

# *Appendix*





# APPENDIX

## APPENDIX I

**FUND ACCOUNTING-** The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balanced set of accounts. The minimum number of funds is maintained consistent with legal and managerial requirements.

The County maintains the following fund types:

**GOVERNMENTAL FUNDS-** are used to account for most of the County's general government activities. Governmental fund types use the flow of current *financial* resources measurement focus and the modified-accrual basis of accounting. The following are the County's governmental fund types:

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 other specialized funds.

Special Revenue Funds- account for the revenue sources that are legally restricted to expenditures for specific purposes (not including major capital projects).

Debt Service Funds- account for the accumulation of resources for the servicing of general long-term debt not being financed by proprietary funds.

Capital Project Funds- account for the acquisition or construction of major capital assets not being financed by proprietary funds.

**Basis of Accounting and Budgeting:** The County uses the modified accrual basis of accounting and budgeting for Governmental Funds.

**PROPRIETARY FUNDS-** use the flow of *economic* resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when the related liabilities are incurred. The following are the County's proprietary fund types:

Enterprise Funds- account for those operations that are financed and operated in a manner similar to private business enterprises or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal Service Funds- account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

**Basis of Accounting and Budgeting-** The County uses the accrual basis of accounting and budgeting for Proprietary Funds. Additionally, the County budgets for capital assets, lease purchase payments and long term debt principal repayment in order to establish appropriations, and monitor expenditure and cash flow in these funds.

**FIDUCIARY FUNDS-** account for resources held by the County for the benefit of parties outside the County.

Agency Funds- are custodial in nature and do not present results of operations or have a measurement focus. These funds account for assets held by the County in an agency capacity for individuals, private organizations, other governmental entities and other funds.

Investment Trust Funds- are custodial in nature. The financial reporting for these entities is limited to the total amount of cash and investments and the related fiduciary responsibility for disbursement of these assets. The County Board of Supervisors has no effective budget authority over these custodial monies.

## APPENDIX II – FUND TYPES

### GOVERNMENTAL FUNDS

**GENERAL FUND-** The General Fund is the County's primary operating fund. It accounts for all the financial resources and legally authorized activities of the County except those required to be accounted for in other specialized funds.

**SPECIAL REVENUE FUNDS-** Special Revenue Funds are established to separate 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:

Road- The Road 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. Revenues consist primarily of the County's share of State highway user taxes, local taxes, and federal grants.

Fish and Game- The Fish and Game Fund is used to account for fines and forfeits received under Section 13003 of the Fish and Game Code and for other revenue and expenditures for the propagation and conservation of fish and game. The Board of Supervisors, on advice of the Fish and Game Commission, authorizes expenditures.

Children and Families First- The Children and Families First Fund, as required by the voter initiated and approved Proposition 10, accounts for the revenues generated by a tax increase on cigarettes and tobacco products. The revenues are used to promote, support and improve the early development of children from the prenatal stage up to five years of age. Proposition 10 was effective January 1, 1999 and the fund was established during fiscal year 1998-99.

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Public Health- The Health Care Services Fund is used to account for a variety of preventive health programs, including primary care clinics and related support services (laboratory, X- ray, pharmacy, central supply, etc.); out-patient services; and inmate health programs at the County's juvenile institutions. This fund is also used to account for Environmental Health and Emergency Medical Services. Federal/State laws mandate the majority of programs.

California Health-Indigents Program- The California Health-Indigents Program Fund was established in fiscal year 1998-90 to provide separate fund accountability as required by Proposition 99/AB 75/AB 1154. A legislative surcharge on tobacco products provides funds for area hospitals and various community physicians for the support of uncompensated health care services.

Alcohol, Drug, & Mental Health Services (ADMHS)- The Alcohol, Drug & Mental Health Fund is used to account for mandated community mental health services under the California Mental Health Act including a mandated responsibility "to guarantee and protect public safety." In addition to services provided directly, ADMHS also contracts with non-profit, public, and for-profit agencies for residential services, rehabilitation services, drug and alcohol services and homeless mentally ill services.

Social Services- The Social Services Fund is used to account for a variety of Public Assistance and Social Programs including: Cal-WORKS, General Relief, Food Stamps, Child Welfare Programs, In-Home Supportive Services, Workforce Investment Act, Foster Care and Family Preservation, Adult Services, etc. Either Federal or State law mandates the majority of Social Services' programs. Eighty-seven percent (87%) of the Social Services Fund Revenue is derived from State and Federal sources.

Child Support Services- AB 196, AB 150 and SB 542 established the Child Support Services Fund during fiscal year 2000-01 to provide separate fund accountability as required. These bills mandated that all Family Support Divisions in the District Attorney's Offices become separate, independent departments. Child Support Services establishes paternity, obtains and enforces court orders for child support, collects and distributes payments, and provides community outreach regarding services for the benefit of minor children.

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

Petroleum- The Petroleum Fund is used to account for revenues and expenditures associated with administering the Petroleum Ordinance. The Ordinance regulates the issuing of oil well drilling

permits, regulates drilling, producing, operating and abandoning petroleum wells, pipelines, tanks and associated petroleum equipment for prevention or erosion, pollution and fire hazards and for safety controls. This fund was established pursuant to Chapter 25 of the County Code.

Special Aviation- This is used to account for activity related to the Santa Ynez Airport.

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 expended by the Board of Supervisors on projects which mitigate impacts to coastal recreation, aesthetics, tourism, and/or sensitive environmental resources.

Court Activities- The Court Activities Fund was established in fiscal year 1994-95 by Assembly Bill 2544 to account for the State's portion of Trial Court Funding. Assembly Bill 233, adopted in 1997-98 transferred the majority of the Trial Court's funding from the County to the State. This fund represents the portion of Trial Court Operations under the County's control.

Criminal Justice Facility 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.

Affordable Housing- The Affordable Housing Fund was established in fiscal year 1992-1993 to account for the various affordable housing programs administered by the County.

Home Program Fund- The Home Program Fund was established in fiscal year 1993-94 to account for Federal affordable housing funds for the consortium formed with the cities of Carpinteria, Lompoc, Santa Maria, and Guadalupe.

Redevelopment Agency- The Santa Barbara County Redevelopment Agency was formed on September 12, 1989 under Section 33200 of the State of California Health and Safety Code. The Isla Vista Bluffs redevelopment project was adopted by ordinance in November 1990.

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 are paid by offshore energy producers pursuant to permit conditions support FEF. In early 1993, the Planning Commission approved a supplemental needs assessment that, pursuant to Board-adopted FEF Guidelines, recommends specific projects to be pursued for FEF awards.

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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 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.

Water Agency Special – Project Clean Water- The Project Clean Water Fund was established in fiscal year 2000-01 to account for activities related to the Project Clean Water and National Pollution Discharge Elimination System (NPDES) Phase II. Revenues for this project are derived from the General Fund and State and Federal Grants.

**DEBT SERVICE FUNDS-** Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt and include the following funds:

Redevelopment Agency- The Redevelopment Agency Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest incurred for the purchase of real property within the area of the Redevelopment Agency.

Santa Barbara Finance Corporation- The Santa Barbara Finance Corporation Debt Service Fund accounts for the accumulation of resources for, and payment of, principal and interest incurred by the sale of Certificates of Participation issued to finance various County capital projects.

**CAPITAL PROJECTS FUNDS-** Capital Projects Funds are used to account for financial resources used in constructing major facilities and include the following fund:

Departmental Capital Projects- The Departmental Capital Projects Fund includes projects managed by the General Services Department.

### PROPRIETARY FUNDS

**ENTERPRISE FUNDS-** Enterprise funds are used to account for acquisition, maintenance and operation of governmental facilities financed and operated in a manner similar to private business enterprises rendering services primarily to the general public. The intent of the governing body is that the costs of providing these services be financed or recovered primarily through user charges. This type of fund may also be used when the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes and serves the best interest of the public. Following is a more detailed description of the funds established and used by the County.

Solid Waste- This fund provides for the operation, regulation and maintenance of a transfer station facility for the storage and transportation of refuse on the South Coast; operates disposal areas at Tajiguas and Foxen Canyon; administers the licensing of persons and vehicles engaged in the collection and hauling of refuse; enforces litter control, and administers an abandoned vehicle abatement program in accordance with County regulations and Penal Code requirements. A resource recovery (recycling) program, intended to divert solid waste from the landfills, is also administered by the Solid Waste Division.

Laguna Sanitation- This fund operates a sewer collection system and a sewage treatment plant covering an area of approximately 12,000 acres and serving the Orcutt area. Revenue is derived from sanitation service charges collected on the tax rolls and other sanitation and connection fees.

County Transit Operations- This fund provides transit services in the unincorporated areas of Cuyama and Santa Ynez, as required by the State Transportation Development Act. Funding is derived from local transportation funds through the County's Area Planning Council.

**INTERNAL SERVICE FUNDS-** Internal Service funds are established to account for services furnished to the County and various other governmental agencies. ISFs 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. ISFs established and used by the County are as follows:

Information Technology Services- This fund accounts for data processing services to County departments and various other governmental agencies. Rates charged to users are designed to recover costs of each system and are billed from a standard price schedule, which is periodically adjusted to reflect cost changes. Profits/losses are carried forward and used to adjust price schedules of subsequent billing rates. Costs of operating the fund include personnel, supplies, utilities, maintenance, and depreciation of equipment.

Vehicle Operations and Maintenance- This fund accounts for the maintenance, servicing and repair of County vehicles. Rental rates, including the cost of gas, oil, maintenance, replacement of equipment and personnel costs, are charged to the user department. Vehicles are replaced based on mileage and age criteria which vary per class of vehicle; new additions to the vehicle fleet are provided by departmental contribution through the Garage Equipment and Motor Pool budgets of the General Fund and contributions from other funds.

Risk Management and Insurance- This fund category includes the County's five self-insurance funds: Dental, Unemployment, Workers' Compensation, County Liability, and Medical Malpractice.

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

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 that have been processed and approved by the State Employment Development Department. Each department has been charged a percentage of its gross payroll for the establishment of a general reserve for this program and to provide for claim payments.

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

General Liability Self Insurance- This fund accounts for payment of self-insured general liability and automobile liability claims, excess insurance, claims adjusting services and litigation costs. Contributions are made by participating County departments and funds based on past claims experience and appropriate risk factors.

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

Communications- This fund was established to account for centralized coordination of all County radio and communications activity. User departments are charged a monthly fee for maintenance and engineering services on the equipment in their possession. Fees include depreciation to provide for the eventual replacement of all radio equipment. Telephone Services, formerly a general fund program, was transferred into this fund effective July 1, 1995. Rates charged users are designed to provide reliable, modern, cost effective telephone, voice mail, radio, microwave, security control and audio-visual services for use by Santa Barbara County employees and contract agencies.

Utilities: This fund accounts for the payment of electricity, water, sewer, natural gas, and refuse costs for county-owned facilities. The costs are then allocated on a per utility bill basis to County departments based upon their relative square footage occupancy for the specific facility or cluster of facilities included in the specific utility bill.

Reprographics & Digital Services: This fund accounts for offset printing, copying, bindery, digital imaging, and scanning services. The costs are billed to County departments based upon materials and labor used on a job-by-job basis.

### FIDUCIARY FUNDS

The County, in a fiduciary capacity, maintains Trust and Agency Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. They are not available to support the County's own programs. The fiduciary funds established and used by the County are:

#### TRUST FUND

Investment Trust Fund- These funds are used by the County to account for the assets of legally separate entities who participate in the County Treasurer's investment pool. It represents the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

#### AGENCY FUNDS

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

Deposits Funds- Deposits funds account for deposits under the control of the County Departments. Dispositions of the deposits are governed by the terms of the statutes and ordinances establishing the deposit requirements.

Other Agency Funds- Other agency funds account for assets held by the County in a fiduciary capacity for other entities. The County Treasurer provides fiscal services for various entities other than special districts and school districts. They represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

State and City Revenue Funds- These funds temporarily hold various fees, fines, and penalties collected by the County departments for the State of California or various cities in Santa Barbara County, which are passed through to these entities.

Tax Collection Funds- Tax collection funds account for monies received for current and delinquent taxes, which must be held pending authority for monies deposited by third parties pending settlement of litigation and claims. Upon final settlement, monies are dispersed as directed by the courts or by parties to the dispute.

### **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 include:

County Service Area #3- This service area serves most of the unincorporated area of the Goleta Valley, providing extended park and open space maintenance and street lighting. It provides 1,401 streetlights and maintains approximately 183 acres of open space (25 open space locations) and 147 acres of parks (Goleta Beach and Tuckers' Grove).

County Service Area #4- This service area is located north of the City of Lompoc serving the communities of Mission Hills and Vandenberg Village; maintains about 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 on the north to just south of Rice Ranch Road, it 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 areas of Carpinteria Valley and Summerland. Extended County services provided to this area include development and maintenance of open space, park and recreation areas, facilities and services, road maintenance, street tree planting and maintenance, and maintenance of 64 streetlights.

County Service Area #12- This fund 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.

County Service Area #12 – Maintenance- This district 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.

County Service Area #31- This District's service area embraces the unincorporated community of Isla Vista, located west of the UCSB, and provides 267 streetlights.

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County Service Area #32- This district was established to provide financing of sheriff's patrols, from non-property tax sources, in the unincorporated areas of the County.

County Service Area #41- This district was established to assess property owners of the Rancho Santa Rita Subdivision (outside the City of Lompoc) for road repairs, maintenance and improvements.

County Fire Protection District- This district finances the majority of the cost of the Santa Barbara County Fire Department utilizing property tax revenues, which are collected within the District's boundaries. The Fire Department provides a full range of emergency service for most of the unincorporated territory of Santa Barbara County, the Cities of Buellton and Goleta, and private lands within the National Forest. Military installations provide their own fire protection.

Flood Control and Water Conservation Districts- The function of the Flood Control District and Zones is to provide flood protection to conserve such waters for beneficial public use. Revenues consist primarily of property taxes.

Mission Lighting District- This district provides 15 streetlights in the unincorporated area of Mission Canyon, located east of the City of Santa Barbara.

North County Lighting District- Casmalia, Los Alamos, and Orcutt Lighting Districts and the lighting function of CSA's #4 and #5 were consolidated in fiscal year 1994-95 to form the North County Lighting District which provides 2,501 street lights in the north county.

Orcutt Community Facilities District- This Mello-Roos district encompasses eight "key sites" within the Orcutt Community Planning Area, and provides funding for flood and storm protection services, maintenance of parks, parkways and open space, and fire and sheriff 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.

Sandyland Seawall Maintenance- 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. It provides technical assistance to other County departments, water districts, and the public concerning water availability and water well locations and design and administers the Cachuma Project and Twitchell Dam Project contracts with the U.S. Bureau of Reclamation.