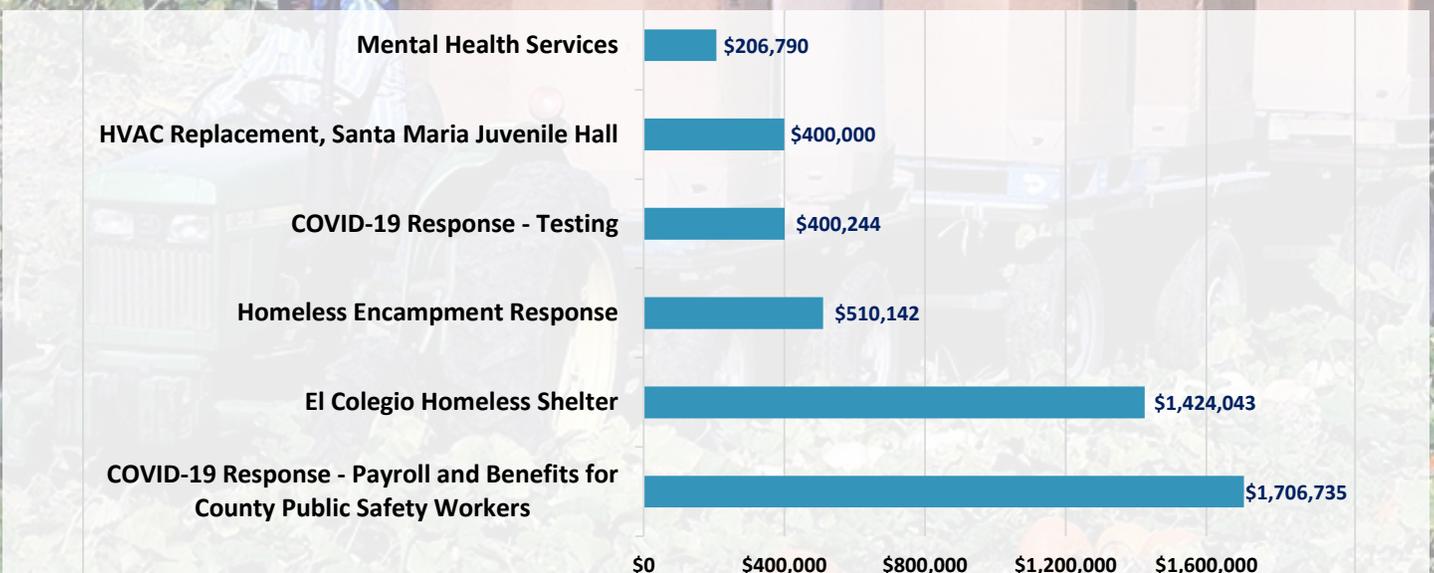


ERAP AND FEMA

The Emergency Rental Assistance Program is an ongoing program that is designed to keep families housed. Santa Barbara County has provided thousands of households with rent and utility assistance. Through a sub-recipient agreement with United Way, the County reimburses United Way for rental assistance paid to landlords on behalf of tenants. The Federal Emergency Management Agency funds were used primarily for emergency sheltering in non-congregate environments and public health expenses.

ARPA PROGRAMS

The Board conducted several public hearings throughout FY 2021-22 to receive staff recommendations on the allocation of ARPA funding and consider a variety of competing priorities consisting of funding requests both internal and external to the County. Several key areas of need were identified and prioritized in the Board's funding allocations, including addressing critical health and human services needs to underserved populations and areas disproportionately impacted by COVID-19, urgent infrastructure needs for water or sewer, and necessary costs as well as for required administration, compliance, and reporting associated with ARPA funds. Of the \$5.6M in ARPA funds spent, the top six ARPA expenditures incurred to date are presented below.



STATEMENTS OF NET POSITION / ACTIVITIES

(IN MILLIONS)*

The **Statement of Net Position** presents the County's financial position from a long-term perspective. It reports all of the County's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Over time, increases or decreases in net position may serve as a useful indicator of how the County's financial position is trending. The largest component of the County's net position is net investment in capital assets which cannot be used to liquidate the County's debt. The second largest component is restricted net position. These resources are subject to external restrictions on how they may be used, for example, restrictions imposed by grantors, contributors, laws or regulations of other governments, or restrictions imposed by law through constitutional provision or legislation, including those passed by the County itself. The final component of net position is unrestricted net position, a resource that can be used to meet ongoing obligations to citizens and creditors.

Fiscal Year	Governmental Activities			Business-Type Activities			Total		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
Assets									
Current and other assets	\$ 675.3	\$ 827.0	\$ 935.3	\$ 177.8	\$ 169.9	\$ 136.3	\$ 853.1	\$ 996.9	\$ 1,071.6
Capital assets, net of depreciation	820.4	843.6	877.5	202.1	252.2	284.6	1,022.5	1,095.8	1,162.1
Right-to-use lease assets, net of amortization	--	--	13.8	--	--	--	--	--	13.8
Total assets	1,495.7	1,670.6	1,826.6	379.9	422.1	420.9	1,875.6	2,092.7	2,247.5
Deferred outflows of resources	205.5	345.9	232.2	3.9	6.2	4.2	209.4	352.1	236.4
Liabilities									
Current and other liabilities	113.1	152.9	230.7	17.0	19.6	11.9	130.1	172.5	242.6
Long-term liabilities	969.0	1,152.4	620.4	219.5	248.1	234.1	1,188.5	1,400.5	854.4
Total liabilities	1,082.1	1,305.3	851.1	236.5	267.7	246.0	1,318.6	1,573.0	1,097.1
Deferred inflows of resources	84.5	68.9	396.4	0.9	0.7	6.7	85.3	69.6	403.1
Net position									
Net investment in capital assets	755.5	782.4	819.2	88.7	98.6	112.0	844.2	881.0	931.2
Restricted	316.8	364.8	394.9	--	--	--	316.8	364.8	394.9
Unrestricted	(537.7)	(504.9)	(402.8)	57.7	61.3	60.4	(480.0)	(443.6)	(342.4)
Total net position	\$ 534.6	\$ 642.3	\$ 811.3	\$ 146.4	\$ 159.9	\$ 172.4	\$ 681.0	\$ 802.2	\$ 983.7

The **Statement of Activities** reports the County's revenues and expenses during the fiscal year, as well as any transactions that increase or decrease its net position. Revenues are classified by source and expenses are classified by function. Transfers are an allocation of monies from one area of the government to another.

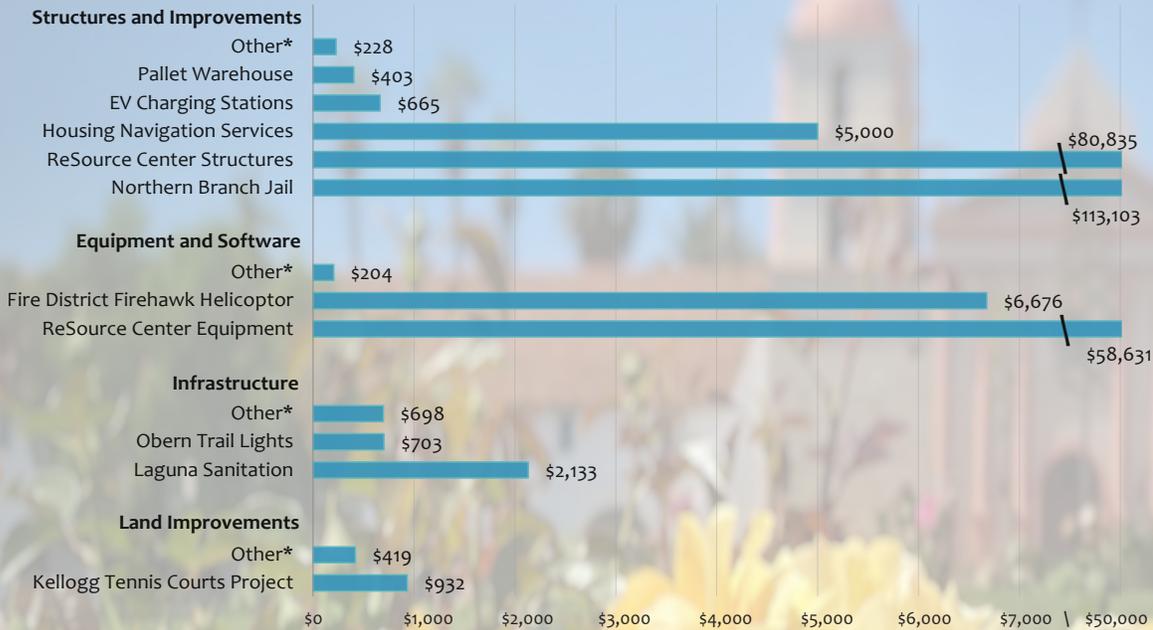
Fiscal Year	Governmental Activities			Business-Type Activities			Total		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
Revenues									
Program Revenues	\$ 635.0	\$ 734.6	\$ 743.0	\$ 57.6	\$ 55.7	\$ 66.3	\$ 692.6	\$ 790.3	\$ 809.4
General Revenues	360.2	380.0	391.4	2.2	0.4	(4.5)	362.4	380.4	386.7
Total revenues	995.2	1,114.6	1,134.4	59.8	56.1	61.8	1,055.0	1,170.7	1,196.2
Expenses									
Policy & Executive	19.1	19.7	13.2	--	--	--	19.1	19.7	13.2
Public Safety	376.1	389.2	328.4	--	--	--	376.1	389.2	328.4
Health & Human Services	397.0	412.1	375.4	--	--	--	397.0	412.1	375.4
Community Resources & Public Facilities	122.4	147.7	133.6	--	--	--	122.4	147.7	133.6
General Government & Support Services	46.3	49.0	38.5	--	--	--	46.3	49.0	38.5
General County Programs	1.8	9.6	46.0	--	--	--	1.8	9.5	46.0
Interest on long-term debt	1.8	1.6	2.2	--	--	--	1.8	1.6	2.2
Resource Recovery	--	--	--	34.3	34.0	40.5	34.3	34.0	40.5
Laguna Sanitation	--	--	--	7.4	8.7	8.8	7.4	8.7	8.8
Total expenses	964.5	1,028.8	937.4	41.7	42.7	49.3	1,006.2	1,071.5	986.8
Transfers In -Out	0.0	(0.1)	--	(0.0)	0.1	--	--	--	--
Change in net position before special item	30.7	85.7	197.0	18.1	13.5	12.5	55.3	99.2	209.4
Special item	--	--	(28.0)	--	--	--	--	--	(28.0)
Change in net position	30.7	85.7	168.9	18.1	13.5	12.5	48.7	99.2	181.4
Net position - beginning	503.9	534.6	642.3	128.3	146.4	159.9	632.2	681.0	802.2
Prior period adjustment	--	22.0	--	--	--	--	--	22.0	--
Net position - beginning, as restated	503.9	556.6	642.3	128.3	146.4	159.9	632.2	703.0	802.2
Net position - ending	\$ 534.6	\$ 642.3	\$ 811.3	\$ 146.4	\$ 159.9	\$ 172.4	\$ 680.9	\$ 802.2	\$ 983.6

*Amounts may differ from the ACFR due to rounding.

CAPITAL ASSETS

(IN THOUSANDS)

SIGNIFICANT CAPITAL PROJECTS COMPLETED FROM WORK IN PROGRESS

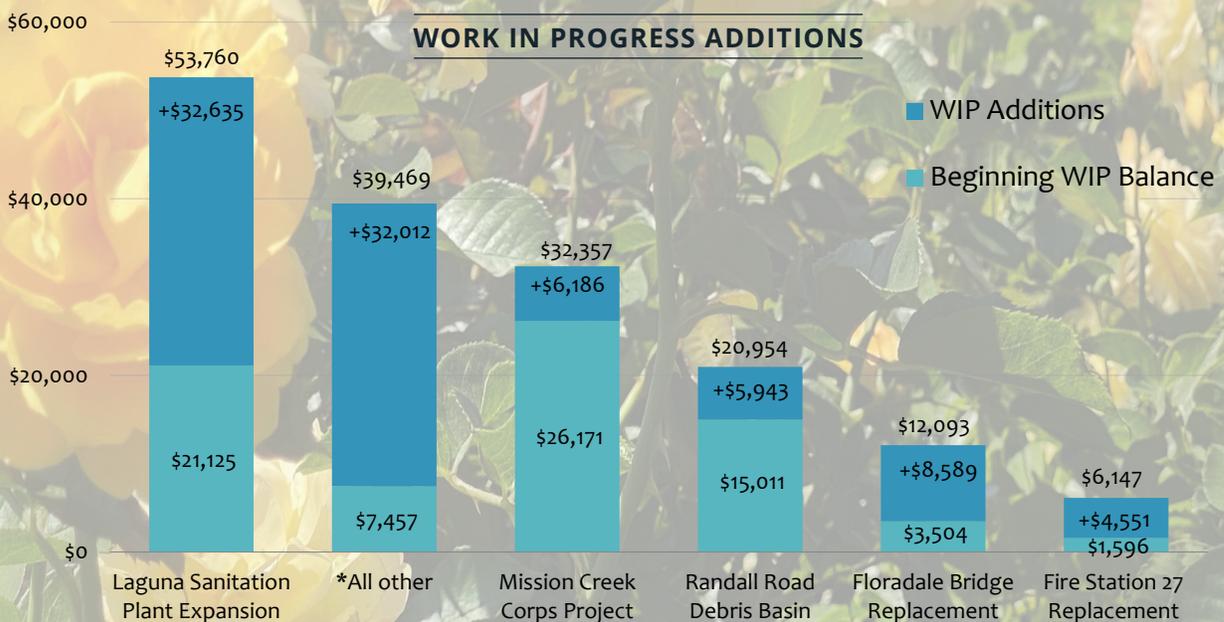


*Other represents individual projects that have total completed WIP balances under \$400.

A significant portion of the County's assets are capital assets which 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). Capital assets under construction at the end of the fiscal year are reported as work in progress (WIP).

For FY 2021-22, total WIP additions of \$89,916 were offset by \$270,630 in WIP deletions which were primarily composed of \$139,466 for the completed ReSource Center structures and equipment and \$113,103 for the finished Northern Branch Jail. A major part of the \$89,916 in WIP additions was for the ongoing Laguna Sanitation Plant upgrade which is anticipated to be completed in January 2024.

WORK IN PROGRESS ADDITIONS



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

The County's debt represents monies borrowed to facilitate the acquisition, installation, and construction of capital projects.

Fiscal Year	Governmental Activities			Business-Type Activities			Total		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
	Bonds and notes payable	\$ 8.5	\$ 5.9	\$ 4.5	\$ 3.5	\$ 2.7	\$ 1.8	\$ 12.0	\$ 8.6
Certificates of participation	24.9	23.5	22.0	165.0	191.5	186.2	189.9	214.9	208.3
Total	\$ 33.4	\$ 29.4	\$ 26.5	\$ 168.6	\$ 194.1	\$ 188.1	\$ 202.0	\$ 223.5	\$ 214.6

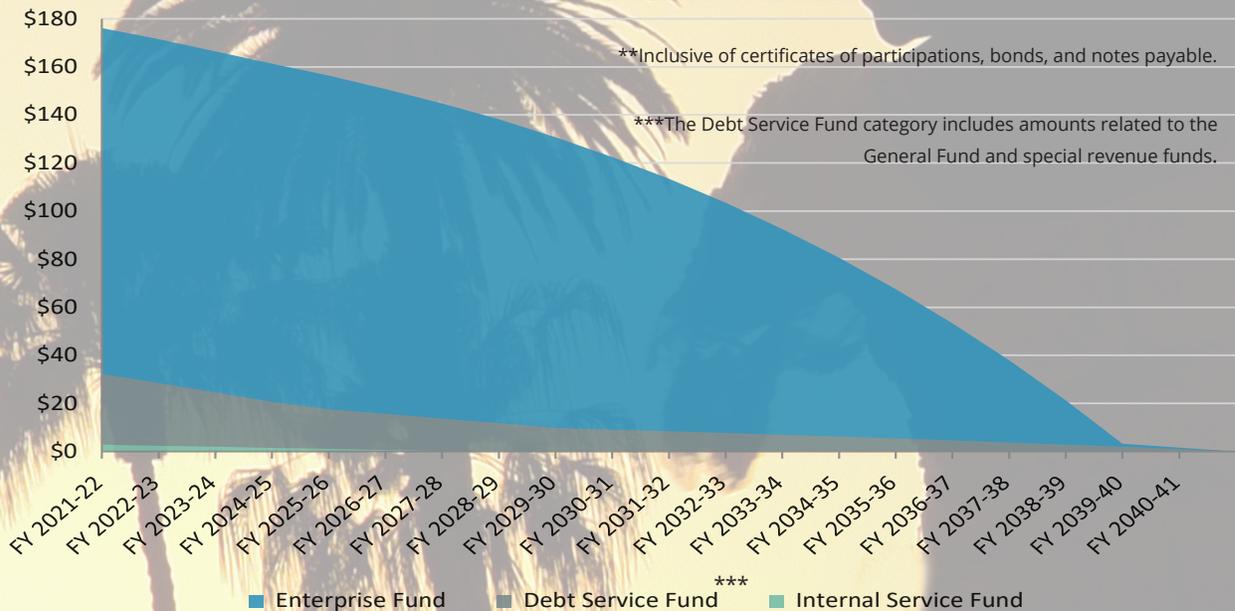
*Amounts may differ from the ACFR due to rounding.

The County maintains a Standard & Poor's 'SP-1+' rating for short-term notes (this scale ranges from SP-1, the highest, to D, the lowest) and a Standard & Poor's 'AA+' for long-term certificates of participation (this scale ranges from AAA, the highest, to D, the lowest). In addition, the County maintains a Moody's 'A1' rating (this scale ranges from Aaa1, the highest, to Caa3, the lowest) and an S&P 'AA+' rating on its most recent series 2020 Certificates of Participation. The County's strong credit ratings with Standard & Poor's and Moody's results in reduced borrowing costs for new capital asset construction (e.g., the Tajiguas ReSource Center).

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

- The long-term general creditworthiness of the County;
- The County's covenants to budget and appropriate lease payments;
- A stable, moderately growing economic base with access to the broader Ventura and Los Angeles area economies;
- 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.

LONG-TERM DEBT OBLIGATIONS BY FUND TYPE**

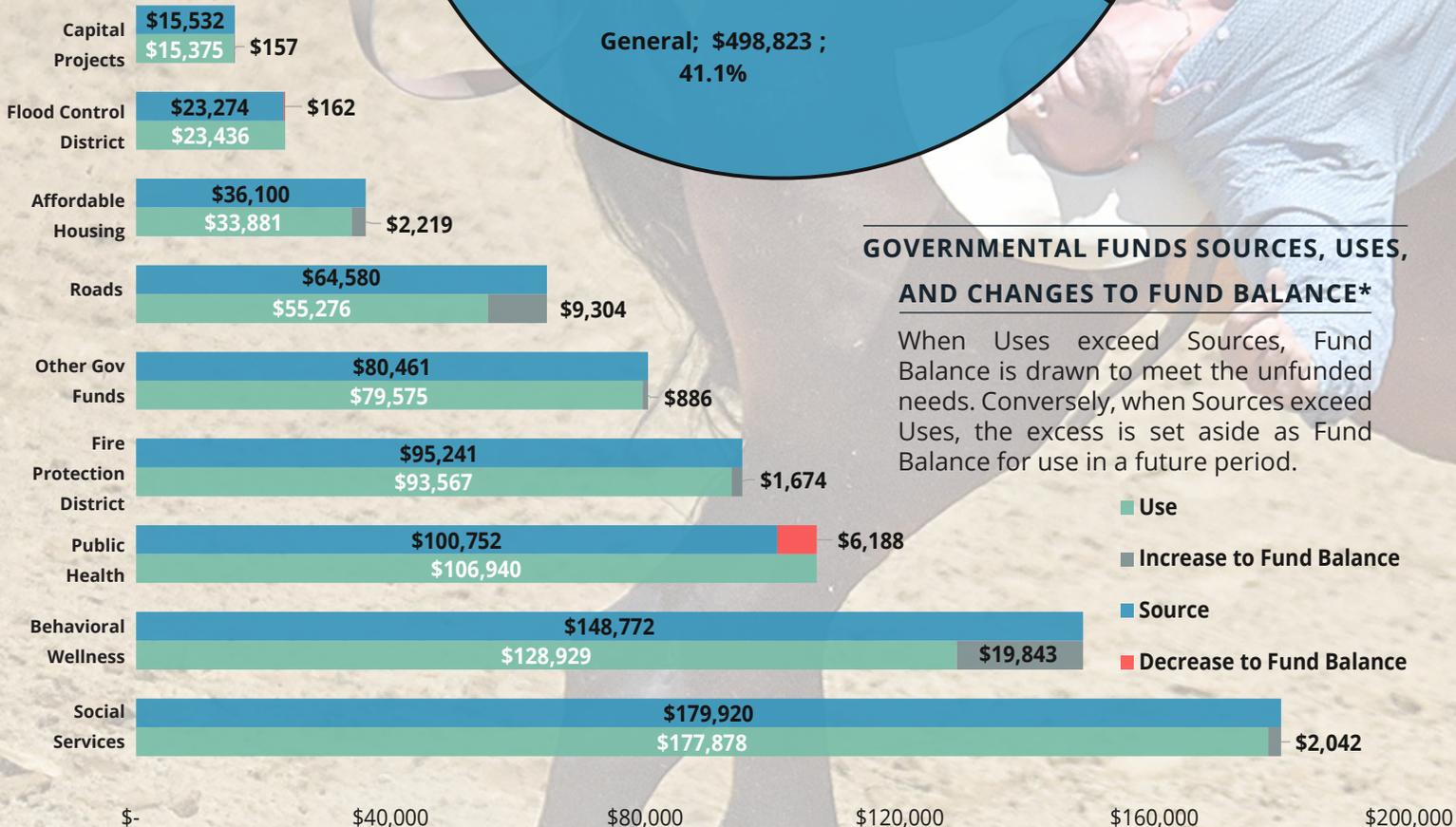
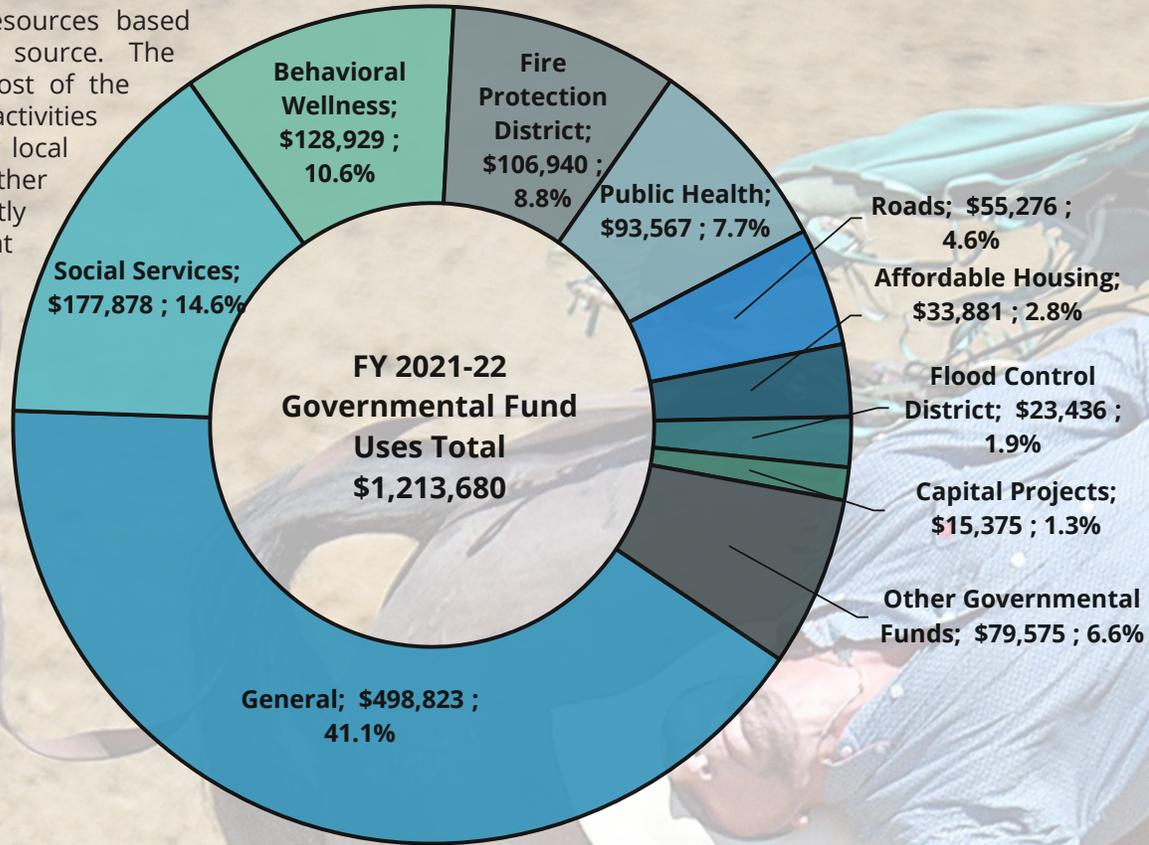


GOVERNMENTAL FUNDS

(IN THOUSANDS)

FY 2021-22 GOVERNMENTAL FUND USES

Governmental funds track the inflows and outflows of the County's resources based on their primary funding source. The General Fund represents most of the County's discretionary activities that are funded primarily by local property taxes while the other governmental funds are mostly State funded activities that the County performs under its role as an arm of the State government. The bottom line for each fund is the net change in fund balance - sources minus uses. When this amount is positive, a fund will increase its fund balances for use in a future period.



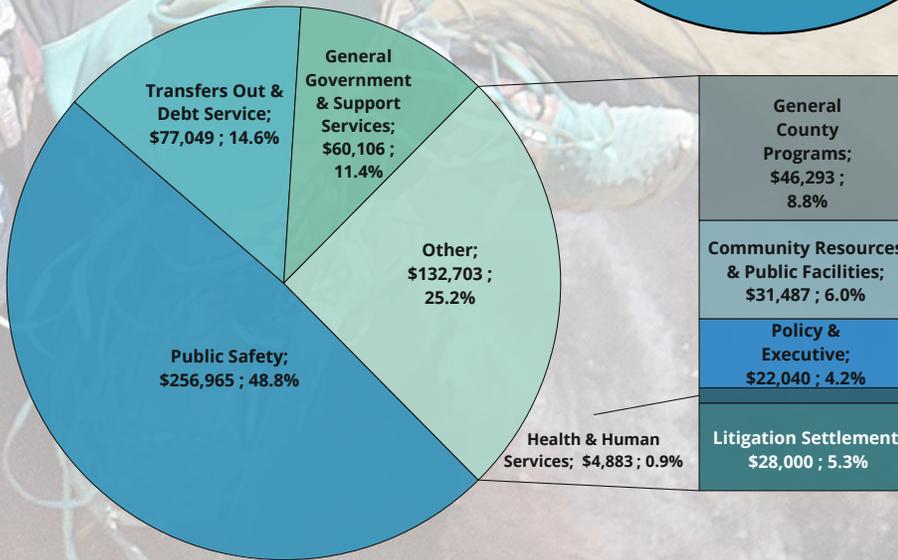
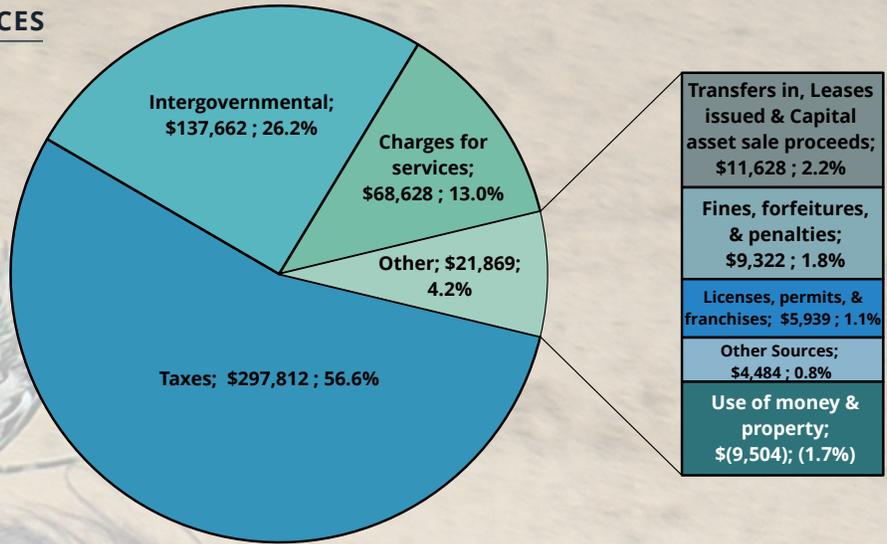
GOVERNMENTAL FUNDS SOURCES, USES, AND CHANGES TO FUND BALANCE*

When Uses exceed Sources, Fund Balance is drawn to meet the unfunded needs. Conversely, when Sources exceed Uses, the excess is set aside as Fund Balance for use in a future period.

- Use
- Increase to Fund Balance
- Source
- Decrease to Fund Balance

FY 2021-22 GENERAL FUND SOURCES

The General Fund's primary revenue sources are property taxes, intergovernmental revenues (primarily State grants), and charges for services (primarily the revenues from fee based services).



FY 2021-22 GENERAL FUND USES

Expenditures are reported by function with the current operating expenditures presented apart from debt service and capital expenditures. Other financing sources (uses) include the cash received when bonds are issued, as well as transfers between funds. Apart from the fact that these resource flows are not revenues or expenditures, they are shown separately to assist the reader of the statement in assessing the balance between ongoing revenues and expenditures related to the basic operation of the government.

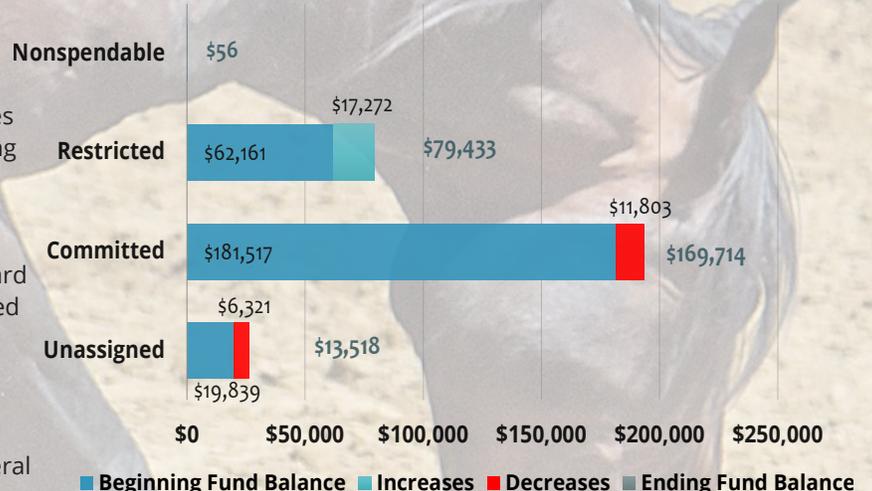
FUND BALANCE COMPONENTS

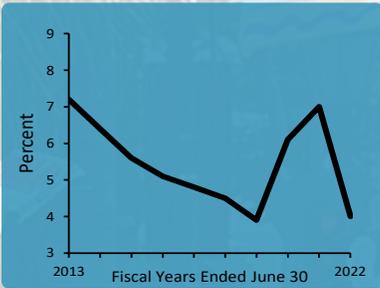
NONSPENDABLE - not spendable due to form (inventory) or law (endowment).

RESTRICTED - can only be spent for specific purposes required by external parties (State grants) or enabling legislation (California Constitution).

COMMITTED - can only be used for the purposes determined by the formal action of the County's Board of Supervisors, increases and decreases to committed fund balances requires varying levels of approval by the County's Board of Supervisors.

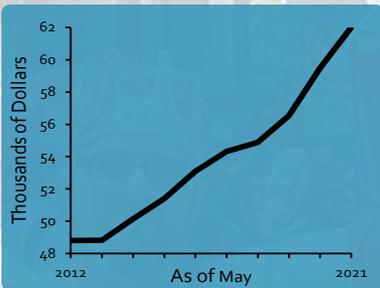
UNASSIGNED - can be used for any purpose as this amount represents the residual balance of the General Fund and includes all amounts not contained in the other classifications.





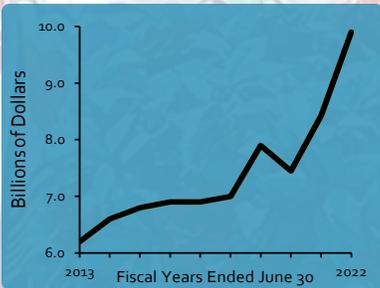
**AVERAGE UNEMPLOYMENT RATE: 4%,
-3.0% from FY 2020-21**

The County's average unemployment rate decreased to pre-pandemic levels.



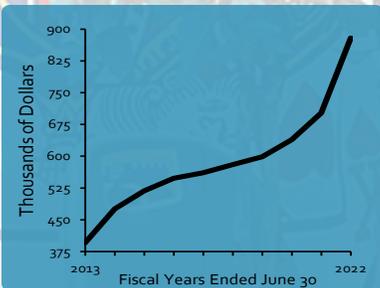
AVERAGE SALARY: \$62K, +\$3K from FY 2020-21

The County's average annual wages continued to increase in calendar year 2021.



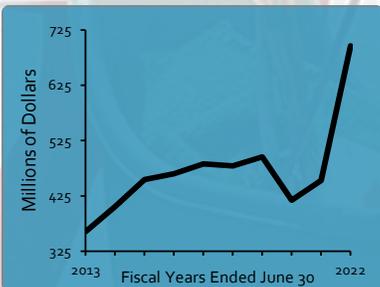
RETAIL SALES: \$9.9B, +\$1.5B from FY 2020-21

The County experienced an increase in retail sales as inflation drove prices higher.



MEDIAN HOME PRICE: \$879K, +177K from FY 2020-21

The County's median home price significantly increased as the real estate market continued its upward trend.



HOTEL/MOTEL ROOM SALES: \$696.4M, +\$243.9M from FY 2020-21

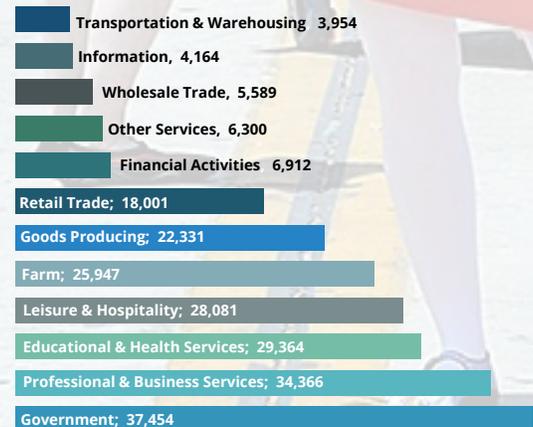
The County's room sales increased compared to the last fiscal year showing recovery from the impacts of COVID-19.

TOP 10 EMPLOYERS*

EMPLOYER	EMPLOYEES
1. County of Santa Barbara <i>Industry - Government, Location - Santa Barbara</i>	4,307
2. University of California, Santa Barbara <i>Industry - Education, Location - Santa Barbara</i>	4,250
3. Vandenberg Air Force Base <i>Industry - Defense, Location - Lompoc</i>	2,500
4. Santa Maria-Bonita School District <i>Industry - Education, Location - Santa Maria</i>	2,010
5. Chumash Casino Resort <i>Industry - Recreation/Hospitality, Location - Santa Ynez</i>	2,000
6. Mission Linen Supply <i>Industry - Textiles/Facility Services, Location - Santa Barbara</i>	2,000
7. Marian Regional Medical Center <i>Industry - Health, Location - Santa Maria</i>	1,486
8. Allan Hancock College <i>Industry - Education, Location - Santa Maria</i>	1,400
9. Appfolio <i>Industry - Software, Location - Goleta</i>	1,350
10. Santa Barbara Unified School District <i>Industry - Education, Location - Santa Barbara</i>	1,350

*Provided by pacbiztimes.com, May 2022.

JOBS BY INDUSTRY

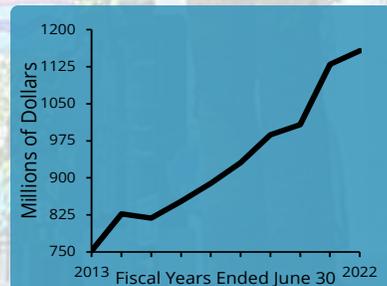


TOP 10 PROPERTY TAXPAYERS
(IN THOUSANDS)

TAXPAYER	SECURED TAX LEVY (FY 2021-22)	PERCENTAGE OF TOTAL
1. CWI Santa Barbara Hotel LP (Bacara) <i>Hotel</i>	\$389,332	0.41%
2. Southern California Gas Company <i>Utility</i>	\$332,859	0.35%
3. Miramar Acquisition Co, LLC <i>Hotel</i>	\$297,684	0.31%
4. 1260 BB Property, LLC (Biltmore) <i>Hotel</i>	\$234,425	0.24%
5. Windset Farms California Inc <i>Agriculture</i>	\$217,673	0.23%
6. Pacific Gas & Electric Co <i>Utility</i>	\$213,136	0.22%
7. Islay Investments <i>Real Estate Holdings</i>	\$200,448	0.21%
8. Regency Tropicana, LLC <i>Residential Rentals</i>	\$160,519	0.17%
9. Celite Corporation <i>Mining</i>	\$159,459	0.17%
10. Fairway BB Property, LLC <i>Residential Estate</i>	\$157,642	0.16%

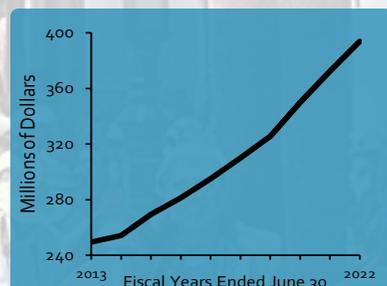
TOTAL REVENUES: \$1,157.2M,
+\$27.3M from FY 2020-21

The County continues to see an overall increase in revenues due to the positive effect on property taxes as the result of increases to home values.



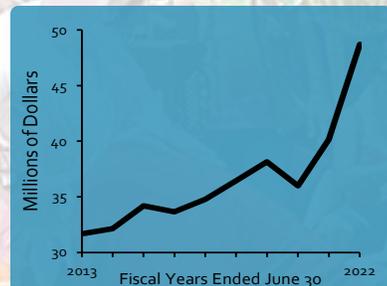
TAXES: \$393.8M,
+\$21.4M FROM FY 2020-21

The County's main source of discretionary revenue is local property taxes which is experiencing stable growth.



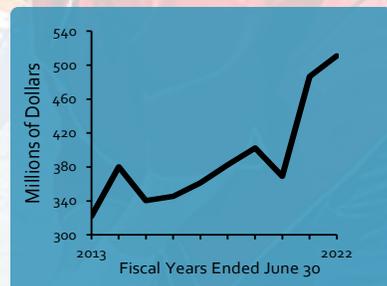
PROP 172: \$48.7M,
+\$8.6M from FY 2020-21

Proposition 172 is a portion of sales tax that is collected for local public safety. Prop 172 has increased along with retail sales despite the impact of COVID-19.



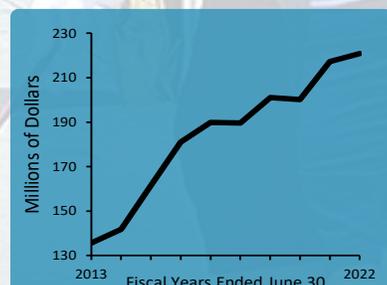
STATE & FEDERAL: \$511.0M,
+\$24.4M from FY 2020-21

The County continued to receive a significant amount in State and Federal programmatic revenues in the FY 2021-22 to help address the economic impacts of COVID-19.



CHARGES FOR SERVICES: \$220.9M,
+\$3.9M from FY 2020-21

Charges for services primarily represent user fees charged for fee-based government services (permits, trash, parks, etc.). There has been a county-wide effort to align fees with costs, resulting in an increase to charges for services.



Traditions - Festivals and Events

2022 saw the return of many beloved Santa Barbara County festivals and events. Some, such as the Santa Barbara County Fair, have been around for over 130 years. These long-standing traditions celebrate all that the County of Santa Barbara has to offer while attracting tourists as well as locals.

Highlights from North to South County

Santa Barbara County Fair, Attendance - 140,000+

First year - 1891, Save the Date - July 12-16, 2023

The Fair features award winning wines, fine art, and plenty of entertainment, including a destruction derby. This agriculturally oriented county fair features the State's largest junior livestock auction, along with plenty of other plant and animal based agricultural exhibits.

Santa Maria Strawberry Festival, Attendance - 50,000+

First year - 1987, Save the Date - April 28-30, 2023

The Strawberry Festival offers a weekend of music, strawberry varietal tasting, strawberry desserts, cooking demonstrations, wild rides and old-fashioned carnival entertainment

Santa Maria Elks Rodeo & Parade, Attendance - 35,000+

First year - 1953, Save the Date - June 1-4, 2023

Action-packed rodeo has four fun-filled days in store for the whole family to enjoy. This rodeo leaves no page unturned as the fans can expect to see a lot of exciting events happening on the arena floor.

Solvang Danish Days, Attendance - Not Available

First year - 1936, Save the Date - TBA - September 2023

Danish Days celebrates Solvang's heritage with authentic food, music, dancing, parades, live entertainment and family activities.

Lemon Festival, Attendance - 40,000+

First year - 1949, Save the Date - TBA - September 2023

The festival celebrates Goleta's heritage as a preeminent lemon-growing region and honoring the first commercial planting of lemon trees in California in 1875.

Old Spanish Days - Fiesta, Attendance - Not Available

First year - 1924, Save the Date - August 2-6, 2023

The annual event provides an education to residents and visitors about the history, customs, and traditions of the American Indian, Spanish, Mexican, and early American settlers that comprise the rich cultural heritage of Santa Barbara.

Solstice Parade and Festival, Attendance - 100,000+

First year - 1974, Save the Date - June 23-24, 2023

The Summer Solstice Celebration has evolved into creative and original display of floats, giant puppets, whimsical costumes and masks of more than 1,000 parade participants of all ethnic and economic backgrounds. There is dancing, music, drumming and drama that enthralls the spectators.

Avocado Festival, Attendance - 100,000+

First year - 1986, Save the Date - TBA - October 2023

This festival celebrates the importance of the avocado to the Carpinteria Valley. The festival features many musical acts while sharing avocado folklore agricultural photos, historical photos, lessons in avocado grafting, FFA restored antique tractors, and the Largest Avocado Contest.

Whistleblower Hotline

The purpose of the Whistleblower Hotline is to encourage employees and citizens of the County to report any suspected cases of fraud, waste, or abuse of County resources, of which they become aware. The Whistleblower Hotline is provided as an alternative reporting mechanism to ensure concerns are properly addressed and as a means for anonymous, confidential reporting.

Issues to be reported include:

- ◇ **Fraud** - A dishonest, unethical, irregular or illegal act or practice. It can be any intentional act or omission designed to deceive others that results in the County suffering a loss of money, property, or other disadvantage to the County's resources or rights and /or the perpetrator achieves a gain of money, property or an advantage to which the person would not normally be entitled.
- ◇ **Waste** - The intentional or unintentional thoughtless, reckless or careless expenditure, consumption, mismanagement, use, or squandering of County resources. Waste also includes incurring unnecessary costs because of inefficient or ineffective practices, systems, or controls.
- ◇ **Abuse** - Intentional destruction, diversion, manipulation, misapplication, maltreatment, or misuse of County resources. Extravagant or excessive use as to abuse one's position or authority. Abuse can occur in a financial or non-financial setting.

There are two ways to access the Whistleblower Hotline:

1. Call toll-free, **(844) 413-4025**, 24 hours a day, 7 days a week to speak to a third-party representative.
2. Submit an online report at the Whistleblower Web Reporting Portal: <http://sbhome.co.santa-barbara.ca.us/auditor/whistleblower.sbc>

Purposeful misrepresentation of reporting allegations may be construed as a malicious act. Allegations made frivolously, in bad faith or without factual basis may constitute defamation and may be legally actionable.

Glossary

Assets - What the County owns.

Business Type Activities - Activities financed in whole or in part through fees charged to external parties for goods and services.

Component Units - Legally separate organizations for which the County is financially accountable.

Deferred Inflow of Resources - An inflow (source) of resources into the government that is applicable to a future reporting period.

Deferred Outflow of Resources - An outflow (use) of resources consumed by the government that is applicable to a future reporting period.

General Revenues - General Revenues include property and sales taxes. This is the primary form of funding for the General Fund.

Liabilities - What the County owes.

Net Position - Difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources.

Program Revenues - Program Revenues represent the County's main source of funding (inflow of assets) and is made up mostly of charges for services (both governmental and business-type activities), but also includes operating and capital grants (State or Federal).

WIP - Work-In-Progress capital projects that have accumulated costs but that were not yet usable or placed in service by fiscal year end.

Award for Outstanding Achievement

The Government Finance Officers Association (GFOA) of the United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Santa Barbara County for its Popular Annual Financial Report for the fiscal year ended June 30, 2020. The County has applied for but not yet 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, 2021. The GFOA award was applied for on January 31, 2022, however delays in the review process have resulted in the GFOA taking up to 9 months to review. This award has been achieved annually since 1995 through 2020. 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.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to the
County of Santa Barbara
California

For its Annual Financial Report
for the Fiscal Year Ended
2020

Christopher P. Morill

Executive Director/CEO

Betsy M. Schaffer, CPA, CPFO
Auditor-Controller
105 East Anapamu Street, Room 303
Santa Barbara, CA 93101

Learn more about the Auditor-Controller's Office
and view other financial publications at:
www.countyofsb.org/auditor

Office: (805) 568-2100
Email: auditor@countyofsb.org