



# CITY OF GOLETA



Comprehensive Annual  
Financial Report for  
Fiscal Year Ending June 30, 2014



**CITY OF GOLETA, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**WITH REPORT ON AUDIT**  
**BY INDEPENDENT**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**YEAR ENDED JUNE 30, 2014**

**Prepared by:**  
**Finance Department**  
**John Herrera**  
**Interim Finance Director**



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CITY OF GOLETA

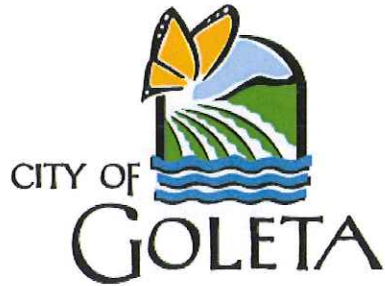
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December 22, 2014

**CITY COUNCIL**

Paula Perotte  
*Mayor*

Jim Farr  
*Mayor Pro Tempore*

Roger S. Aceves  
*Councilmember*

Michael T. Bennett  
*Councilmember*

Tony Vallejo  
*Councilmember*

**CITY MANAGER**  
Michelle Greene

To the Citizens of the City of Goleta:

It is with great pleasure that we present to you the City of Goleta Comprehensive Annual Financial Report (CAFR). This report is prepared in compliance with the Governmental Accounting Standards Board (GASB) Statement 63 which incorporates deferred outflows and inflows of resources in deriving net position. This report also complies with GASB Statement 65 which changes the method for accounting and reporting items previously reported as assets and liabilities.

This report was prepared by the Finance Department in conformity with Generally Accepted Accounting Principles (GAAP) and has been audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed Certified Public Accountants. The report consists of management representations concerning the finances of the City. Consequently, responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the City. All disclosures necessary to enable an understanding of the City's financial activities have been included.

This CAFR includes the financial activity for all funds of the City. The City provides its citizens a wide range of services including law enforcement, planning, building, public works, engineering, maintenance, and general management.

In addition to the fund-by-fund financial information presented in the City's financial statements are government-wide financial statements. The government-wide financial statements include a Statement of Net Assets that provides the total net equity of the City including infrastructure and the Statement of Activities that illustrates the cost of providing government services. These statements have been prepared using the accrual basis of accounting versus the modified accrual method used in the fund financial statements. A reconciliation report is provided as a key to understanding the changes between the two reporting methods. In addition, the new reporting model includes an emphasis on the City's major funds as shown in the Governmental Fund Statements.

These statements, combined with other information, are further analyzed in a narrative section entitled Management's Discussion and Analysis (MD&A). The MD&A provides financial highlights and interprets the financial reports by

analyzing trends and explaining changes, fluctuations and variances in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City.

## **GOVERNMENT PROFILE**

The City of Goleta incorporated on February 1, 2002 as a General Law City under the laws of the State of California. The City of Goleta encompasses approximately 8 square miles in southern Santa Barbara County and has a population of approximately 30,202. The City is adjacent to the City of Santa Barbara and is approximately 90 miles from Los Angeles.

The City operates under the Council-Manager form of government. The City Council is comprised of five members elected at large for staggered four year terms of office. The Mayor and Mayor Pro Tem are selected by the Council from among its members to serve one-year terms. The City Council serves as the legislative and policy-making body of the City, enacting all laws and directing such actions as are required to provide for the general welfare of the community. The City provides municipal services through contracts for such things as street, park, and landscape maintenance. The City of Goleta also contracts with the Santa Barbara County Sheriff's Department for law enforcement services. Fire protection services are provided by Santa Barbara County Fire Department. There are 477 acres of parks and open space within City limits. The City owns the Goleta Public Library and contracts with the City of Santa Barbara for library services.

The City Manager, appointed by the City Council, serves as the Chief Executive Officer and is responsible to the City Council for administration of all City affairs and the implementation of all policies established by the City Council. The City Attorney is appointed by and serves the City Council. All other staff are appointed by the City Manager.

## **ECONOMIC CONDITION AND OUTLOOK**

The City of Goleta is comprised of single-family homes, condominiums and apartments with a mixture of retail, light industrial, manufacturing, and service entities providing a diverse tax base for the City. Property Tax, Sales Tax, Transient Occupancy Tax, and Franchise Fees comprise approximately 85% of the City's General Fund revenues.

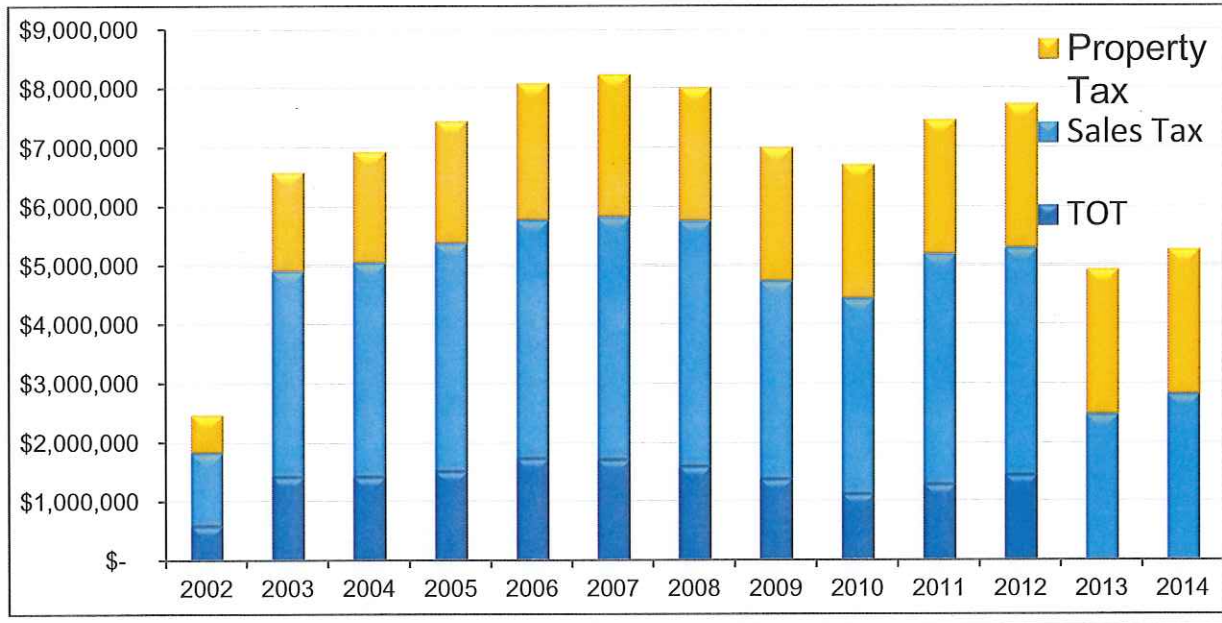
The City and its immediate vicinity provide a significant share of the South Coast and County's basic economic activity in the form of educational services, intellectual services, tourism, retail and manufacturing. The City enjoys a strong economic base resulting in stable Property Tax revenue, growing Transient Occupancy Tax and Sales Tax revenues, as well as significant development related revenues.

In FY 2013-14, the City's General Fund "operating" revenues exceeded expenditures by \$4,100,133, which the City defines in budget and managerial accounting reports as Net Operating Revenue (NOR). For the first time this fiscal year, the City has segregated Capital Improvement Program (CIP) expenditures and funding in a separate Citywide CIP Fund, facilitating the presentation of NOR separate from CIP expenditures. In FY 2013-14, the General Fund transferred \$5,776,864 to the City's CIP Fund primarily to pay for the San Jose Creek Capacity Project #9009.

As part of the incorporation process, the City of Goleta and the County of Santa Barbara entered into a Revenue Neutrality Agreement. This agreement requires that 50% percent of the

City's portion of Property Tax and with 30% of the City's portion of retail Sales Tax, be allocated to the County in perpetuity. The County also received for the mitigation period of ten years, which expired in June 2012, an additional 20% of the City's portion of retail Sales Tax and 40% of the Transient Occupancy Tax generated by TOT taxpayers staying in facilities that were in existence at City incorporation. Taken as a whole, the City generated \$4,938,750 in revenues that were paid to the County of Santa Barbara in FY 2013-14 in accordance with the Revenue Neutrality Agreement (RNA).

Below is a historical chart showing the \$88 million of RNA tax revenues generated in the City of Goleta and transferred to the County of Santa Barbara pursuant to the RNA:



When lost interest earnings (using average yields at Local Agency Investment Fund) are factored in, the total amount of Goleta revenue transferred to the County of Santa Barbara exceeds \$97 million as of 2014.

**MAJOR INITIATIVES**

Capital Improvement Plans

The City is currently underway with numerous significant Capital Improvement Projects. The CIP Budget totaled \$28,280,328 in FY 2013-14, with another \$18,563,896 in CIP project budget additions approved by City Council for FY 2014-15. Here is a summary of CIP in FY 2013-14:

**Capital Improvement Program completed projects:**

1. Los Carneros and Calle Real Roundabout (Plant Establishment completed – the project was constructed in 2012)
2. Methacrylate Deck Sealing
3. Patterson Ave Sidewalk Infill
4. Cathedral Oaks and Santa Marguerita Pedestrian Improvements
5. Los Carneros Dam Repair
6. San Jose Creek Capacity Improvements and Fish Passage Project Phase I

**Under Construction:**

1. Los Carneros OH Bridge Replacement Project
2. Hollister Frontage Improvement Project
3. Stow Canyon Sidewalk Improvement Project

**Grants Awarded:**

1. SGC/Dept Conservation Grant of \$203,415 for the Bicycle/Pedestrian Master Plan
2. TIGER Grant:
  - a) \$236k for Old Town Complete Streets
3. ATP (Active Transportation Program):
  - a) Hollister Class I Construction finding \$1,644,000
  - b) Ekwil Fowler Road Improvements \$2,009,755
4. HSIP (Highway Safety Improvement Program for a HAWK traffic signal on Hollister Ave in front of the Goleta Valley Community Center - \$199,000

The City continues to place a high importance on the maintenance of the City's infrastructure, committing funds to road maintenance, sidewalk improvements and streetscapes and setting aside funds for a future Civic Center. Lastly, there is \$450,000 approved for upgrade of the City's management information system approved for the upcoming year.

**Internal Controls:**

The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or other misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be achieved and the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of State, County, and Federal financial resources, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by management of the City.

**Budgetary Controls:**

In addition to internal controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General and Special Revenue Funds are included in the annual appropriated budget. All governmental funds are included in the annual appropriated budgets.

The two-year budget is arranged by department, function and fund and presented to the Council by the City Manager. The budget is then adopted by the City Council prior to the beginning of the first fiscal year and serves as the foundation for the City's financial planning and control. The budget is reviewed quarterly and necessary adjustments are made to ensure that expenditures are not outpacing anticipated revenues.

Annual Audit:

White Nelson Diehl Evans LLP has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ending June 30, 2013 are free of material misstatement. As part of the City's annual audit, reviews are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's annual audit for the fiscal year ending June 30, 2013 provided no instances of material weaknesses in the internal control structure or violations of applicable laws and regulations. The independent auditor concluded there was a basis for rendering an unmodified opinion and that the City's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles. The independent auditor's report is presented as the first component of the financial section of this report.

Awards and Acknowledgements:

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to governments that publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable program requirements.


A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, the current CAFR meets the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and will be submitted to the GFOA to determine its eligibility for a certificate of award.

**ACKNOWLEDGEMENTS**

The preparation of this comprehensive annual financial report could not have been accomplished without the hard work and team effort of the Finance Department. We also wish to express appreciation to the other City departments that provided assistance. And most importantly, we would like to thank the City Council and the Finance Committee for providing the strong fiscal leadership and direction to keep the City of Goleta on course to long term fiscal sustainability.

Respectfully submitted,

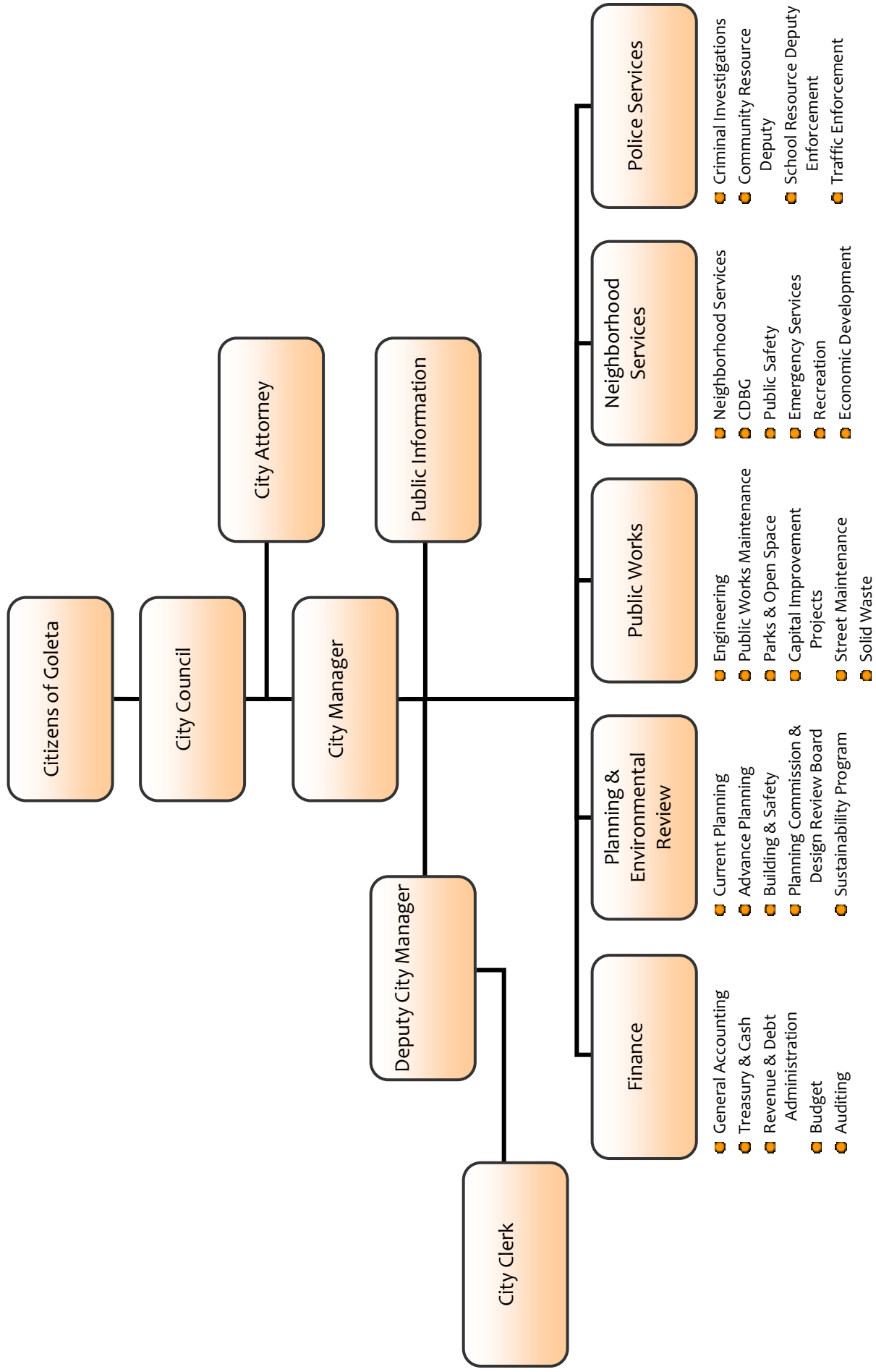
  
Michelle Greene  
City Manager

  
John Herrera, CPA  
Interim Finance Director



# ORGANIZATIONAL CHART

## By Function



# **City of Goleta**

## **List of Principal Officials Fiscal Year Ended June 30, 2014**

### **CITY COUNCIL**

Michael T. Bennett, Mayor  
Paula Perotte, Mayor Pro Tempore  
Roger S. Aceves, Councilmember  
Jim Farr, Councilmember  
Tony Vallejo, Councilmember

### **INTERIM CITY MANAGER**

Michelle Greene

### **CITY ATTORNEY**

Tim W. Giles

### **EXECUTIVE MANAGEMENT**

Vyto Adomaitis, Neighborhood Services & Public Safety Director  
Lt. Butch Arnoldi, Chief of Police  
Jennifer Carman, Planning & Environmental Review Director  
Deborah Lopez, City Clerk  
John Herrera, Interim Finance Director  
Rosemarie Gaglione, Interim Public Works Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Goleta  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council  
of the City of Goleta  
Goleta, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Goleta (the City), as of and for the year ended June 30, 2014, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Goleta, as of June 30, 2014, and the respective changes in financial position of the City for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matters**

As discussed in Note 16 to the basic financial statements, the City filed a lawsuit against Department of finance (DOF) to contest DOF's decision to disallow various transfers made by the Former Redevelopment Agency to the City. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis 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 the audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules have 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 of the City 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 budgetary comparison schedules and related note are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

## **Other Matters (Continued)**

### *Other Information (Continued)*

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2014, on our consideration of the City'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 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 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 City's internal control over financial reporting and compliance.

*White Nelson Dick Evans LLP*

Irvine, California  
December 16, 2014

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## **Management's Discussion and Analysis Fiscal Year Ended June 30, 2014**

This discussion and analysis of the City of Goleta's financial performance provides an overview of the City's financial activities for the year ended June 30, 2014. The City welcomes everyone to read the information in this document in conjunction with the accompanying transmittal letter found on pages i - v, and the accompanying basic financial statements found on pages 15 - 26 of this report.

### **FINANCIAL HIGHLIGHTS**

- At the end of the fiscal year 2014, the City's net position totaled \$201,683,098, an increase of approximately 5% from the prior year. The increase in net position is a result of investments made in capital assets related to capital improvement projects.
- Of the total net position, \$10,963,974 is unrestricted and thus may be used to meet the City's ongoing obligations. Negative balances in Special Revenue grant funds decreased the total position by \$3,455,592, from \$14,419,566 million to the \$10,963,974 presented this year.
- As of June 30, 2014, the City's revenues exceeded expenses by a nominal \$10,318,118.
- The total revenue from all sources equaled \$37,900,617, an increase of \$5,432,861 over the \$32,467,756 total revenue last year, an increase 16.7%.
- The General Fund reported excess revenues over expenditures of \$4,100,133, with transfers out of \$5,776,864 for capital projects primarily in the Old Town area. Fund balances previously designated were used to pay for these project expenditures.
- The General Fund had an ending fund balance of \$13,876,965, a decrease of \$1,633,511 from the \$15,510,476 fund balance last year. There is a balance of \$12,862,911 committed for the City's Reserve Policies or reserved for encumbrances, which are up \$172,022 from the \$12,690,889 balance from last year. The CIP reserve accounts for \$1,652,154 of the \$12,862,911 committed fund balance. There is also \$352,100 assigned to continuing appropriations.

### **USING THIS ANNUAL FINANCIAL REPORT**

This annual report consists of three types of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and allow a longer-term view of the City's finances. Fund Financial Statements illustrate how City services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

#### **Reporting the City as a Whole: The Statement of Net Position and the Statement of Activities**

One of the most important questions asked about the City's finances is, "Is the City as a whole better or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. The City's net position, the difference between assets and liabilities, is one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Consideration should also be given to other non-financial factors, such as changes in the City's property tax bases and the condition of the City's roads, to assess the overall health of the City.

See independent auditors' report.

All of the City's basic services are considered to be governmental activities. The Statement of Net Position and the Statement of Activities present information about these Governmental activities, including General Government, Community Development, Community Services, Public Safety, and Public Works. Property Tax, Sales Tax, Transient Occupancy Tax and Franchise Tax finance approximately 58% of these activities.

### **Reporting the City's Most Significant Funds: Fund Financial Statements**

The Fund Financial Statements provide detailed information about the most significant funds, not the City as a whole. Included are the General Fund, GTIP, Federal Transportation Program, and Capital Projects as well as lesser funds reported collectively as Other Governmental Funds. Some funds are required to be established by State law, however, the City establishes many other funds to help it control and manage money for specified purposes or to demonstrate that the City is meeting legal responsibilities for using certain taxes, grants, and other money. The City currently has just one type of fund, governmental, which uses the following accounting approach.

*Governmental Funds* focus on how money flows into and out of those funds and the balances left at year-end that are available for future appropriation. Most of the City's basic services are reported in governmental funds. These funds are reported using an accounting method known as modified accrual accounting. Under this method of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current fiscal period while expenditures are recognized in the accounting period in which the liability is incurred.

The Governmental Fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or less financial resources that can be spent in the near future to finance the City's programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and Statement of Activities) and Governmental Funds are described in the reconciliation schedules accompanying the fund financial statements.

### **The City as Trustee: Reporting the City's Fiduciary Responsibilities**

The City is the trustee, or fiduciary, for certain amounts held on behalf of the Successor Agency to the Goleta Redevelopment Agency, developers, property owners, and others. The City's fiduciary activities are reported in separate Agency Fund Statements. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

## **THE CITY AS A WHOLE**

### **Statement of Net Position and Changes in Net Position**

The analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental activities. The City does not have any business type activities.

See independent auditors' report.

**Table 1**  
**Statement of Net Position**  
**As of June 30, 2014 and 2013**

	Governmental Activities	
	2014	2013
Current and other assets	\$ 34,579,908	\$ 30,813,053
Capital Assets	172,564,805	163,949,816
<b>Total Assets</b>	<b>\$ 207,144,713</b>	<b>\$ 194,762,869</b>
Other Liabilities	4,907,935	2,930,477
Long Term Liabilities		
Due in one year	79,891	100,451
Due in more than one year	473,789	366,961
<b>Total Liabilities</b>	<b>5,461,615</b>	<b>3,397,889</b>
Net Assets:		
Net Investment in Capital Assets	172,564,805	163,927,809
Restricted	18,154,319	13,017,605
Unrestricted	10,963,974	14,419,566
<b>Total Net Position</b>	<b>\$ 201,683,098</b>	<b>\$ 191,364,980</b>

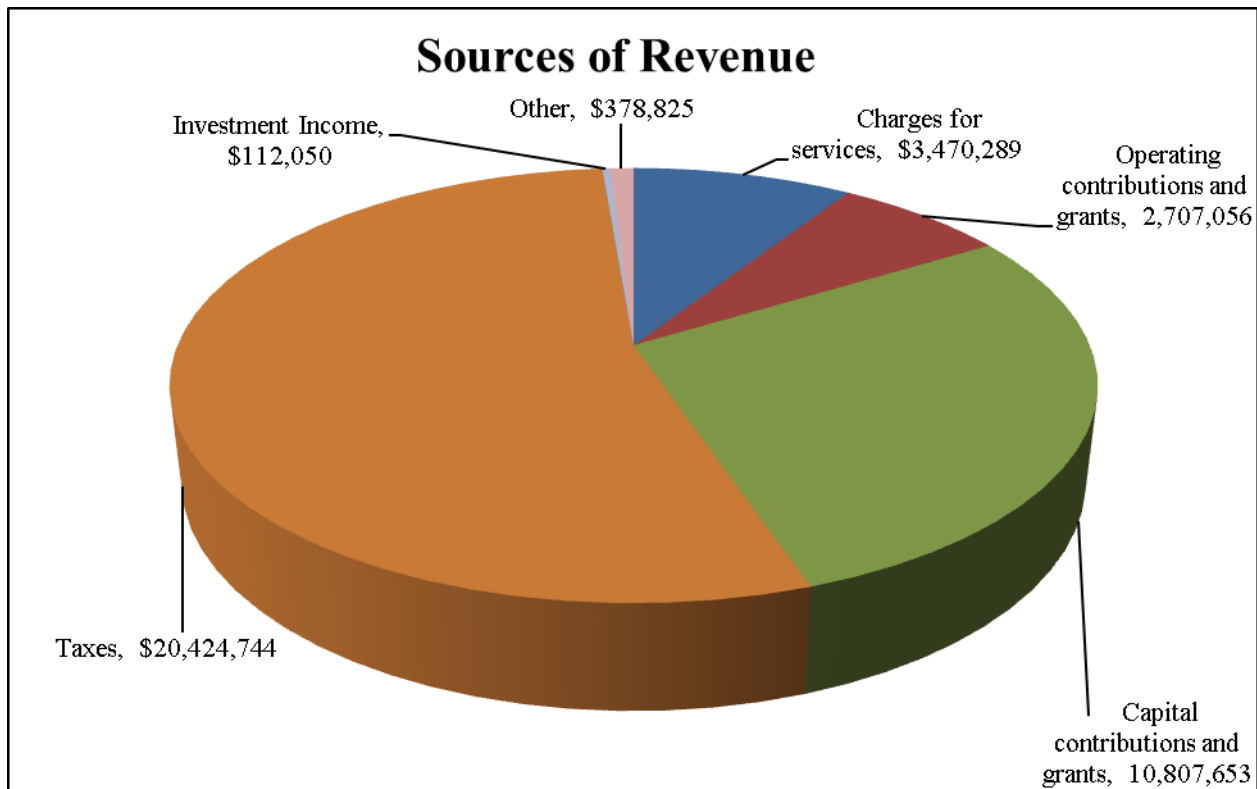
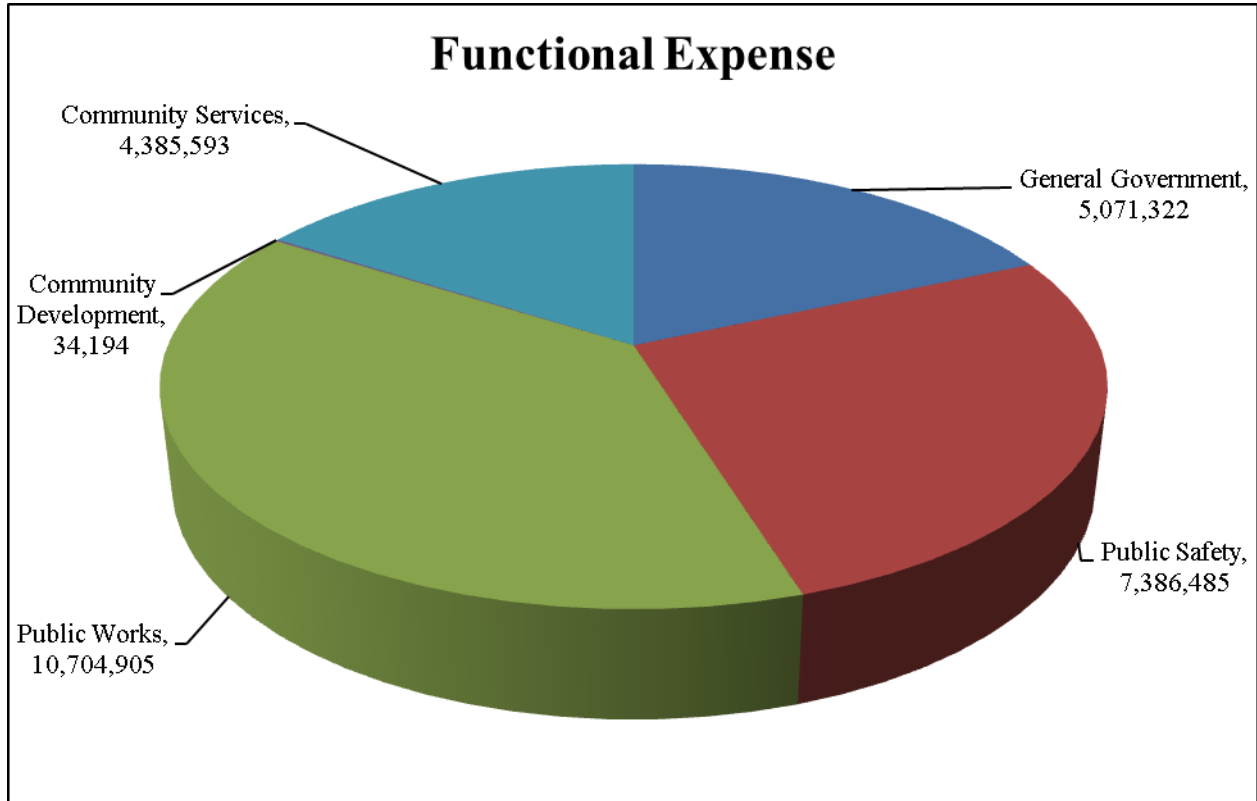
- Current and other assets increased \$3,766,855 primarily as a result of significant capital expenditures, while liabilities experienced an increase of \$2,063,726, or 60.7% due to retentions payable for capital project expenditures.
- Capital assets totaled \$273,340,604 at year-end before accumulated depreciation of \$100,775,799 resulting in net assets of \$172,564,805, an increase of 5.3% over last year.

Asset Type	
Land	\$ 28,744,747
Building and improvements	2,369,181
Furniture and equipment	876,724
Vehicles	409,819
Infrastructure	219,192,001
Construction in progress	21,748,132
Total fixed assets	273,340,604
Less depreciation	100,775,799
Capital Assets net of Depreciation	<u>\$ 172,564,805</u>

- Unrestricted net positions, the part of net position that can be used to finance day-to-day operations without constraints established by legal requirements are \$10,963,974. This represents a \$3,455,592 decrease from prior year due in large part due to cash investments made for capital projects.

See independent auditors' report.

Fiscal Year 2014 Governmental Activities  
(See Table 2)



See independent auditors' report.



**Table 2**  
**Changes in Net Position**  
**Year Ended June 30, 2014 and 2013**

	Governmental Activities	
	2014	2013
<b>Revenues</b>		
Program Revenues:		
Charges for services	\$ 3,470,289	\$ 2,425,816
Operating contributions and grants	2,707,056	2,275,620
Capital contributions and grants	10,807,653	8,644,069
General Revenues		
Taxes:		
Sales taxes	6,812,304	5,776,818
Property taxes levied for general purposes	5,163,756	5,026,723
Transient occupancy tax	6,976,954	5,604,278
Franchise taxes	1,223,935	1,152,381
Other taxes	247,795	557,042
Investment Income	112,050	132,736
Other	378,825	872,273
<b>Total Revenues</b>	<b>37,900,617</b>	<b>32,467,756</b>
<b>Expenses</b>		
General Government	5,071,322	5,216,451
Public Safety	7,386,485	7,193,436
Public Works	10,704,905	14,292,509
Community Development	34,194	33,365
Community Services	4,385,593	3,443,203
Interest and other charges	-	260
<b>Total Expenses</b>	<b>27,582,499</b>	<b>30,179,224</b>
<b>Change in Net Position</b>	<b>\$ 10,318,118</b>	<b>\$ 2,288,532</b>
<b>Ending Net Position</b>	<b>\$ 201,683,098</b>	<b>\$ 191,364,980</b>

The City's total revenues were \$37,900,617 while the total cost of all programs and services was \$27,582,499. Transient Occupancy Tax of \$6,976,954 is the City's largest revenue source at 18.4%, while Sales Tax totaled \$6,812,304 as the City's next largest revenue source at 18.0%. Property Tax of \$5,163,756 is the City's third largest revenue source at approximately 13.6% of all governmental revenues. These revenues fund a significant portion of the City's basic services.

See independent auditors' report.

## Government Activities

Table 3 presents the cost of each of the City's programs, General Government, Community Development (planning and environmental services), Public Safety, Community Services and Public Works, as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

**Table 3**  
**Net Cost of Governmental Activities**  
**Year Ended June 30, 2014**

	Total Cost of Services	Net Cost of Services
General Government	\$ 5,071,322	\$ (5,027,578)
Public Safety	7,386,485	(7,014,296)
Public Works	10,704,905	3,742,436
Community Development	34,194	2,027,867
Community Services	4,385,593	(4,325,930)
	\$ 27,582,499	\$ (10,597,501)

- General Government expenses comprise approximately 18% of the governmental expenses and include City Council, City Manager, City Clerk, City Attorney, Public Outreach, Administrative Services, Support Services, Finance and Risk Management. Charges for services and other fees partially offset the cost of this program.
- Public Safety expenses comprise 27% of the governmental expenses. Revenue from fines and capital grants partially offset the cost of this program.
- Public Works expenses comprise 39% of the governmental expenses. Revenues from charges for services, operating and capital contributions and grants offset the cost of this program.
- Community Services expenses comprise 16% of the governmental expenses. Related fees and charges for services offset the cost of this program.
- Community Development expenses comprise .12% of governmental expenses. Related fees and charges for services offset the cost of this program.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At fiscal year-end the City's Governmental Funds reported a combined fund balance of \$27,306,486, a "net" increase of \$87,063 over prior year. The General Fund decreased \$1,633,511 as a result of capital project expenditures in the Old Town area and other projects. GTIP experienced an increase of \$2,545,879 as a result of development projects driving up related revenues. The Federal Transportation Program decreased by \$1,398,329 from a prior year deficit of \$278,129 to the current year deficit of \$1,676,458 due to late reimbursement of prior year expenditures. The total of Other Governmental Funds increased by \$573,024 from \$9,253,224 last year to \$9,826,248 this year.

See independent auditors' report.

## General Fund Budgetary Highlights

**Revenues:** Actual revenues of \$23,215,082 received exceeded the Final Budget of \$22,415,048 by \$800,034 primarily as a result of higher than projected revenues from taxes and charges for services. The Original Budget for General Fund revenues of \$20,468,730 was increased by \$1,946,318 to \$22,415,048 as part of the City's quarterly budget reviews throughout the year.

**Expenditures:** Actual expenditures of \$19,114,949 (net of capital improvements) were under the \$20,788,340 Final Budget in most areas for an overall savings of \$1,673,391. Most of the expenditure budget savings were due to salary savings from the City's practice of budgeting employee at top step of their salary ranges, while lesser reductions were the General Government, Public Safety, and Community Services departments. There was \$352,100 of unexpended expenditure budgets were carried over as continuing appropriations.

**Appropriations:** Variances between the Original and the Final budgets are primarily due to the inclusion of continuing appropriations for special projects from the prior year, as well as new allocations made by the City Council during the year.

**Ending Fund Balance:** The General Fund Ending Balance was \$13,876,965 as of June 30, 2014. Below is the fund balance detail presentation:

Fund Balance:	
Nonspendable	
Prepaid Items	\$          460,192
Committed	12,862,911
Assigned for carry-overs	352,100
Unassigned	<u>201,762</u>
 Total Fund Balance	 <u><u>\$      13,876,965</u></u>

The Council has established fiscal policies for funding Compensated Leave, Risk Management, Equipment Acquisition and Replacement, Building Maintenance, Street Maintenance, and Litigation Defense reserves. These fiscal policies also specify that a minimum of 33% of total budgeted ongoing operating would be maintained as a Contingency Reserve. Based upon final budgeted General Fund expenditures and transfers, the Contingency Reserve is \$7,184,284. Additionally, the City Manager has approved the Continuing Designation of unexpended funds of \$352,100 and Encumbrances of \$996,889 in FY 2014-15.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains. The City has valued these assets at \$273,340,604 at the end of fiscal year 2014. After accumulated depreciation, the net book value of these infrastructure improvements totals \$172,564,805. (See Table 4 below)

Additional information on the City of Goleta's capital assets can be found in Notes 1 and 5 to the financial statements.

See independent auditors' report.

**Table 4**  
**Capital Assets at Year-End**  
 (Net of Depreciation)

<u>Governmental Activities</u>	
Land	\$ 28,744,747
Buildings and improvements	2,369,181
Furniture and equipment	876,724
Vehicles	409,819
Infrastructure	219,192,001
Construction In progress	21,748,132
Depreciation	(100,775,799)
Total Capital Assets	<u>\$ 172,564,805</u>

**Long-Term Debt**

At fiscal year-end the Long-term Debt reported by the City included the final payment due on the Goleta Valley Community Center lease, which was assumed from the County upon incorporation.

Additional information on the City of Goleta's long-term debt can be found in Notes 1 and 6 to the financial statements.

**Table 5**  
**Long-Term Debt**

<u>Governmental Activities</u>	
OPEB Liability	\$ 57,247
Claims and Judgments Payable	193,951
Compensated Absences	302,482
Total	<u>\$ 553,680</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The City's primary revenue sources (Sales Tax, Property Tax, and Transient Occupancy Tax "TOT") are all potentially affected by fluctuations in the economy. Because the top three revenue sources in the General Fund provide funding for over 80% of City operations, management closely and regularly monitors these tax revenues for any trends that could negatively impact the City's financial condition. The current FY 2014-15 economic indicators point to a continued regional recovery, which shows an upward trajectory in the largest tax revenue TOT and relatively smaller increases in Sales Tax and Property Tax revenues as published in the Q1 Financial Report presented to the City Council on November 7, 2014. The City Council continues to place strong emphasis on prudent financial management and multi-year financial planning, with quarterly review and analysis of its cash flows to ensure the long term fiscal sustainability of the City of Goleta community and preservation of the organization as a going concern.

See independent auditors' report.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide Goleta citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City of Goleta Finance Department, 130 Cremona Dr. Suite B, Goleta, California 93117 or by calling (805) 961-7500.

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CITY OF GOLETA

STATEMENT OF NET POSITION

June 30, 2014

	<u>Governmental Activities</u>
ASSETS:	
Cash and investments (Note 2)	\$ 28,680,625
Receivables:	
Accounts	4,315,523
Interest	1,037
Due from other governments	1,120,364
Deposits	2,000
Prepaid items	460,359
Capital assets (Note 5):	
Non-depreciable	61,888,192
Depreciable, net of accumulated depreciation	<u>110,676,613</u>
 TOTAL ASSETS	 <u>207,144,713</u>
LIABILITIES:	
Accounts payable	2,005,371
Accrued salaries and benefits	189,012
Retentions payable	2,008,544
Deposits payable	629,261
Unearned revenue	75,747
Long-term liabilities (Note 6):	
Due within one year	79,891
Due in more than one year	<u>473,789</u>
 TOTAL LIABILITIES	 <u>5,461,615</u>
NET POSITION:	
Net investment in capital assets	172,564,805
Restricted for:	
Public works	16,615,666
Community development	1,538,653
Unrestricted	<u>10,963,974</u>
 TOTAL NET POSITION	 <u>\$ 201,683,098</u>

See accompanying independent auditors' report and notes to basic financial statements.

CITY OF GOLETA

STATEMENT OF ACTIVITIES

For the year ended June 30, 2014

Functions/programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
<b>Governmental activities:</b>					
General government	\$ 5,071,322	\$ 43,744	\$ -	\$ -	\$ (5,027,578)
Public safety	7,386,485	176,260	142,605	53,324	(7,014,296)
Public works	10,704,905	1,194,632	2,564,451	10,688,258	3,742,436
Community development	34,194	2,040,086	-	21,975	2,027,867
Community services	4,385,593	15,567	-	44,096	(4,325,930)
Total governmental activities	<u>\$ 27,582,499</u>	<u>\$ 3,470,289</u>	<u>\$ 2,707,056</u>	<u>\$ 10,807,653</u>	<u>(10,597,501)</u>
General revenues:					
Taxes:					
Sales taxes					
					6,812,304
Property taxes, levied for general purposes					
					5,163,756
Transient occupancy taxes					
					6,976,954
Franchise taxes					
					1,223,935
Other taxes					
					247,795
Investment income					
					112,050
Other					
					<u>378,825</u>
Total general revenues					
					<u>20,915,619</u>
Change in net position					
					10,318,118
Net Position - Beginning of Year					
					<u>191,364,980</u>
Net Position - End of Year					
					<u>\$ 201,683,098</u>

See accompanying independent auditors' report and notes to basic financial statements.



## GOVERNMENTAL FUNDS

### GENERAL FUND

The General Fund is the general operating fund of the City. The General Fund accounts for activities and services traditionally associated with governments such as police, which are financed primarily through tax-generated revenues and are not accounted for and reported in another fund.

### SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects. The following fund has been classified as a major fund:

GTIP - This fund is used to account for traffic development impact fees.

Federal Transportation Program - The fund is used to account for federal grant funds for transportation projects.

### CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital Projects - This fund is used to account for City projects funded by various sources.

### OTHER GOVERNMENTAL FUNDS

Other Governmental Funds - These funds constitute all other governmental funds that do not meet the GASB Statement No. 34 major fund test of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures for the governmental funds. These funds consist of other Special Revenue Funds of the City for the year ended.

CITY OF GOLETA

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2014

	Special Revenue Funds		
	General	GTIP	Federal Transportation Program
ASSETS			
Cash and investments (Note 2)	\$ 12,315,191	\$ 5,509,762	\$ -
Receivables:			
Accounts	2,046,439	-	1,673,829
Interest	433	207	-
Due from other governments	-	-	-
Due from other funds (Note 3)	2,406,741	-	-
Deposits	2,000	-	-
Prepaid items	460,192	-	-
<b>TOTAL ASSETS</b>	<b>\$ 17,230,996</b>	<b>\$ 5,509,969</b>	<b>\$ 1,673,829</b>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 1,219,989	\$ 220,189	\$ 126,612
Accrued salaries and benefits	175,227	-	-
Retentions payable	1,404,307	10,049	77,554
Due to other funds (Note 3)	-	-	1,472,292
Deposits payable	478,761	-	-
Unearned revenue	75,747	-	-
<b>TOTAL LIABILITIES</b>	<b>3,354,031</b>	<b>230,238</b>	<b>1,676,458</b>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - grants	-	-	1,673,829
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>1,673,829</b>
FUND BALANCES (DEFICIT) (NOTE 14):			
Nonspendable:			
Prepaid items	460,192	-	-
Restricted:			
Public works	-	5,279,731	-
Community development	-	-	-
Committed	12,862,911	-	-
Unassigned	553,862	-	(1,676,458)
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>13,876,965</b>	<b>5,279,731</b>	<b>(1,676,458)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 17,230,996</b>	<b>\$ 5,509,969</b>	<b>\$ 1,673,829</b>

See accompanying independent auditors' report and notes to basic financial statements.

<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 10,855,672	\$ 28,680,625
-	595,255	4,315,523
-	397	1,037
-	1,120,364	1,120,364
-	-	2,406,741
-	-	2,000
-	167	460,359
<u>\$ -</u>	<u>\$ 12,571,855</u>	<u>\$ 36,986,649</u>
\$ -	\$ 438,581	\$ 2,005,371
-	13,785	189,012
-	516,634	2,008,544
-	934,449	2,406,741
-	150,500	629,261
-	-	75,747
-	2,053,949	7,314,676
-	691,658	2,365,487
-	691,658	2,365,487
-	167	460,359
-	8,952,247	14,231,978
-	1,556,687	1,556,687
-	-	12,862,911
-	(682,853)	(1,805,449)
-	9,826,248	27,306,486
<u>\$ -</u>	<u>\$ 12,571,855</u>	<u>\$ 36,986,649</u>

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CITY OF GOLETA

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2014

Fund balances - total governmental funds		\$ 27,306,486
Amounts reported for 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 balance sheet:		
Capital assets	\$ 273,340,604	
Accumulated depreciation	<u>(100,775,799)</u>	172,564,805
Long-term liabilities applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditures when due. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances as of June 30, 2014 are:		
OPEB liability	(57,247)	
Claims payable	(193,951)	
Compensated absences	<u>(302,482)</u>	(553,680)
Long-term assets are not available to pay for current period expenditures and, therefore, are shown as unavailable revenue in the fund financial statements:		
Long-term receivables - grants	<u>2,365,487</u>	<u>2,365,487</u>
Net position of governmental activities		<u><u>\$ 201,683,098</u></u>

See accompanying independent auditors' report and notes to basic financial statements.

CITY OF GOLETA

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the year ended June 30, 2014

	Special Revenue Funds		
	General	GTIP	Federal Transportation Program
REVENUES:			
Taxes	\$ 20,404,020	\$ -	\$ -
Intergovernmental	20,726	-	1,027,468
Charges for services	2,066,937	-	-
Fines and forfeitures	176,260	-	-
Investment income	168,314	34,384	-
Developer fees	-	3,567,486	-
Other	378,825	-	-
TOTAL REVENUES	<u>23,215,082</u>	<u>3,601,870</u>	<u>1,027,468</u>
EXPENDITURES:			
Current:			
General government	4,945,251	-	-
Public safety	7,344,193	-	-
Public works	2,758,632	15,823	-
Community development	-	-	-
Community services	4,024,234	-	-
Capital outlay	20,632	-	-
Debt service:			
Principal	22,007	-	-
TOTAL EXPENDITURES	<u>19,114,949</u>	<u>15,823</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,100,133</u>	<u>3,586,047</u>	<u>1,027,468</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	43,220	-	-
Transfers out	(5,776,864)	(1,040,168)	(2,425,797)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,733,644)</u>	<u>(1,040,168)</u>	<u>(2,425,797)</u>
NET CHANGE IN FUND BALANCES	(1,633,511)	2,545,879	(1,398,329)
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	<u>15,510,476</u>	<u>2,733,852</u>	<u>(278,129)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 13,876,965</u>	<u>\$ 5,279,731</u>	<u>\$ (1,676,458)</u>

See accompanying independent auditors' report and notes to basic financial statements.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,935,171	\$ 22,339,191
-	5,352,149	6,400,343
-	630,451	2,697,388
-	-	176,260
-	85,363	288,061
-	350,729	3,918,215
-	-	378,825
-	<u>8,353,863</u>	<u>36,198,283</u>
-	-	4,945,251
-	120,202	7,464,395
-	2,354,854	5,129,309
-	34,194	34,194
-	361,359	4,385,593
14,109,839	-	14,130,471
-	-	<u>22,007</u>
<u>14,109,839</u>	<u>2,870,609</u>	<u>36,111,220</u>
<u>(14,109,839)</u>	<u>5,483,254</u>	<u>87,063</u>
14,109,839	-	14,153,059
-	(4,910,230)	(14,153,059)
<u>14,109,839</u>	<u>(4,910,230)</u>	<u>-</u>
-	573,024	87,063
-	9,253,224	27,219,423
<u>\$ -</u>	<u>\$ 9,826,248</u>	<u>\$ 27,306,486</u>

CITY OF GOLETA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2014

Net change in fund balances - total governmental funds		\$	87,063
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital expense exceeded depreciation in the current period.			
Capital outlays	\$	13,413,505	
Depreciation expense		<u>(4,798,516)</u>	8,614,989
The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long term-debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Principal payments		<u>22,007</u>	22,007
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in OPEB liability		(57,247)	
Change in claims payable		(87,578)	
Change in compensated absences payable		<u>36,550</u>	(108,275)
Some revenues reported in the Statement of Activities are not considered to be available to finance current expenditures and therefore are not reported as revenues in the governmental funds.			
Grant revenues			<u>1,702,334</u>
Change in net position of governmental activities			<u>\$ 10,318,118</u>

See accompanying independent auditors' report and notes to basic financial statements.



CITY OF GOLETA

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

June 30, 2014

	Successor Agency to the Goleta Redevelopment Agency Private-Purpose Trust Fund	Agency Fund Developer Deposits
ASSETS:		
Cash and investments	\$ 836,975	\$ 1,161,244
Accounts receivable	23	-
Restricted assets:		
Cash and investments with fiscal agent	1,340,422	-
Land	1,122,649	-
	<u>3,300,069</u>	<u>\$ 1,161,244</u>
TOTAL ASSETS		
LIABILITIES:		
Accounts payable	-	\$ 981
Deposits	-	1,160,263
Accrued interest payable	99,011	-
Bonds payable, current portion	150,000	-
Bonds payable, net of current portion	15,001,540	-
	<u>15,250,551</u>	<u>\$ 1,161,244</u>
TOTAL LIABILITIES		
NET POSITION:		
Held in trust for Successor Agency and other purposes	<u>(11,950,482)</u>	
TOTAL NET POSITION	<u>\$ (11,950,482)</u>	

See accompanying independent auditors' report and notes to basic financial statements.

CITY OF GOLETA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the year ended June 30, 2014

	Successor Agency to the Goleta Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS:	
Property taxes	\$ 1,788,006
Investment earnings	5,635
	<hr/>
TOTAL ADDITIONS	1,793,641
	<hr/>
DEDUCTIONS:	
Administrative allowance	462,229
Debt service:	
Interest	1,190,553
	<hr/>
TOTAL DEDUCTIONS	1,652,782
	<hr/>
CHANGE IN NET POSITION	140,859
NET POSITION - BEGINNING OF YEAR	<hr/> (12,091,341)
NET POSITION - END OF YEAR	<hr/> <u>\$ (11,950,482)</u>

See accompanying independent auditors' report and notes to basic financial statements.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the City of Goleta conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

a. Reporting Entity:

The City of Goleta (the City) was incorporated February 1, 2002 under the general laws of the State of California. The City operates under the City Council Manager form of government.

The City provides the following services as authorized by its general laws: public safety, public works, community development and general administrative services.

b. Basis of Accounting, Measurement Focus and Financial Statement Presentation:

**Government-Wide Financial Statements:**

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include a single column for the governmental activities of the primary government. The City has no business-type activities, and no discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City. The Statement of Activities demonstrates the degree to which the direct 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. *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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included amount program revenues are reported instead as *general revenues*.

Government-wide financial statements are presented using the *economic resources measurement focus* and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

b. Basis of Accounting, Measurement Focus and Financial Statement Presentation (Continued):

**Government-Wide Financial Statements (Continued):**

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities, to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than an expenditure.

**Fund Financial Statements:**

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures. Governmental resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which activities are controlled.

Fund financial statements for the primary government's governmental funds and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and other governmental funds in the aggregate for governmental funds. Fiduciary information includes financial information for the private-purpose trust fund and the agency fund. Fiduciary funds of the City represent assets held by the City in a custodial capacity for other individuals or organizations.

**Governmental Funds:**

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. The revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

b. Basis of Accounting, Measurement Focus and Financial Statement Presentation (Continued):

**Governmental Funds (Continued):**

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary non-exchange transactions* are recognized as revenues when all applicable eligibility requirements have been met. Revenues, expenditures, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 which requires that local governments defer grant revenue that is not received within their availability period of 60 days after the fiscal year ends to meet the “available” criteria of revenue recognition.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets, current liabilities and deferred inflow of resources are generally included on the balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate that, however, they should not be considered “available spendable resources”, since they do not represent available fund balance.

See accompanying independent auditors’ report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

b. Basis of Accounting, Measurement Focus and Financial Statement Presentation (Continued):

**Governmental Funds (Continued):**

Recognition of governmental fund type revenue represented by non-current receivables are shown as unavailable revenues until they become current receivables.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures, or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *another financing source* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

c. Fund Classifications:

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. The General Fund accounts for activities and services traditionally associated with governments such as police, which are financed primarily through tax-generated revenues and are not accounted for and reported in another fund.

The GTIP Special Revenue Fund is used to account for traffic development impact fees.

The Federal Transportation Program Special Revenue Fund is used to account for federal grant funds for transportation projects.

The Capital Projects Fund is used to account for City projects funded by various sources.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

c. Fund Classifications (Continued):

Additionally, the City reports the following fund types:

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

Private Purpose Trust Fund - This fund accounts for the activities of the Successor Agency to the Goleta Redevelopment Agency. The fund's primary purpose is to expedite the dissolution of the former Agency's net position in accordance with ABx1 26 and AB 1484. The Private Purpose Trust Fund is omitted from the government-wide financial statements.

Agency Fund - The City established the Developer Deposits Fund as a fund to account for deposits advanced to the City to fund development related services provided by the City's Planning and Environmental Review Department. Monies in this fund are considered liabilities until expended, the Agency Fund is omitted from the government-wide financial statements.

d. New Accounting Pronouncements:

**Current Year Standards:**

GASB 66 - *“Technical Corrections, an amendment of GASB Statement No. 10 and Statement No. 62”*, required to be implemented in the current fiscal year did not impact the City.

GASB 70 - *“Accounting and Financial Reporting for Nonexchange Financial Guarantees”*, required to be implemented in the current fiscal year did not impact the City.

**Pending Accounting Standards:**

GASB has issued the following statements which may impact the City's financial reporting requirements in the future:

- GASB 68 - *“Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27”*, effective for the fiscal years beginning after June 15, 2014.
- GASB 69 - *“Government Combinations and Disposals of Government Operations”*, effective for periods beginning after December 15, 2013.
- GASB 71 - *“Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68”*, effective for periods beginning after June 15, 2014.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

e. Cash and Investments:

Investments are reported in the accompanying statement of net position at fair value. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings and changes in fair value. The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the general fund.

f. Capital Assets:

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair market value at the date of the contribution. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of three years or more.

Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

The City uses the straight-line depreciation method in the government-wide financial statements for depreciating storm drains, park equipment, buildings, vehicles, equipment and furniture and leasehold improvements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net position. Depreciation begins on the first full year after the asset is placed in service.

The range of lives used for depreciation purposes for each capital asset class is as follows:

<u>Item</u>	<u>Useful Life</u>
Buildings and improvements	30 to 50 years
Vehicles	5 years
Equipment and furniture	5 to 15 years

See accompanying independent auditors' report.



CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

f. Capital Assets (Continued):

Range of Lives Used for Depreciation Purposes for Each Capital Asset Class (Continued):

<u>Item</u>	<u>Useful Life</u>
Infrastructure:	
Pavement	40 years
Sidewalks	50 years
Curbs and gutters	50 years
Bridges	65 years
Hardscape	50 years
Medians	50 years
Parking lots	40 years
Traffic control devices	10 years

g. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenues*, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

h. Net Position Flow Assumptions:

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

i. Prepaid Items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City accounts for such items using the consumption method.

j. Compensated Absences:

An employee benefits payable liability is recorded for unused vacation and similar compensatory leave balances. The employees' entitlement to these balances is attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

k. Property Taxes:

Under California law, property taxes are assessed and collected by the counties up to 1 % of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City recognizes as revenue only those taxes, which are received within 60 days after year end.

The property tax calendar is as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Date:	First Installment - November 1 Second Installment - February 1
Delinquent Date:	First Installment - December 10 Second Installment - April 10

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

1. Governmental Fund Balance Classifications:

Fund balances are reported in the fund financial statements in the following classifications:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) legally or contractually required to be maintained intact.

Restricted - This classification includes amounts that can be spent only for specific purposes (such as grantors, bondholders and higher levels of government), stipulated by constitution, external resource providers or through enabling legislation.

Committed - This classification includes amounts that can be used only for specific purposes determined by a formal action of the governing board, which is the highest level of decision-making authority for the City. The City Council is the highest level of decision-making authority for the City that can, by adoption of or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

Assigned - This classification includes amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Manager or City Manager designee to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned - This classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

It is the City's policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

m. Use of Estimates:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS:

**Cash and Investments:**

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 28,680,625
Statement of Fiduciary Net Position:	
Cash and investments	1,998,219
Cash and investments with fiscal agent	<u>1,340,422</u>
Total cash and investments	<u>\$ 32,019,266</u>

Cash and investments held by the City at June 30, 2014 consisted of the following:

Petty cash	\$ 500
Demand deposits	28,753,967
Investments	<u>3,264,799</u>
Total cash and investments	<u>\$ 32,019,266</u>

**Investments Authorized by the California Government Code and the City's Investment Policy:**

Allowable investment instruments are defined in the California Government Code Section 53600, et. seq., as amended. If the Code is further revised to allow additional investments or is changed regarding the limits on certain categories of investments, the City is authorized to conform to these changes, excluding those changes that may be prohibited by this policy. Where the Government Code specifies a percentage limitation for a particular category of investments, that percentage is applicable only at the date of purchase.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

2. CASH AND INVESTMENTS (CONTINUED):

**Investments Authorized by the California Government Code and the City's Investment Policy (Continued):**

The table below identifies the investment types that are authorized for the City, including the fiduciary private purpose trust fund, by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
Local Agency Bonds	No	5 years	None	10%
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Government Sponsored Agency Securities	Yes	5 years	None	None
Banker's Acceptances	No	180 days	40%	10%
Commercial Paper	Yes	180 days	15%	10%
Certificate of Deposits	Yes	1 year	30%	10%
Negotiable Certificates of Deposit	No	5 years	30%	10%
Repurchase Agreements	No	1 year	None	10%
Reverse Repurchase Agreements	No	92 days	20% of base value	10%
Medium-Term Notes	No	5 years	30%	10%
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	10%
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	\$50,000,000
JPA Pools (other investment pools)	No	N/A	None	None
Passbook Accounts	Yes	N/A	None	None

\* Based on state law requirements or investment policy requirements, whichever is more restrictive.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

2. CASH AND INVESTMENTS (CONTINUED):

**Investments Authorized by the California Government Code and the City's Investment Policy (Continued):**

Investments of bond funds will be made in conformance with the trust indenture for each issue. Such investments shall be held separately when required.

It is the City's intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars; however, sales prior to maturity are permitted.

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the City to meet all projected cash obligations.

A policy of laddered maturities will be followed for pooled investments. At least thirty-five percent (35%) of the portfolio will be invested in instruments maturing within one year from the investment date. No more than twenty-five percent (25%) of the entire portfolio may have a date between three (3) and five (5) years from the investment date. Investments having a maturity greater than five (5) years will not be made.

Maturities for investments of bond funds held separately will conform to the trust indenture for each issue.

The portfolio will be diversified to the extent feasible to avoid incurring unreasonable and avoidable risks regarding specific security types indicated in the City's investment policy, and with the exception of the U.S. Treasury/Federal Agency securities and authorized pools, no more than 10% of the City's portfolio will be placed with any single issuer.

**Disclosures Relating to Interest Rate Risk:**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

2. CASH AND INVESTMENTS (CONTINUED):

**Disclosures Relating to Interest Rate Risk (Continued):**

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

<u>Investment Type</u>	<u>Remaining Maturity 12 Months or Less</u>	<u>Total</u>
Local Agency Investment Fund	\$ 1,924,377	\$ 1,924,377
Cash with Trustee:		
Money Market Mutual Funds	<u>1,340,422</u>	<u>1,340,422</u>
	<u>\$ 3,264,799</u>	<u>\$ 3,264,799</u>

**Disclosures Relating to Credit Risk:**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the Standard and Poors actual rating as of year-end for each investment type:

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Total as of June 30, 2014</u>	<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund *	N/A	\$ 1,924,377	\$ -	\$ 1,924,377
Cash with Trustee:				
Money Market Mutual Funds	A	<u>1,340,422</u>	<u>1,340,422</u>	<u>-</u>
		<u>\$ 3,264,799</u>	<u>\$ 1,340,422</u>	<u>\$ 1,924,377</u>

\* - The State investment pool does not offer an investment rating.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

2. CASH AND INVESTMENTS (CONTINUED):

**Concentration of Credit Risk:**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. During the fiscal year ended June 30, 2014, the City did not hold any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

**Custodial Credit Risk:**

Custodial credit risk for *deposits* is the risk that, in the *event* of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the *event* of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the City's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2014 the City had deposits of \$29,277,923 with financial institutions in excess of federal depository insurance limits that were held in collateralized accounts.

**Investment in State Investment Pool:**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

See accompanying independent auditors' report.



CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

3. INTERFUND BALANCES:

Current interfund balances at June 30, 2014 consisted of following:

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund	Federal Transportation Program	
	Special Revenue Fund	\$ 1,472,292
	Other Governmental Funds	<u>934,449</u>
		<u>\$ 2,406,741</u>

These are short-term borrowing from the General Fund for temporary cash shortfalls recorded in the Federal Transportation Program and Other Governmental Funds.

4. INTERFUND TRANSFERS:

Interfund transfers at June 30, 2014 consisted of the following:

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfers</u>	<u>Amount</u>
General Fund (a)	Other Governmental Funds	\$ 43,220
Capital Projects Fund (b)	General Fund	5,776,864
	GTIP Special Revenue Fund	1,040,168
	Federal Transportation Program	
	Special Revenue Fund	2,425,797
	Other Governmental Funds	<u>4,867,010</u>
		<u>\$ 14,153,059</u>

(a) This transfer was made to reimburse the General Fund for staff time devoted to administration of the CDBG program.

(b) These transfers were made to the Capital Projects Fund to fund capital outlays.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

5. CAPITAL ASSETS:

A summary of the changes in capital assets for the year ended June 30, 2014 is as follows:

	Beginning Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2014</u>
Capital assets, not being depreciated:				
Land	\$ 28,744,747	\$ -	\$ -	\$ 28,744,747
Right of way	11,395,313	-	-	11,395,313
Construction in progress	<u>14,458,057</u>	<u>12,412,008</u>	<u>(5,121,933)</u>	<u>21,748,132</u>
Total capital assets, not being depreciated	<u>54,598,117</u>	<u>12,412,008</u>	<u>(5,121,933)</u>	<u>61,888,192</u>
Capital assets, being depreciated:				
Infrastructure	201,815,535	5,981,153	-	207,796,688
Vehicles	304,488	105,331	-	409,819
Furniture and equipment	839,778	36,946	-	876,724
Building and improvements	<u>2,369,181</u>	<u>-</u>	<u>-</u>	<u>2,369,181</u>
Total capital assets, being depreciated	<u>205,328,982</u>	<u>6,123,430</u>	<u>-</u>	<u>211,452,412</u>
Less accumulated depreciation for:				
Infrastructure	(94,520,147)	(4,637,848)	-	(99,157,995)
Vehicles	(276,878)	(23,029)	-	(299,907)
Furniture and equipment	(428,017)	(71,508)	-	(499,525)
Building and improvements	<u>(752,241)</u>	<u>(66,131)</u>	<u>-</u>	<u>(818,372)</u>
Total accumulated depreciation	<u>(95,977,283)</u>	<u>(4,798,516)</u>	<u>-</u>	<u>(100,775,799)</u>
Total capital assets being depreciated, net	<u>109,351,699</u>	<u>1,324,914</u>	<u>-</u>	<u>110,676,613</u>
Total capital assets, net	<u>\$ 163,949,816</u>	<u>\$ 13,736,922</u>	<u>\$ (5,121,933)</u>	<u>\$ 172,564,805</u>

Depreciation expense was charged to functions as follows:

General government	\$ 54,742
Public safety	27,421
Public works	<u>4,716,353</u>
	<u>\$ 4,798,516</u>

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

6. LONG-TERM LIABILITIES:

A summary of changes in long-term liabilities for the year ended June 30, 2014 was as follows:

	Beginning Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2014</u>	Due in One Year
Capital lease payable - Goleta					
Valley Community Center	\$ 22,007	\$ -	\$ (22,007)	\$ -	\$ -
Other Post-Employment Benefits (OPEB) liability (Note 13)	-	65,227	(7,980)	57,247	-
Claims and judgments payable (Note 10)	106,373	192,888	(105,310)	193,951	19,395
Compensated absences	<u>339,032</u>	<u>-</u>	<u>(36,550)</u>	<u>302,482</u>	<u>60,496</u>
Total long-term liabilities	<u>\$ 467,412</u>	<u>\$ 258,115</u>	<u>\$ (171,847)</u>	<u>\$ 553,680</u>	<u>\$ 79,891</u>

**Capital Lease Payable - Goleta Valley Community Center:**

On February 1, 2002, the City assumed a capital lease agreement with the Goleta Union School District for the Goleta Valley Community Center. The lease, originally issued on January 1, 1984, in the amount of \$1,300,000 which was equal to the gross amount of the building, carries a variable interest rate that is to the average quarterly interest rate earned by the County of Santa Barbara Treasurer's Pool. The capital lease was paid off in fiscal year 2013-2014.

**Claims and Judgments Payable:**

When it is probable that a claim liability has been incurred at year end, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self insurance program (see Note 10). Claims and judgments payable are typically liquidated from the General Fund. The amount outstanding as of June 30, 2014 was \$193,951.

Under the City's self-insurance program, deposits to the California Joint Powers Insurance Authority (CAJPIA) are recorded as insurance expenditures when paid. Refunds of deposits from CAJPIA, based on favorable claims experience in prior years, are recorded as reductions of insurance expense when received (see Note 10).

**Compensated Absences:**

The City's policies relating to compensated absences are described in Note 1j. The liability in the amount of \$302,482 at June 30, 2014 is expected to be paid in future years from future resources. Compensated absences have typically been liquidated from the General Fund.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

7. COMMITMENTS:

**Revenue Neutrality Commitment to County of Santa Barbara - Mitigation Obligation:**

After the City's incorporation on February 1, 2002, the County of Santa Barbara continues to have ongoing obligations to provide public services to the City and its residents. In order to insure that the effect of incorporation was neutral as to the County, the parties agreed to have the following allocations of tax revenues in perpetuity:

- 50% of property tax generated by property located within the City and which would otherwise accrue entirely to the City, are allocated to the County.
- 30% of the 1 % retail sales tax revenues allocable to the City are allocated to the County.

8. OTHER COMMITMENTS:

**Encumbrances:**

All encumbrances are classified as either Committed or Assigned Fund Balance in the General Fund, or as Restricted Fund Balance in the non-general funds.

Encumbrances as of June 30, 2014 were:

Major Funds:	
General Fund	\$ 2,678,972
Other Governmental Funds	<u>6,698,512</u>
Total Encumbrances	<u>\$ 9,377,484</u>

9. RETIREMENT PLAN:

**Plan Description:**

The City contributes to the California Public Employees Retirements System (PERS), a cost sharing multi-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office: 400 "P" Street, Sacramento, California 95814.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

9. RETIREMENT PLAN:

**Funding Policy:**

Active plan members in the Plan are required to contribute 7% of their annual covered salary. For classic employees (employees hired before January 1, 2013 or employees hired after January 1, 2013 and have been in the PERS System), the City pays the 3.5% employee contribution on behalf of the employees. For new members (employees hired after January 1, 2013 and are new entrants to the PERS System or have been out of the PERS System for more than six months), employees pay the 6.25% contribution. The City is required to contribute the actuarially determined amounts. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2014 was 11.084% and 6.25%, for classic employees and new members, respectively.

For 2014, the City's annual pension cost of \$534,738 for PERS was equal to the City's required contributions. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method.

**Three-Year Trend Information for PERS:**

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/12	\$ 451,212	100%	\$ -
6/30/13	465,445	100%	-
6/30/14	534,738	100%	-

10. RISK MANAGEMENT:

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors which operates through a 9-member Executive Committee.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

10. RISK MANAGEMENT (CONTINUED):

**Self-Insurance Programs of Authority:**

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability

In the liability program, claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims for \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. The \$2.5 million annually aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3 million annual aggregate deductible is fully retained by the Authority. (6) Cost of covered claims from \$15 million up to \$20 million are paid under reinsurance agreements. (7) Costs of covered claims from \$20 million to \$50 million are paid under excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

10. RISK MANAGEMENT (CONTINUED):

**Self-Insurance Programs of Authority (Continued):**

Liability (Continued)

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$30 million per occurrence. This \$30 million subsidence sub limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$15 million in reinsurance, subject to the same annual aggregate deductibles previously stated, and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate limit.

Workers' Compensation Coverage

The City also participates in the workers' compensation pool administered by the Authority. In the workers' compensation program claims are pooled separately between public safety (police and fire) and non public-safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Worker's Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

10. RISK MANAGEMENT (CONTINUED):

**Purchased Insurance:**

Pollution Legal Liability Insurance - The City participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance - The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$12,613,123. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Fidelity Bonds - The City purchases blanket fidelity bond coverage in the amount of \$1,000,000 with \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

Fiscal Year	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Payments	Ending Balance
2011-2012	\$ 473,830	\$ 53,635	\$ (157,587)	\$ 369,878
2012-2013	369,878	43,373	(306,878)	106,373
2013-2014	106,373	192,888	(105,310)	193,951

**Adequacy of Protection:**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2013-14.

See accompanying independent auditors' report.



CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

11. OPERATING LEASES:

On January 20, 2004, the City entered into an operating lease agreement to rent its current office suite. On October 31, 2006, the office lease was amended and provided for monthly rent of \$27,843 in addition to common area maintenance costs. The lease was amended a second time on March 8, 2010 providing for monthly rent starting at \$27,120 per month in addition to common area maintenance costs. On January 23, 2013, the lease was amended a third time to add expansion space starting February 1, 2013 with monthly rent starting at \$5,085 per month in addition to common area maintenance costs and the basic rent stated in the second amendment. The lease term for the expansion space is 36 months. The City has the option to renew the lease upon termination at December 31, 2019. The City has the right to early termination of the lease on or after June 30, 2014. Rental costs for the year ended June 30, 2014 were \$561,419.

Minimum future rental payments under the operating leases as of June 30, 2014 are as follows (amounts do not include common area maintenance costs):

Fiscal Year <u>Ending</u>	Office Suite
2015	\$ 430,620
2016	414,501
2017	392,435
2018	398,871
2019	415,353
2020 - 2025	<u>207,677</u>
	<u>\$ 2,259,457</u>

12. CONTINGENT LIABILITIES:

Various claims and suits have been filed against the City in the normal course of business. Although the outcome of these matters is not presently determinable in the opinion of legal counsel, the resolutions of these matters will not have a material adverse effect on the financial condition of the City.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

13. OTHER POST-EMPLOYMENT BENEFITS (OPEB):

**Plan Description:**

The City provides postemployment health care benefits through the CalPERS healthcare program (PEMHCA) to eligible employees. . The City pays the greater of \$133 per month or the PEMHCA minimum of \$115 for fiscal year 2013-2014. To be eligible for post-retirement health benefits, employees must complete at least 5 years of continuous service, and be a minimum of 55 years of age.

**Funding Policy and Actuarial Methods and Assumptions:**

The contribution requirements of plan members and the City are established and may be amended by the City, the City's City Council, and/or the employee associations. The City is currently funding this OPEB obligation on a pay-as-you-go basis. For the year ended June 30, 2014, the City paid \$7,980 in health care costs for its retirees. The plan does not require employee contributions.

**Annual OPEB Cost and Net OPEB Obligation:**

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan made primarily by the General Fund, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	65,227
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
Annual OPEB cost (expense)		<u>65,227</u>
Actual contributions made		<u>(7,980)</u>
Increase in net OPEB obligation		57,247
Net OPEB Obligation - beginning of year		<u>-</u>
Net OPEB Obligation - end of year	\$	<u>57,247</u>

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

13. OTHER POST-EMPLOYMENT BENEFITS (OPEB):

**Funded Status and Funding Progress:**

As of June 30, 2014, the first actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$333,405, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$333,405. The funded ratio (actuarial value of assets as a percentage of actuarial accrued liability) was 0%. The covered payroll (annual payroll of active employees covered by the plan) was \$4,128,277 and the ratio of the UAAL to the covered payroll was 8.1%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement, mortality, as well as economic assumptions regarding claim costs per retiree, healthcare inflation and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions:**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2014 actuarial valuation, the entry projected unit credit cost method was used. The actuarial assumptions included an investment interest rate of 6.50% per annum (net of administrative expenses). The PEMHCA minimum was assumed to increase 4% annually after 2015. The UAAL is being amortized as a level percentage of projected payroll over 30 years on a closed basis commencing in fiscal year 2014. The remaining amortization period at June 30, 2014 was 29 years.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

14. FUND BALANCE CLASSIFICATIONS:

Detail to committed fund balance classifications at June 30, 2014 are as follow:

<u>General Fund</u>		
Committed to:		
Contingency	\$	7,184,284
Capital equipment		508,177
Compensated leave		154,797
Building maintenance		200,000
Insurance risk management		200,000
City hall acquisition		1,610,000
Litigation defense		300,000
Streets reserve		720,000
CIP project funding		1,652,153
Other post-employment benefits		<u>333,500</u>
	<u>\$</u>	<u>12,862,911</u>

15. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES:

**Expenditures in Excess of Appropriations:**

The following funds reported expenditures in excess of appropriations at June 30, 2014:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other Governmental Fund:			
Library Services Special Revenue Fund	\$ 254,798	\$ 257,833	\$ (3,035)

**Deficit Fund Balances:**

The following funds reported deficit fund balances at June 30, 2014:

Major Fund:		
Federal Transportation Program Special Revenue Fund	\$	1,676,458
Other Governmental Funds:		
Local STIP Special Revenue Fund		59,353
Miscellaneous Grants Special Revenue Fund		254,302
SLPP Special Revenue Fund		54,000
IRWMP Grant Special Revenue Fund		314,201
HSIP Special Revenue Fund		997

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

15. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED):

**Deficit Fund Balances (Continued):**

The deficit of \$1,676,458 in the Federal Transportation Program Special Revenue Fund will be eliminated by receipt of future revenues.

The deficit of \$59,353 in the Local STIP Special Revenue will be eliminated by receipt of future revenues.

The deficit of \$254,302 in the Miscellaneous Grants Special Revenue Fund will be eliminated by receipt of future revenues.

The deficit of \$54,000 in the SLPP Special Revenue Fund will be eliminated by receipt of future revenues.

The deficit of \$314,201 in the IRWMP Grants Special Revenue Fund will be eliminated by receipt of future revenues.

The deficit of \$997 in the HSIP Special Revenue Fund will be eliminated by receipt of future revenues.

16. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES:

On June 29, 2011, Assembly Bills 1x 26 (the "Dissolution Act") and 1x 27 was enacted as part of the fiscal year 2011-12 state budget package which dissolved Redevelopment.

On June 27, 2012, as part of the fiscal year 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484, which made technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing the Dissolution Act.

Under the Dissolution Act, each California redevelopment agency (each a "Dissolved RDA") was dissolved as of February 1, 2012, and the sponsoring community that formed the Dissolved RDA, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDA. A Successor Agency was created for each Dissolved RDA which is the sponsoring community of the Dissolved RDA unless it elected not to serve as the Successor Agency. On January 17, 2012, the City elected to serve as the Successor Agency of the former redevelopment agency in accordance with the Bill as part of City Resolution Number 12-04.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

16. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES (CONTINUED):

The Dissolution Act also created oversight boards which monitor the activities of the successor agencies. The roles of the successor agencies and oversight boards is to administer the wind down of each Dissolved RDA which includes making payments due on enforceable obligations, disposing of the assets (other than housing assets) and remitting the unencumbered balances of the Dissolved RDAs to the County Auditor-Controller for distribution to the affected taxing entities.

The Dissolution Act allowed the sponsoring community that formed the Dissolved RDA to elect to assume the housing functions and take over the certain housing assets of the Dissolved RDA. If the sponsoring community does not elect to become the Successor Housing Agency and assume the Dissolved RDA's housing functions, such housing functions and all related housing assets will be transferred to the local housing authority in the jurisdiction. AB 1484 modified and provided some clarifications on the treatment of housing assets under the Dissolution Act. The City elected on January 17, 2012 to serve as the Housing Successor Agency.

After the date of dissolution, the dissolved RDA did not have housing assets, obligations, and activities. All other assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The Dissolution Act and AB 1484 also establish roles for the County Auditor-Controller (CAC), the California Department of Finance (the "DOF") and the California State Controller's office in the dissolution process and the satisfaction of enforceable obligations of the Dissolved RDAs.

The County Auditor-Controller is charged with establishing a Redevelopment Property Tax Trust Fund (the "RPTTF") for each Successor Agency and depositing into the RPTTF for each six-month period the amount of property taxes that would have been redevelopment property tax increment had the Dissolved RDA not been dissolved. The deposit in the RPTTF fund is to be used to pay to the Successor Agency the amounts due on the Successor Agency's enforceable obligations for the upcoming six-month period.

The Successor Agency is required to prepare a recognized obligation payment schedule (the "ROPS") approved by the oversight board setting forth the amounts due for each enforceable obligation during each six month period. The ROPS is submitted to the DOF for approval. The County Auditor-Controller will make payments to the Successor Agency from the RPTTF fund based on the ROPS amount approved by the DOF. The ROPS is prepared in advance for the enforceable obligations due over the next six months.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

16. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES (CONTINUED):

The process of making RPTTF deposits to be used to pay enforceable obligations of the Dissolved RDA will continue until all enforceable obligations have been paid in full and all non-housing assets of the Dissolved RDA have been liquidated.

As part of the dissolution process AB1484 required the Successor Agency to have due diligence reviews of both the low and moderate income housing funds and all other funds to be completed by October 15, 2012 and January 15, 2013 to compute the funds (cash) which were not needed by the Successor Agency to be retained to pay for existing enforceable obligations. These funds were to be remitted to the CAC after the DOF completed its review of the due diligence reviews. The Successor Agency remitted \$192,195 to the CAC on November 2, 2012 for the low and moderate income housing funds due diligence review.

The due diligence review for all other funds was finalized with the final letter of determination issued by the DOF dated May 9, 2013. The review disallowed the following transfers:

- Transfer of bond proceeds in the amount of \$14,082,472 to the City. The DOF determined that the agreements supporting this transaction were entered into after June 27, 2011 and that the project on which the bond proceeds were expended has not been listed on the ROPS for DOF's review to determine if an enforceable obligation exists. However, since these are bond funds, DOF made no adjustments to the balance available to the affected taxing agencies. DOF further noted that upon receiving Finding of Completion from DOF, the Successor Agency will be allowed to use excess proceeds from bonds issued prior to December 31, 2010 for purposes for which the bonds were issued. Successor Agencies are required to defease or repurchase on the open market for cancellation any bonds that cannot be used for the purpose they were issued or if they were issued after December 31, 2010. These bond proceeds requested for use were issued in March 2011.
- Transfer to the City in the amount of \$512,262 for capital projects pursuant to a 2009 cooperation agreement. The balance available to the affected taxing agencies was increased by this amount.
- Transfer to the City in the amount of \$3,530,624 for a cooperative agreement payment. The balance available to the affected taxing agencies was increased by this amount.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

16. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES (CONTINUED):

City management, in consultation with its legal counsel, did not agree with the DOF's decision and filed a lawsuit to contest the decision. The City did not return the bond proceeds to the Successor Agency and kept the proceeds in the general fund. During the year the City used the bond proceeds for purposes the bonds were issued for. The City also did not remit other transfers that were disallowed totaling \$4,042,886 to the CAC. If the City does not prevail in its lawsuit against the DOF, the City will have to return the funds to the Successor Agency and the Successor Agency will remit the appropriate amount to the CAC.

The State Controller of the State of California has been directed to review the propriety of any transfers of assets between Dissolved RDA and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency.

17. SUCCESSOR AGENCY DISCLOSURES:

**Land:**

At June 30, 2014, the Successor Agency has land in the amount of \$1,122,649.

**Long-term Liabilities:**

In accordance with the provisions of ABX1 26 (Bill) and the California Supreme Court's decision to uphold the Bill, the obligations of the former redevelopment agency became vested with the funds established for the successor agency upon the date of dissolution, February 1, 2012. Former tax increment revenues pledged to fund the debts of the former redevelopment agency will be distributed to the Successor Agency subject to the reapportionment of such revenues as provided by the Bill.

The debt of the Successor Agency as of June 30, 2014 is as follows:

	Beginning Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2014</u>	Due in One <u>Year</u>
Tax Allocation Bonds	\$ 15,525,000	\$ -	\$ (145,000)	\$ 15,380,000	\$ 150,000
Less deferred amount:					
Discount on bonds issued	<u>(236,200)</u>	<u>-</u>	<u>7,740</u>	<u>(228,460)</u>	<u>-</u>
Total long-term liabilities	<u>\$ 15,288,800</u>	<u>\$ -</u>	<u>\$ (137,260)</u>	<u>\$ 15,151,540</u>	<u>\$ 150,000</u>

See accompanying independent auditors' report.



CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

17. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

**Long-term Liabilities (Continued):**

Allocation Bonds 2011

As of February 1, 2012, the bonds were transferred to the Successor Agency of the Goleta Redevelopment Agency due to ABx1 26, which dissolved redevelopment agencies in the State of California as of January 1, 2012. The Successor Agency, a separate legal entity, is responsible for the repayment of the principal and interest of the outstanding bonds. Additions to the Successor Agency, in the form of property taxes, have been pledged for the repayment of enforceable obligations (which include the bonds). Since the Redevelopment Agency no longer exists, the bonds have been removed from the City's government-wide financial statements.

The annual requirements to amortize the Tax Allocation Bonds outstanding as of June 30, 2014, are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 150,000	\$ 1,188,138	\$ 1,338,138
2016	155,000	1,181,387	1,336,387
2017	165,000	1,173,250	1,338,250
2018	175,000	1,164,175	1,339,175
2019	185,000	1,154,113	1,339,113
2020-2024	1,110,000	5,579,012	6,689,012
2025-2029	1,580,000	5,109,650	6,689,650
2030-2034	2,285,000	4,399,913	6,684,913
2035-2039	3,355,000	3,334,800	6,689,800
2040-2044	<u>6,220,000</u>	<u>1,810,600</u>	<u>8,030,600</u>
	15,380,000	26,095,038	41,475,038
Less deferred amounts:			
Discount on bonds issued	<u>(228,460)</u>	-	<u>(228,460)</u>
	<u>\$ 15,151,540</u>	<u>\$ 26,095,038</u>	<u>\$ 41,246,578</u>

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2014

18. RISKS AND UNCERTAINTIES:

**Grants:**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

19. SUBSEQUENT EVENTS:

Events occurring after June 30, 2014 have been evaluated for possible adjustments to the financial statements or disclosure as of December 16, 2014, which is the date these financial statements were available to be issued.

See accompanying independent auditors' report.

## REQUIRED SUPPLEMENTARY INFORMATION

### GENERAL FUND

The General Fund is the general operating fund of the City. The General Fund accounts for activities and services traditionally associated with governments such as police, which are financed primarily through tax-generated revenues and are not accounted for and reported in another fund.

### SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects. The following fund has been classified as a major fund:

GTIP - This fund is used to account for traffic development impact fees.

Federal Transportation Program - The fund is used to account for federal grant funds for transportation projects.

CITY OF GOLETA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 18,576,350	\$ 20,102,220	\$ 20,404,020	\$ 301,800
Intergovernmental	16,000	16,000	20,726	4,726
Charges for services	1,210,000	1,571,000	2,066,937	495,937
Fines and forfeitures	180,000	180,000	176,260	(3,740)
Investment income	123,380	143,380	168,314	24,934
Other	363,000	402,448	378,825	(23,623)
TOTAL REVENUES	<u>20,468,730</u>	<u>22,415,048</u>	<u>23,215,082</u>	<u>800,034</u>
EXPENDITURES:				
Current:				
General government	5,053,970	5,542,932	4,945,251	597,681
Public safety	7,351,667	7,351,667	7,344,193	7,474
Public works	2,546,846	3,255,132	2,758,632	496,500
Community services	3,983,804	4,595,206	4,024,234	570,972
Capital outlay	-	21,396	20,632	764
Debt service:				
Principal	43,670	22,007	22,007	-
TOTAL EXPENDITURES	<u>18,979,957</u>	<u>20,788,340</u>	<u>19,114,949</u>	<u>1,673,391</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,488,773</u>	<u>1,626,708</u>	<u>4,100,133</u>	<u>2,473,425</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	34,050	36,270	43,220	6,950
Transfers out	(1,075,000)	(6,814,016)	(5,776,864)	1,037,152
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,040,950)</u>	<u>(6,777,746)</u>	<u>(5,733,644)</u>	<u>1,044,102</u>
NET CHANGE IN FUND BALANCE	447,823	(5,151,038)	(1,633,511)	3,517,527
FUND BALANCE - BEGINNING OF YEAR	<u>15,510,476</u>	<u>15,510,476</u>	<u>15,510,476</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 15,958,299</u>	<u>\$ 10,359,438</u>	<u>\$ 13,876,965</u>	<u>\$ 3,517,527</u>

See accompanying independent auditors' report and note to required supplementary information.

CITY OF GOLETA

BUDGETARY COMPARISON SCHEDULE

GTIP SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 20,000	\$ 20,000	\$ 34,384	\$ 14,384
Developer fees	-	1,042,000	3,567,486	2,525,486
TOTAL REVENUES	20,000	1,062,000	3,601,870	2,539,870
EXPENDITURES:				
Current:				
Public works	82,000	82,000	15,823	66,177
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	82,000	82,000	15,823	66,177
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(62,000)	980,000	3,586,047	2,606,047
OTHER FINANCING USES:				
Transfers out	(1,895,842)	(3,389,717)	(1,040,168)	2,349,549
TOTAL OTHER FINANCING USES	(1,895,842)	(3,389,717)	(1,040,168)	2,349,549
NET CHANGE IN FUND BALANCE	(1,957,842)	(2,409,717)	2,545,879	4,955,596
FUND BALANCE - BEGINNING OF YEAR	2,733,852	2,733,852	2,733,852	-
FUND BALANCE - END OF YEAR	\$ 776,010	\$ 324,135	\$ 5,279,731	\$ 4,955,596

See accompanying independent auditors' report and note to required supplementary information.

CITY OF GOLETA

BUDGETARY COMPARISON SCHEDULE

FEDERAL TRANSPORTATION PROGRAM SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 5,030,491	\$ 5,236,820	\$ 1,027,468	\$ (4,209,352)
TOTAL REVENUES	<u>5,030,491</u>	<u>5,236,820</u>	<u>1,027,468</u>	<u>(4,209,352)</u>
OTHER FINANCING USES:				
Transfers out	<u>(5,030,491)</u>	<u>(4,988,690)</u>	<u>(2,425,797)</u>	<u>2,562,893</u>
TOTAL OTHER FINANCING USES	<u>(5,030,491)</u>	<u>(4,988,690)</u>	<u>(2,425,797)</u>	<u>2,562,893</u>
NET CHANGE IN FUND BALANCE	-	248,130	(1,398,329)	(1,646,459)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(278,129)</u>	<u>(278,129)</u>	<u>(278,129)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (278,129)</u>	<u>\$ (29,999)</u>	<u>\$ (1,676,458)</u>	<u>\$ (1,646,459)</u>

See accompanying independent auditors' report and note to required supplementary information.

CITY OF GOLETA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2014

1. BUDGETARY ACCOUNTING:

The City Manager shall prepare and submit the proposed biennial budget to the City Council for its approval for all governmental funds. After reviewing the proposed budget and making such revisions as it may deem advisable, the City Council conducts a public meeting on the budget. After conclusion of the public meeting, the City Council shall further consider the proposed budget and make any revisions thereof it may deem necessary. The budget is then legally enacted by means of a budget resolution passed by the City Council. Upon final adoption, the budget shall be in effect for the ensuing fiscal years.

Expenditures are controlled at the department level. Transfers between funds require City Council authorization. Transfers within funds are to be authorized by the City Manager or Department Director.

Budgets are prepared in accordance with generally accepted accounting principles using the modified accrual basis of accounting.

Appropriations lapse at the end of the fiscal year unless they are designated as continuing appropriations by the City Manager or re-appropriated through the formal budget process.

Budgeted amounts are as originally adopted, or as amended in accordance with prescribed procedures throughout the fiscal year.

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## OTHER GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

Gas Tax - This fund is used to account for the City's share of the motor vehicle gas tax imposed under the provisions of the Street and Highway Code of the State of California under Sections 2105, 2106, 2107 and 2107.5 which are legally restricted for the acquisition, construction, improvement and maintenance of public streets.

Transportation - This fund is used to account for public transportation funding derived from a portion of the retail sales tax collected statewide.

Measure A - This fund is used to account for funds received from a one-half cent sales tax levied by the Santa Barbara County Association of Governments. The proceeds are restricted to transportation uses. Measure A was approved by the voters of Santa Barbara County by an election held on November 4, 2008.

Measure A Grants - This fund is used to account for grant funds awarded to the City by the Santa Barbara County Association of Governments. These funds are derived from Measure A funding and are awarded for specific transportation related projects.

Solid Waste Program - This fund is used to account for receipts and expenditures relating to the City's solid waste program.

Public Safety Donations - This fund is used to account for revenue received for public safety at the Market Place Shopping Center.

Park Development Impact Fees (DIF) - This fund is used to account for park development impact fees.

Public Administration Facilities DIF - This fund is used to account for public administration facilities development impact fees.

Library Facilities DIF - This fund is used to account for library facilities development impact fees.

Sheriff Facilities DIF - This fund is used to account for public safety facilities development impact fees.

Housing In-Lieu - This fund is used to account for receipts and expenditures of the City's affordable housing programs.

Environmental Programs - This fund is used to account for receipts and expenditures relating to the City's environmental mitigation programs.

Fire DIF - This fund is used to account for fire facilities development impact fees.

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OTHER GOVERNMENTAL FUNDS  
(CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED)

Public Safety - This fund is used to account for state funds under the Citizen Options for Public Safety (COPS) grant program.

Solid Waste Recycling - This fund is used to account for receipts and expenditures relating to the City's solid waste recycling program.

RSTP State Grant - This fund is used to account for state and federal grant funds to local governments for use in transit and highway projects, including street and road projects.

Local LSTP - This fund is used to account for state grant funds to local governments for use in transportation projects, including street and road projects.

Local STIP - This fund is used to account for state grant funds to local governments for use in transit and highway projects, including street and road projects.

Miscellaneous Grants - This fund is used to account for state grant funds to local governments for use in various City projects.

SLPP - This fund is used to account for state grant funds to local governments for use in street improvement projects.

IRWMP Grant - This fund is used to account for San Jose Creek Capacity CIP improvements.

CDBG - This fund is used to account for revenues and expenditures related to the Community Development Block Grant program. These funds are received from the Federal Department of Housing and Urban Development and must be expended exclusively on programs for low and moderate income individuals/families.

OTS Public Safety - This fund is used to account for public safety grants for special traffic and law enforcement services.

BPMP Bridge Prev. Maintenance - This fund is used to account for federal grant funds for use in bridge maintenance projects.

HSIP - This fund is used to account for improvements for Hollister and Goleta Valley Center Community Center Crosswalk.

Library Services - This fund is used to account for proceeds of Measure L, which authorized a special tax to fund services at the Goleta Library.

Street Lighting - This fund is used to account for proceeds from a special benefit assessment to fund street lighting.

Comstock Plover Endowment - This fund is used to account for development related funds for use in environmental mitigation programs.

CITY OF GOLETA

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS

June 30, 2014

	Special Revenue Funds			
	Gas Tax	Transportation	Measure A	Measure A Grants
<b>ASSETS</b>				
Cash and investments	\$ 363,415	\$ 220,198	\$ 1,914,559	\$ -
Receivables:				
Accounts	-	-	-	52,220
Interest	12	7	64	-
Due from other governments	93,149	-	99,238	-
Prepaid items	111	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 456,687</b>	<b>\$ 220,205</b>	<b>\$ 2,013,861</b>	<b>\$ 52,220</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 2,698	\$ 659	\$ 132,417	2,870
Accrued salaries and benefits	8,438	-	-	-
Retentions payable	5,000	-	11,634	-
Due to other funds	-	-	-	49,350
Deposits payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>16,136</b>	<b>659</b>	<b>144,051</b>	<b>52,220</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - grants	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS):</b>				
Nonspendable:				
Prepaid items	111	-	-	-
Restricted:				
Public works	440,440	219,546	1,869,810	-
Community development	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>440,551</b>	<b>219,546</b>	<b>1,869,810</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 456,687</b>	<b>\$ 220,205</b>	<b>\$ 2,013,861</b>	<b>\$ 52,220</b>

See accompanying independent auditors' report.

Special Revenue Funds (Continued)

Solid Waste Program	Public Safety Donations	Park Development Impact Fees (DIF)	Public Administration Facilities DIF	Library Facilities DIF	Sheriff Facilities DIF
\$ 894,148	\$ 125,418	\$ 2,729,749	\$ 233,484	\$ 45,992	\$ 484,668
51,471	-	-	-	-	-
36	4	98	7	1	17
-	-	-	-	-	-
56	-	-	-	-	-
<u>\$ 945,711</u>	<u>\$ 125,422</u>	<u>\$ 2,729,847</u>	<u>\$ 233,491</u>	<u>\$ 45,993</u>	<u>\$ 484,685</u>
\$ 10,391	\$ -	\$ -	\$ -	\$ -	\$ -
5,347	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
56	-	-	-	-	-
929,917	125,422	2,729,847	233,491	45,993	484,685
-	-	-	-	-	-
-	-	-	-	-	-
<u>929,973</u>	<u>125,422</u>	<u>2,729,847</u>	<u>233,491</u>	<u>45,993</u>	<u>484,685</u>
<u>\$ 945,711</u>	<u>\$ 125,422</u>	<u>\$ 2,729,847</u>	<u>\$ 233,491</u>	<u>\$ 45,993</u>	<u>\$ 484,685</u>

(Continued)

CITY OF GOLETA

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
(CONTINUED)

June 30, 2014

	Special Revenue Funds (Continued)			
	Housing In-Lieu	Environmental Programs	Fire DIF	Public Safety
ASSETS				
Cash and investments	\$ 1,274,700	\$ 263,897	\$ 1,695,147	\$ -
Receivables:				
Accounts	-	-	-	5,597
Interest	46	10	61	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 1,274,746</u></b>	<b><u>\$ 263,907</u></b>	<b><u>\$ 1,695,208</u></b>	<b><u>\$ 5,597</u></b>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Retentions payable	-	-	-	-
Due to other funds	-	-	-	5,597
Deposits payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>5,597</u></b>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - grants	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
FUND BALANCES (DEFICITS):				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted:				
Public works	-	-	1,695,208	-
Community development	1,274,746	263,907	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b><u>1,274,746</u></b>	<b><u>263,907</u></b>	<b><u>1,695,208</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 1,274,746</u></b>	<b><u>\$ 263,907</u></b>	<b><u>\$ 1,695,208</u></b>	<b><u>\$ 5,597</u></b>

See accompanying independent auditors' report.

Special Revenue Funds (Continued)

Solid Waste Recycling	RSTP State Grant	Local LSTP	Local STIP	Miscellaneous Grants	SLPP
\$ 24,610	\$ 144,882	\$ -	\$ -	\$ -	\$ -
8,134	1,210	141,062	59,353	-	54,000
1	6	-	-	-	-
-	-	-	-	603,823	-
-	-	-	-	-	-
<u>\$ 32,745</u>	<u>\$ 146,098</u>	<u>\$ 141,062</u>	<u>\$ 59,353</u>	<u>\$ 603,823</u>	<u>\$ 54,000</u>
\$ 328	\$ -	\$ -	\$ 5,477	\$ 2,055	\$ -
-	-	-	-	-	-
-	-	-	-	500,000	-
-	-	141,062	53,876	93,591	54,000
-	-	-	-	-	-
<u>328</u>	<u>-</u>	<u>141,062</u>	<u>59,353</u>	<u>595,646</u>	<u>54,000</u>
-	627	-	59,353	262,479	54,000
-	627	-	59,353	262,479	54,000
-	-	-	-	-	-
32,417	145,471	-	-	-	-
-	-	-	-	-	-
-	-	-	(59,353)	(254,302)	(54,000)
<u>32,417</u>	<u>145,471</u>	<u>-</u>	<u>(59,353)</u>	<u>(254,302)</u>	<u>(54,000)</u>
<u>\$ 32,745</u>	<u>\$ 146,098</u>	<u>\$ 141,062</u>	<u>\$ 59,353</u>	<u>\$ 603,823</u>	<u>\$ 54,000</u>

(Continued)

CITY OF GOLETA

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
(CONTINUED)

June 30, 2014

	Special Revenue Funds (Continued)			
	IRWMP Grant	CDBG	OTS Public Safety	BPMP Bridge Prev. Maintenance
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	210,008
Interest	11	-	-	-
Due from other governments	314,202	9,952	-	-
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 314,213</b>	<b>\$ 9,952</b>	<b>\$ -</b>	<b>\$ 210,008</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ 8,402	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Retentions payable	-	-	-	-
Due to other funds	314,212	1,550	-	210,008
Deposits payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>314,212</b>	<b>9,952</b>	<b>-</b>	<b>210,008</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - grants	314,202	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>314,202</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS):</b>				
<b>Nonspendable:</b>				
Prepaid items	-	-	-	-
<b>Restricted:</b>				
Public works	-	-	-	-
Community development	-	-	-	-
Unassigned	(314,201)	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>(314,201)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 314,213</b>	<b>\$ 9,952</b>	<b>\$ -</b>	<b>\$ 210,008</b>

See accompanying independent auditors' report.



Special Revenue Funds (Continued)				
HSIP	Library Services	Street Lighting	Comstock Plover Endowment	Total Other Governmental Funds
\$ -	\$ 249,169	\$ 39,895	\$ 151,741	\$ 10,855,672
12,200	-	-	-	595,255
-	9	2	5	397
-	-	-	-	1,120,364
-	-	-	-	167
<u>\$ 12,200</u>	<u>\$ 249,178</u>	<u>\$ 39,897</u>	<u>\$ 151,746</u>	<u>\$ 12,571,855</u>
\$ 997	\$ 249,178	\$ 21,863	\$ 1,246	\$ 438,581
-	-	-	-	13,785
-	-	-	-	516,634
11,203	-	-	-	934,449
-	-	-	150,500	150,500
<u>12,200</u>	<u>249,178</u>	<u>21,863</u>	<u>151,746</u>	<u>2,053,949</u>
<u>997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>691,658</u>
<u>997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>691,658</u>
-	-	-	-	167
-	-	-	-	8,952,247
-	-	18,034	-	1,556,687
(997)	-	-	-	(682,853)
<u>(997)</u>	<u>-</u>	<u>18,034</u>	<u>-</u>	<u>9,826,248</u>
<u>\$ 12,200</u>	<u>\$ 249,178</u>	<u>\$ 39,897</u>	<u>\$ 151,746</u>	<u>\$ 12,571,855</u>

CITY OF GOLETA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS

For the year ended June 30, 2014

	Special Revenue Funds			
	Gas Tax	Transportation	Measure A	Measure A Grants
REVENUES:				
Taxes	\$ -	\$ -	\$ 1,404,453	\$ -
Intergovernmental	957,724	22,260	-	159,220
Charges for services	-	170	-	-
Investment income	2,041	-	16,520	-
Developer fees	-	1,913	-	-
<b>TOTAL REVENUES</b>	<b>959,765</b>	<b>24,343</b>	<b>1,420,973</b>	<b>159,220</b>
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Public works	715,199	-	833,337	-
Community development	-	-	-	-
Community services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>715,199</b>	<b>-</b>	<b>833,337</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>244,566</b>	<b>24,343</b>	<b>587,636</b>	<b>159,220</b>
OTHER FINANCING USES:				
Transfers out	(10,000)	(38,956)	(284,083)	(146,700)
<b>TOTAL OTHER FINANCING USES</b>	<b>(10,000)</b>	<b>(38,956)</b>	<b>(284,083)</b>	<b>(146,700)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>234,566</b>	<b>(14,613)</b>	<b>303,553</b>	<b>12,520</b>
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	205,985	234,159	1,566,257	(12,520)
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 440,551	\$ 219,546	\$ 1,869,810	\$ -

See accompanying independent auditors' report.

Special Revenue Funds (Continued)

Solid Waste Program	Public Safety Donations	Park Development Impact Fees (DIF)	Public Administration Facilities DIF	Library Facilities DIF	Sheriff Facilities DIF
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
505,281	125,000	-	-	-	-
7,094	422	23,050	834	415	3,691
-	-	-	193,986	43,680	49,633
<u>512,375</u>	<u>125,422</u>	<u>23,050</u>	<u>194,820</u>	<u>44,095</u>	<u>53,324</u>
-	-	-	-	-	-
403,422	-	-	399	-	-
-	-	-	-	-	-
-	-	-	-	45,519	-
<u>403,422</u>	<u>-</u>	<u>-</u>	<u>399</u>	<u>45,519</u>	<u>-</u>
108,953	125,422	23,050	194,421	(1,424)	53,324
-	-	(121,267)	(58,157)	-	-
-	-	(121,267)	(58,157)	-	-
108,953	125,422	(98,217)	136,264	(1,424)	53,324
<u>821,020</u>	<u>-</u>	<u>2,828,064</u>	<u>97,227</u>	<u>47,417</u>	<u>431,361</u>
<u>\$ 929,973</u>	<u>\$ 125,422</u>	<u>\$ 2,729,847</u>	<u>\$ 233,491</u>	<u>\$ 45,993</u>	<u>\$ 484,685</u>

(Continued)

CITY OF GOLETA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
(CONTINUED)

For the year ended June 30, 2014

	Special Revenue Funds (Continued)			
	Housing In-Lieu	Environmental Programs	Fire DIF	Public Safety
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	100,000
Charges for services	-	-	-	-
Investment income	10,609	2,535	13,509	-
Developer fees	-	-	61,517	-
<b>TOTAL REVENUES</b>	<b>10,609</b>	<b>2,535</b>	<b>75,026</b>	<b>100,000</b>
EXPENDITURES:				
Current:				
Public safety	-	-	-	100,000
Public works	-	-	-	-
Community development	-	-	-	-
Community services	25,000	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>100,000</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(14,391)</b>	<b>2,535</b>	<b>75,026</b>	<b>-</b>
OTHER FINANCING USES:				
Transfers out	-	(51,259)	-	-
<b>TOTAL OTHER FINANCING USES</b>	<b>-</b>	<b>(51,259)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(14,391)</b>	<b>(48,724)</b>	<b>75,026</b>	<b>-</b>
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	1,289,137	312,631	1,620,182	-
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 1,274,746</u>	<u>\$ 263,907</u>	<u>\$ 1,695,208</u>	<u>\$ -</u>

See accompanying independent auditors' report.

Special Revenue Funds (Continued)

Solid Waste Recycling	RSTP State Grant	Local LSTP	Local STIP	Miscellaneous Grants	SLPP
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,134	5,504	141,063	578,772	1,794,149	335,000
-	-	-	-	-	-
204	1,184	-	-	449	-
-	-	-	-	-	-
<u>8,338</u>	<u>6,688</u>	<u>141,063</u>	<u>578,772</u>	<u>1,794,598</u>	<u>335,000</u>
-	-	-	-	-	-
918	-	141,063	-	-	-
-	-	-	-	-	-
-	-	-	-	33,007	-
<u>918</u>	<u>-</u>	<u>141,063</u>	<u>-</u>	<u>33,007</u>	<u>-</u>
<u>7,420</u>	<u>6,688</u>	<u>-</u>	<u>578,772</u>	<u>1,761,591</u>	<u>335,000</u>
<u>-</u>	<u>(2,343)</u>	<u>-</u>	<u>(638,125)</u>	<u>(2,024,852)</u>	<u>(54,000)</u>
<u>-</u>	<u>(2,343)</u>	<u>-</u>	<u>(638,125)</u>	<u>(2,024,852)</u>	<u>(54,000)</u>
7,420	4,345	-	(59,353)	(263,261)	281,000
<u>24,997</u>	<u>141,126</u>	<u>-</u>	<u>-</u>	<u>8,959</u>	<u>(335,000)</u>
<u>\$ 32,417</u>	<u>\$ 145,471</u>	<u>\$ -</u>	<u>\$ (59,353)</u>	<u>\$ (254,302)</u>	<u>\$ (54,000)</u>

(Continued)

CITY OF GOLETA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
(CONTINUED)

For the year ended June 30, 2014

	Special Revenue Funds (Continued)			
	IRWMP Grant	CDBG	OTS Public Safety	BPMP Bridge Prev. Maintenance
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	865,306	111,228	42,605	219,981
Charges for services	-	-	-	-
Investment income	493	-	-	-
Developer fees	-	-	-	-
<b>TOTAL REVENUES</b>	<b>865,799</b>	<b>111,228</b>	<b>42,605</b>	<b>219,981</b>
EXPENDITURES:				
Current:				
Public safety	-	-	20,202	-
Public works	-	-	-	-
Community development	-	32,948	-	-
Community services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>32,948</b>	<b>20,202</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>865,799</b>	<b>78,280</b>	<b>22,403</b>	<b>219,981</b>
OTHER FINANCING USES:				
Transfers out	(1,180,000)	(78,280)	-	(210,008)
<b>TOTAL OTHER FINANCING USES</b>	<b>(1,180,000)</b>	<b>(78,280)</b>	<b>-</b>	<b>(210,008)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(314,201)</b>	<b>-</b>	<b>22,403</b>	<b>9,973</b>
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	-	-	(22,403)	(9,973)
FUND BALANCES (DEFICITS) - END OF YEAR	\$ (314,201)	\$ -	\$ -	\$ -

See accompanying independent auditors' report.

Special Revenue Funds (Continued)				Total
HSIP	Library Services	Street Lighting	Comstock Plover Endowment	Other Governmental Funds
\$ -	\$ 252,392	\$ 278,326	\$ -	\$ 1,935,171
11,203	-	-	-	5,352,149
-	-	-	-	630,451
-	843	224	1,246	85,363
-	-	-	-	350,729
<u>11,203</u>	<u>253,235</u>	<u>278,550</u>	<u>1,246</u>	<u>8,353,863</u>
-	-	-	-	120,202
-	-	260,516	-	2,354,854
-	-	-	1,246	34,194
-	257,833	-	-	361,359
<u>-</u>	<u>257,833</u>	<u>260,516</u>	<u>1,246</u>	<u>2,870,609</u>
<u>11,203</u>	<u>(4,598)</u>	<u>18,034</u>	<u>-</u>	<u>5,483,254</u>
<u>(12,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,910,230)</u>
<u>(12,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,910,230)</u>
(997)	(4,598)	18,034	-	573,024
-	4,598	-	-	9,253,224
<u>\$ (997)</u>	<u>\$ -</u>	<u>\$ 18,034</u>	<u>\$ -</u>	<u>\$ 9,826,248</u>

CITY OF GOLETA

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

GAS TAX SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 908,864	\$ 908,864	\$ 957,724	\$ 48,860
Investment income	2,000	2,000	2,041	41
TOTAL REVENUES	910,864	910,864	959,765	48,901
EXPENDITURES:				
Current:				
Public works	1,042,287	1,049,287	715,199	334,088
TOTAL EXPENDITURES	1,042,287	1,049,287	715,199	334,088
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(131,423)	(138,423)	244,566	382,989
OTHER FINANCING USES:				
Transfers out	-	(10,000)	(10,000)	-
TOTAL OTHER FINANCING USES	-	(10,000)	(10,000)	-
NET CHANGE IN FUND BALANCE	(131,423)	(148,423)	234,566	382,989
FUND BALANCE - BEGINNING OF YEAR	205,985	205,985	205,985	-
FUND BALANCE - END OF YEAR	\$ 74,562	\$ 57,562	\$ 440,551	\$ 382,989

See accompanying independent auditors' report.



CITY OF GOLETA

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

TRANSPORTATION SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 22,906	\$ 22,906	\$ 22,260	\$ (646)
Charges for services	-	-	170	170
Developer fees	1,250	1,250	1,913	663
TOTAL REVENUES	24,156	24,156	24,343	187
OTHER FINANCING USES:				
Transfers out	(220,000)	(156,739)	(38,956)	117,783
TOTAL OTHER FINANCING USES	(220,000)	(156,739)	(38,956)	117,783
NET CHANGE IN FUND BALANCE	(195,844)	(132,583)	(14,613)	117,970
FUND BALANCE - BEGINNING OF YEAR	234,159	234,159	234,159	-
FUND BALANCE - END OF YEAR	\$ 38,315	\$ 101,576	\$ 219,546	\$ 117,970

See accompanying independent auditors' report.

CITY OF GOLETA

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

MEASURE A SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,450,000	\$ 1,450,000	\$ 1,404,453	\$ (45,547)
Investment income	10,000	10,000	16,520	6,520
TOTAL REVENUES	<u>1,460,000</u>	<u>1,460,000</u>	<u>1,420,973</u>	<u>(39,027)</u>
EXPENDITURES:				
Current:				
Public works	<u>1,035,000</u>	<u>1,332,842</u>	<u>833,337</u>	<u>499,505</u>
TOTAL EXPENDITURES	<u>1,035,000</u>	<u>1,332,842</u>	<u>833,337</u>	<u>499,505</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>425,000</u>	<u>127,158</u>	<u>587,636</u>	<u>460,478</u>
OTHER FINANCING USES:				
Transfers out	<u>(494,822)</u>	<u>(694,457)</u>	<u>(284,083)</u>	<u>410,374</u>
TOTAL OTHER FINANCING USES	<u>(494,822)</u>	<u>(694,457)</u>	<u>(284,083)</u>	<u>410,374</u>
NET CHANGE IN FUND BALANCE	<u>(69,822)</u>	<u>(567,299)</u>	<u>303,553</u>	<u>870,852</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,566,257</u>	<u>1,566,257</u>	<u>1,566,257</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,496,435</u>	<u>\$ 998,958</u>	<u>\$ 1,869,810</u>	<u>\$ 870,852</u>

See accompanying independent auditors' report.

CITY OF GOLETA

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

MEASURE A GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	187,271	159,220	\$ (28,051)
TOTAL REVENUES	-	187,271	159,220	(28,051)
OTHER FINANCING USES:				
Transfers out	-	(174,751)	(146,700)	28,051
TOTAL OTHER FINANCING USES	-	(174,751)	(146,700)	28,051
NET CHANGE IN FUND BALANCE	-	12,520	12,520	-
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(12,520)	(12,520)	(12,520)	-
FUND BALANCE - END OF YEAR	\$ (12,520)	\$ -	\$ -	\$ -

See accompanying independent auditors' report.

CITY OF GOLETA

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

SOLID WASTE PROGRAM SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 467,000	\$ 467,000	\$ 505,281	\$ 38,281
Investment income	5,000	5,000	7,094	2,094
TOTAL REVENUES	472,000	472,000	512,375	40,375
EXPENDITURES:				
Current:				
Public works	518,079	518,079	403,422	114,657
TOTAL EXPENDITURES	518,079	518,079	403,422	114,657
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(46,079)	(46,079)	108,953	155,032
FUND BALANCE - BEGINNING OF YEAR	821,020	821,020	821,020	-
FUND BALANCE - END OF YEAR	\$ 774,941	\$ 774,941	\$ 929,973	\$ 155,032

See accompanying independent auditors' report.

CITY OF GOLETA

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

PUBLIC SAFETY DONATIONS SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ -	\$ 125,000	\$ 125,000	\$ -
Investment income	-	-	422	422
TOTAL REVENUES	-	125,000	125,422	422
EXPENDITURES:				
Current:				
Public works	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	125,000	125,422	422
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ 125,000	\$ 125,422	\$ 422

See accompanying independent auditors' report.

CITY OF GOLETA

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

PARK DEVELOPMENT IMPACT FEES SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 10,000	\$ 10,000	\$ 23,050	\$ 13,050
TOTAL REVENUES	10,000	10,000	23,050	13,050
EXPENDITURES:				
Current:				
Community development	-	250,000	-	250,000
TOTAL EXPENDITURES	-	250,000	-	250,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,000	(240,000)	23,050	263,050
OTHER FINANCING USES:				
Transfers out	(1,400,100)	(1,610,400)	(121,267)	1,489,133
TOTAL OTHER FINANCING USES	(1,400,100)	(1,610,400)	(121,267)	1,489,133
NET CHANGE IN FUND BALANCE	(1,390,100)	(1,850,400)	(98,217)	1,752,183
FUND BALANCE - BEGINNING OF YEAR	2,828,064	2,828,064	2,828,064	-
FUND BALANCE - END OF YEAR	\$ 1,437,964	\$ 977,664	\$ 2,729,847	\$ 1,752,183

See accompanying independent auditors' report.

CITY OF GOLETA

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

PUBLIC ADMINISTRATION FACILITIES DEVELOPMENT IMPACT FEES SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 500	\$ 500	\$ 834	\$ 334
Developer fees	-	30,600	193,986	163,386
TOTAL REVENUES	500	31,100	194,820	163,720
EXPENDITURES:				
Current:				
Public works	-	43,000	399	42,601
TOTAL EXPENDITURES	-	43,000	399	42,601
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	500	(11,900)	194,421	206,321
OTHER FINANCING USES:				
Transfers out	-	(58,157)	(58,157)	-
TOTAL OTHER FINANCING USES	-	(58,157)	(58,157)	-
NET CHANGE IN FUND BALANCE	500	(70,057)	136,264	206,321
FUND BALANCE - BEGINNING OF YEAR	97,227	97,227	97,227	-
FUND BALANCE - END OF YEAR	\$ 97,727	\$ 27,170	\$ 233,491	\$ 206,321

See accompanying independent auditors' report.

CITY OF GOLETA

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

LIBRARY FACILITIES DEVELOPMENT IMPACT FEES SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 100	\$ 100	\$ 415	\$ 315
Developer fees	-	6,900	43,680	36,780
TOTAL REVENUES	100	7,000	44,095	37,095
EXPENDITURES:				
Current:				
Community services	45,519	45,519	45,519	-
TOTAL EXPENDITURES	45,519	45,519	45,519	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(45,419)	(38,519)	(1,424)	37,095
FUND BALANCE - BEGINNING OF YEAR	47,417	47,417	47,417	-
FUND BALANCE - END OF YEAR	\$ 1,998	\$ 8,898	\$ 45,993	\$ 37,095

See accompanying independent auditors' report.



CITY OF GOLETA

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

SHERIFF FACILITIES DEVELOPMENT IMPACT FEES SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 2,000	\$ 2,000	\$ 3,691	\$ 1,691
Developer fees	-	7,900	49,633	41,733
TOTAL REVENUES	2,000	9,900	53,324	43,424
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,000	9,900	53,324	43,424
FUND BALANCE - BEGINNING OF YEAR	431,361	431,361	431,361	-
FUND BALANCE - END OF YEAR	\$ 433,361	\$ 441,261	\$ 484,685	\$ 43,424

See accompanying independent auditors' report.

CITY OF GOLETA

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

HOUSING IN-LIEU SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 6,000	\$ 6,000	\$ 10,609	\$ 4,609
TOTAL REVENUES	6,000	6,000	10,609	4,609
EXPENDITURES:				
Current:				
Community services	50,000	50,000	25,000	25,000
TOTAL EXPENDITURES	50,000	50,000	25,000	25,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(44,000)	(44,000)	(14,391)	29,609
FUND BALANCE - BEGINNING OF YEAR	1,289,137	1,289,137	1,289,137	-
FUND BALANCE - END OF YEAR	\$ 1,245,137	\$ 1,245,137	\$ 1,274,746	\$ 29,609

See accompanying independent auditors' report.

CITY OF GOLETA

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

ENVIRONMENTAL PROGRAMS SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 2,000	\$ 2,000	\$ 2,535	\$ 535
TOTAL REVENUES	2,000	2,000	2,535	535
OTHER FINANCING USES:				
Transfers out	-	(119,044)	(51,259)	67,785
TOTAL OTHER FINANCING USES	-	(119,044)	(51,259)	67,785
NET CHANGE IN FUND BALANCE	2,000	(117,044)	(48,724)	68,320
FUND BALANCE - BEGINNING OF YEAR	312,631	312,631	312,631	-
FUND BALANCE - END OF YEAR	\$ 314,631	\$ 195,587	\$ 263,907	\$ 68,320

See accompanying independent auditors' report.

CITY OF GOLETA

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

FIRE DIF SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 5,000	5,000	\$ 13,509	\$ 8,509
Developer fees	-	-	61,517	61,517
TOTAL REVENUES	5,000	5,000	75,026	70,026
OTHER FINANCING USES:				
Transfers out	(450,000)	(450,000)	-	450,000
TOTAL OTHER FINANCING USES	(450,000)	(450,000)	-	450,000
NET CHANGE IN FUND BALANCE	(445,000)	(445,000)	75,026	520,026
FUND BALANCE - BEGINNING OF YEAR	1,620,182	1,620,182	1,620,182	-
FUND BALANCE - END OF YEAR	\$ 1,175,182	\$ 1,175,182	\$ 1,695,208	\$ 520,026

See accompanying independent auditors' report.

CITY OF GOLETA

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

PUBLIC SAFETY SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
TOTAL REVENUES	100,000	100,000	100,000	-
EXPENDITURES:				
Current:				
Public safety	100,000	100,000	100,000	-
TOTAL EXPENDITURES	100,000	100,000	100,000	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditors' report.

CITY OF GOLETA

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

SOLID WASTE RECYCLING SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 8,134	\$ 134
Investment income	100	100	204	104
TOTAL REVENUES	8,100	8,100	8,338	238
EXPENDITURES:				
Current:				
Public works	17,000	17,000	918	16,082
TOTAL EXPENDITURES	17,000	17,000	918	16,082
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,900)	(8,900)	7,420	16,320
FUND BALANCE - BEGINNING OF YEAR	24,997	24,997	24,997	-
FUND BALANCE - END OF YEAR	\$ 16,097	\$ 16,097	\$ 32,417	\$ 16,320

See accompanying independent auditors' report.

CITY OF GOLETA

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

RSTP STATE GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 261,000	\$ 511,825	\$ 5,504	\$ (506,321)
Investment income	-	-	1,184	1,184
TOTAL REVENUES	<u>261,000</u>	<u>511,825</u>	<u>6,688</u>	<u>(505,137)</u>
OTHER FINANCING USES:				
Transfers out	<u>(261,000)</u>	<u>(670,342)</u>	<u>(2,343)</u>	<u>667,999</u>
TOTAL OTHER FINANCING USES	<u>(261,000)</u>	<u>(670,342)</u>	<u>(2,343)</u>	<u>667,999</u>
NET CHANGE IN FUND BALANCE	-	(158,517)	4,345	162,862
FUND BALANCE - BEGINNING OF YEAR	<u>141,126</u>	<u>141,126</u>	<u>141,126</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 141,126</u>	<u>\$ (17,391)</u>	<u>\$ 145,471</u>	<u>\$ 162,862</u>

See accompanying independent auditors' report.

CITY OF GOLETA

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

LOCAL LSTP SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 141,063	\$ 141,063	\$ -
TOTAL REVENUES	-	141,063	141,063	-
EXPENDITURES:				
Current:				
Public works	-	141,063	141,063	-
TOTAL EXPENDITURES	-	141,063	141,063	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditors' report.



CITY OF GOLETA

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

LOCAL STIP SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 3,581,000	\$ 4,182,302	\$ 578,772	\$ (3,603,530)
TOTAL REVENUES	3,581,000	4,182,302	578,772	(3,603,530)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,581,000	4,182,302	578,772	(3,603,530)
OTHER FINANCING USES:				
Transfers out	(3,581,000)	(4,182,302)	(638,125)	3,544,177
TOTAL OTHER FINANCING USES	(3,581,000)	(4,182,302)	(638,125)	3,544,177
NET CHANGE IN FUND BALANCE	-	-	(59,353)	(59,353)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ -	\$ (59,353)	\$ (59,353)

See accompanying independent auditors' report.

CITY OF GOLETA

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

MISCELLANEOUS GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 2,077,141	\$ 1,794,149	\$ (282,992)
Investment income	-	-	449	449
TOTAL REVENUES	-	2,077,141	1,794,598	(282,543)
EXPENDITURES:				
Current:				
Community services	-	61,248	33,007	28,241
TOTAL EXPENDITURES	-	61,248	33,007	28,241
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	2,015,893	1,761,591	(254,302)
OTHER FINANCING USES:				
Transfers out	-	(2,024,852)	(2,024,852)	-
TOTAL OTHER FINANCING USES	-	(2,024,852)	(2,024,852)	-
NET CHANGE IN FUND BALANCE	-	(8,959)	(263,261)	(254,302)
FUND BALANCE - BEGINNING OF YEAR	8,959	8,959	8,959	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 8,959	\$ -	\$ (254,302)	\$ (254,302)

See accompanying independent auditors' report.

CITY OF GOLETA

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

SLPP SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 54,000	\$ 389,000	\$ 335,000	\$ (54,000)
TOTAL REVENUES	54,000	389,000	335,000	(54,000)
OTHER FINANCING USES:				
Transfers out	(54,000)	(54,000)	(54,000)	-
TOTAL OTHER FINANCING USES	(54,000)	(54,000)	(54,000)	-
NET CHANGE IN FUND BALANCE	-	335,000	281,000	(54,000)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(335,000)	(335,000)	(335,000)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (335,000)	\$ -	\$ (54,000)	\$ (54,000)

See accompanying independent auditors' report.

CITY OF GOLETA

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

IRWMP GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	1,180,000	\$ 865,306	\$ (314,694)
Investment income	-	-	493	493
TOTAL REVENUES	-	1,180,000	865,799	(314,201)
OTHER FINANCING USES:				
Transfers out	-	(1,180,000)	(1,180,000)	-
TOTAL OTHER FINANCING USES	-	(1,180,000)	(1,180,000)	-
NET CHANGE IN FUND BALANCE	-	-	(314,201)	(314,201)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ -	\$ (314,201)	\$ (314,201)

See accompanying independent auditors' report.

CITY OF GOLETA

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

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 191,400	\$ 412,253	\$ 111,228	\$ (301,025)
TOTAL REVENUES	191,400	412,253	111,228	(301,025)
EXPENDITURES:				
Current:				
Community development	37,350	39,914	32,948	6,966
TOTAL EXPENDITURES	37,350	39,914	32,948	6,966
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	154,050	372,339	78,280	(294,059)
OTHER FINANCING USES:				
Transfers out	(154,050)	(372,339)	(78,280)	294,059
TOTAL OTHER FINANCING USES	(154,050)	(372,339)	(78,280)	294,059
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditors' report.

CITY OF GOLETA

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

OTS PUBLIC SAFETY SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 60,000	\$ 42,605	\$ 42,605	\$ -
TOTAL REVENUES	60,000	42,605	42,605	-
EXPENDITURES:				
Current:				
Public safety	60,000	20,202	20,202	-
TOTAL EXPENDITURES	60,000	20,202	20,202	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	22,403	22,403	-
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(22,403)	(22,403)	(22,403)	-
FUND BALANCE - END OF YEAR	\$ (22,403)	\$ -	\$ -	\$ -

See accompanying independent auditors' report.

CITY OF GOLETA

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

BPMP BRIDGE PREV. MAINTENANCE SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 419,838	\$ 432,864	\$ 219,981	\$ (212,883)
TOTAL REVENUES	419,838	432,864	219,981	(212,883)
OTHER FINANCING USES:				
Transfers out	(419,838)	(422,891)	(210,008)	212,883
TOTAL OTHER FINANCING USES	(419,838)	(422,891)	(210,008)	212,883
NET CHANGE IN FUND BALANCE	-	9,973	9,973	-
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(9,973)	(9,973)	(9,973)	-
FUND BALANCE - END OF YEAR	\$ (9,973)	\$ -	\$ -	\$ -

See accompanying independent auditors' report.

CITY OF GOLETA

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

HSIP SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	179,900	\$ 11,203	\$ (168,697)
TOTAL REVENUES	-	179,900	11,203	(168,697)
OTHER FINANCING USES:				
Transfers out	-	(179,900)	(12,200)	167,700
TOTAL OTHER FINANCING USES	-	(179,900)	(12,200)	167,700
NET CHANGE IN FUND BALANCE	-	-	(997)	(997)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ -	\$ (997)	\$ (997)

See accompanying independent auditors' report.



CITY OF GOLETA

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

LIBRARY SERVICES SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 250,000	\$ 250,000	\$ 252,392	\$ 2,392
Investment income	200	200	843	643
TOTAL REVENUES	<u>250,200</u>	<u>250,200</u>	<u>253,235</u>	<u>3,035</u>
EXPENDITURES:				
Current:				
Community services	<u>250,200</u>	<u>254,798</u>	<u>257,833</u>	<u>(3,035)</u>
TOTAL EXPENDITURES	<u>250,200</u>	<u>254,798</u>	<u>257,833</u>	<u>(3,035)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(4,598)	(4,598)	-
FUND BALANCE - BEGINNING OF YEAR	<u>4,598</u>	<u>4,598</u>	<u>4,598</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

CITY OF GOLETA

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

STREET LIGHTING SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 99,000	\$ 269,580	\$ 278,326	\$ 8,746
Investment income	-	-	224	224
TOTAL REVENUES	<u>99,000</u>	<u>269,580</u>	<u>278,550</u>	<u>8,970</u>
EXPENDITURES:				
Current:				
Public works	<u>99,000</u>	<u>269,580</u>	<u>260,516</u>	<u>9,064</u>
TOTAL EXPENDITURES	<u>99,000</u>	<u>269,580</u>	<u>260,516</u>	<u>9,064</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	18,034	18,034
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,034</u>	<u>\$ 18,034</u>

See accompanying independent auditors' report.

CITY OF GOLETA

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

COMSTOCK PLOVER ENDOWMENT SPECIAL REVENUE FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 1,000	\$ 1,000	\$ 1,246	\$ 246
TOTAL REVENUES	1,000	1,000	1,246	246
EXPENDITURES:				
Current:				
Community development	1,000	1,000	1,246	(246)
TOTAL EXPENDITURES	1,000	1,000	1,246	(246)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditors' report.

CITY OF GOLETA

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

CAPITAL PROJECTS FUND - MAJOR FUND

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Capital outlay	15,002,093	28,280,328	14,109,839	14,170,489
TOTAL EXPENDITURES	15,002,093	28,280,328	14,109,839	14,170,489
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,002,093)	(28,280,328)	(14,109,839)	14,170,489
OTHER FINANCING SOURCES:				
Transfers in	15,002,093	28,280,328	14,109,839	(14,170,489)
TOTAL OTHER FINANCING SOURCES	15,002,093	28,280,328	14,109,839	(14,170,489)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditors' report.

## AGENCY FUND

The City established the Developer Deposits Fund as a fund to account for deposits advanced to the City to fund development related services provided by the City's Community Development Department. Monies in this fund are considered liabilities until expended, the Agency funds are omitted from the government-wide financial statements.

CITY OF GOLETA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DEVELOPER DEPOSITS AGENCY FUND

For the year ended June 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
ASSETS:				
Cash and investments	\$ 1,888,677	\$ -	\$ (727,433)	\$ 1,161,244
LIABILITIES:				
Accounts payable	\$ 60,259	\$ -	\$ (59,278)	\$ 981
Deposits payable	1,828,418	-	(668,155)	1,160,263
TOTAL LIABILITIES	\$ 1,888,677	\$ -	\$ (727,433)	\$ 1,161,244

See accompanying independent auditors' report.

## DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2014

This part of the City of Goleta's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	112 - 119
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	120 - 125
<u>Debt Capacity</u> these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	126 - 129
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	130 - 131
<u>Operating Information</u> these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	132 - 135

Source, unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF GOLETA

NET POSITION BY COMPONENT

Last Ten Fiscal Years  
(accrual bases of accounting)

	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
Governmental activities:				
Net investment in capital assets	\$ 24,991,474	\$ 27,093,022	\$ 171,497,745	\$ 168,561,463
Restricted	5,932,908	10,787,824	10,792,609	15,401,523
Unrestricted	5,729,507	6,839,388	8,838,623	8,785,763
Total governmental activities net position	<u>\$ 36,653,889</u>	<u>\$ 44,720,234</u>	<u>\$ 191,128,977</u>	<u>\$ 192,748,749</u>



Fiscal Year Ended June 30,					
2009	2010	2011	2012	2013	2014
\$ 168,713,837	\$ 165,751,283	\$ 164,443,711	\$ 172,075,288	\$ 163,927,809	\$ 172,564,805
14,202,532	15,707,269	13,773,387	13,409,549	13,017,605	18,154,319
8,056,471	5,998,325	7,302,694	16,715,914	14,419,566	10,963,974
<u>\$ 190,972,840</u>	<u>\$ 187,456,877</u>	<u>\$ 185,519,792</u>	<u>\$ 202,200,751</u>	<u>\$ 191,364,980</u>	<u>\$ 201,683,098</u>

CITY OF GOLETA

CHANGES IN NET POSITION

Last Ten Fiscal Years  
(accrual basis of accounting)

Primary Government - Governmental Activities	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
<b>Expenses:</b>				
General government	\$ 3,415,277	\$ 3,550,258	\$ 3,372,878	\$ 3,902,025
Public safety	5,273,087	5,539,496	5,617,168	5,853,577
Public works	5,538,722	4,595,206	10,581,153	11,235,589
Community development	2,036,243	3,667,575	1,177,266	1,670,489
Community services	727,856	1,133,688	2,584,997	2,569,696
Interest and other charges	39,416	33,320	130,839	75,612
Total expenses	<u>17,030,601</u>	<u>18,519,543</u>	<u>23,464,301</u>	<u>25,306,988</u>
<b>Program revenues:</b>				
<b>Charges for services:</b>				
General government	31,974	37,456	416,758	8,590
Public safety	206,399	201,787	225,986	217,652
Public works	141,814	2,304,882	711,443	686,705
Community development	959,273	-	-	931,359
Community services	193,710	734,277	690,879	16,410
<b>Operating grants and contributions:</b>				
Public safety	142,166	130,616	242,339	-
Public works	2,313,742	4,338,565	3,432,130	3,056,038
Community development	19,615	1,389,033	711,075	51,175
Community services	-	8,428	8,232	-
<b>Capital grants and contributions:</b>				
Public safety	19,200	-	-	179,856
Public works	902,820	232,141	989,205	2,122,198
Community development	8,521,192	1,689,883	21,203	8,407
Community services	-	542,413	23,976	37,690
Total program revenues	<u>13,451,905</u>	<u>11,609,481</u>	<u>7,473,226</u>	<u>7,316,080</u>
Net revenues (expenses)	<u>(3,578,696)</u>	<u>(6,910,062)</u>	<u>(15,991,075)</u>	<u>(17,990,908)</u>
<b>General revenues and other changes in net position:</b>				
<b>Taxes:</b>				
Sales taxes	3,864,389	4,039,979	4,116,748	4,160,113
Property taxes, levied for general purpose	4,893,131	4,867,360	4,359,151	4,609,491
Redevelopment Agency tax increment, restricted	-	-	2,252,723	2,754,708
Motor vehicle in lieu taxes, unrestricted	1,502,920	1,125,865	1,139,903	1,106,524
Transient occupancy tax	2,282,932	2,601,475	2,571,528	2,783,144
Franchise taxes	946,066	952,856	1,116,446	938,208
Other taxes	-	-	-	418,052
Investment income	280,398	646,378	1,152,334	719,157
Other	155,914	245,579	-	621,283
Special item - forgiveness of debt	-	-	-	1,500,000
Total general revenues	<u>13,925,750</u>	<u>14,479,492</u>	<u>16,708,833</u>	<u>19,610,680</u>
<b>Extraordinary item:</b>				
Gain on dissolution of Redevelopment Agency	-	-	-	-
Changes in net position	<u>\$ 10,347,054</u>	<u>\$ 7,569,430</u>	<u>\$ 717,758</u>	<u>\$ 1,619,772</u>

Fiscal Year Ended June 30,					
2009	2010	2011	2012	2013	2014
\$ 3,626,933	\$ 4,504,965	\$ 3,364,448	\$ 4,442,304	\$ 5,216,451	\$ 5,071,322
6,220,064	6,443,432	6,534,163	6,786,540	7,193,436	7,386,485
11,628,940	11,131,852	9,632,224	7,311,563	14,292,509	10,704,905
4,524,328	3,006,793	2,157,181	795,924	33,365	34,194
2,812,884	2,662,570	2,412,473	2,982,588	3,443,203	4,385,593
63,902	38,756	473,629	510,656	260	-
<u>28,877,051</u>	<u>27,788,368</u>	<u>24,574,118</u>	<u>22,829,575</u>	<u>30,179,224</u>	<u>27,582,499</u>
8,569	7,491	6,525	29,939	43,159	43,744
255,448	264,526	228,485	169,945	171,132	176,260
747,329	633,760	680,933	641,538	616,780	1,194,632
1,171,393	915,013	1,267,026	1,654,126	1,581,191	2,040,086
16,747	14,763	15,503	14,415	13,554	15,567
173,527	188,168	171,280	129,919	161,294	142,605
2,508,017	3,087,242	2,225,067	2,398,730	2,114,326	2,564,451
19,360	90,527	7,531	-	-	-
-	-	-	-	-	-
77,340	3,919	14,607	57,906	44,201	53,324
1,884,115	2,521,375	1,001,539	7,518,761	7,474,170	10,688,258
248,172	97,874	20,656	825,552	1,103,734	21,975
64,591	3,505	7,166	25,471	21,964	44,096
<u>7,174,608</u>	<u>7,828,163</u>	<u>5,646,318</u>	<u>13,466,302</u>	<u>13,345,505</u>	<u>16,984,998</u>
<u>(21,702,443)</u>	<u>(19,960,205)</u>	<u>(18,927,800)</u>	<u>(9,363,273)</u>	<u>(16,833,719)</u>	<u>(10,597,501)</u>
3,353,658	3,310,542	3,905,548	3,845,273	5,776,818	6,812,304
4,713,635	4,781,106	4,790,367	5,017,404	5,026,723	5,163,756
3,234,533	3,903,872	3,644,069	2,152,407	-	-
878,401	118,547	150,977	-	-	-
2,462,457	2,143,120	2,417,169	2,685,546	5,604,278	6,976,954
1,079,337	1,002,546	1,031,099	1,187,154	1,152,381	1,223,935
426,035	585,546	393,853	456,783	557,042	247,795
375,504	163,884	231,090	207,471	132,736	112,050
506,742	435,079	426,543	765,646	872,273	378,825
-	-	-	-	-	-
<u>17,030,302</u>	<u>16,444,242</u>	<u>16,990,715</u>	<u>16,317,684</u>	<u>19,122,251</u>	<u>20,915,619</u>
-	-	-	9,726,548	-	-
<u>\$ (4,672,141)</u>	<u>\$ (3,515,963)</u>	<u>\$ (1,937,085)</u>	<u>\$ 16,680,959</u>	<u>\$ 2,288,532</u>	<u>\$ 10,318,118</u>

CITY OF GOLETA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
General fund:				
Reserved	\$ 4,429,850	\$ 6,600,000	\$ 845,290	\$ 997,972
Unreserved	1,653,495	950,433	8,518,795	9,087,093
Total general fund	<u>\$ 6,083,345</u>	<u>\$ 7,550,433</u>	<u>\$ 9,364,085</u>	<u>\$ 10,085,065</u>
All other governmental funds:				
Reserved	\$ 3,652,802	\$ 5,434,747	\$ 3,591,210	\$ 6,200,802
Unreserved, reported in:				
Special revenue funds	3,961,067	5,759,397	5,450,614	7,622,276
Capital projects funds	-	(4,237)	2,827,773	810,000
Total all other governmental funds	<u>\$ 7,613,869</u>	<u>\$ 11,189,907</u>	<u>\$ 11,869,597</u>	<u>\$ 14,633,078</u>
General fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: GASB 54 was implement in 2011, prior years have no comparable data.

Fiscal Year Ended June 30,					
2009	2010	2011	2012	2013	2014
\$ 143,065	\$ 189,127	\$ -	\$ -	\$ -	\$ -
8,813,424	7,807,167	-	-	-	-
<u>\$ 8,956,489</u>	<u>\$ 7,996,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,874,263	\$ 2,522,135	\$ -	\$ -	\$ -	\$ -
8,606,741	8,392,385	-	-	-	-
3,398,377	3,480,094	-	-	-	-
<u>\$ 13,879,381</u>	<u>\$ 14,394,614</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 319,801	\$ 128,085	\$ 536,424	\$ 460,192
-	-	-	-	12,690,889	12,862,911
-	-	23,545,619	14,914,858	516,358	-
-	-	504,384	2,914,290	1,766,805	553,862
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,369,804</u>	<u>\$ 17,957,233</u>	<u>\$ 15,510,476</u>	<u>\$ 13,876,965</u>
\$ -	\$ -	\$ 72,988	\$ 50,000	\$ 185	\$ 167
-	-	13,328,391	13,089,510	12,354,267	15,788,665
-	-	-	-	-	-
-	-	(424,952)	(527,586)	(645,505)	(2,359,311)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,976,427</u>	<u>\$ 12,611,924</u>	<u>\$ 11,708,947</u>	<u>\$ 13,429,521</u>

CITY OF GOLETA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
<b>Revenues:</b>				
Taxes	\$ 14,124,469	\$ 16,173,369	\$ 17,181,587	\$ 17,341,789
Intergovernmental	4,285,249	4,585,024	4,160,756	4,417,441
Charges for services	1,040,105	1,593,377	2,138,814	1,543,839
Fines and forfeitures	206,399	201,787	225,986	217,653
Investment income	280,398	646,378	1,152,334	1,071,351
Developer fees	466,190	1,798,530	271,291	532,347
Other	155,914	245,579	189,602	621,302
Total revenues	<u>20,558,724</u>	<u>25,244,044</u>	<u>25,320,370</u>	<u>25,745,722</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	3,390,716	3,520,719	3,603,156	3,768,660
Public safety	5,289,121	5,579,362	5,725,768	5,846,854
Public works	5,385,700	5,395,431	7,066,796	6,291,291
Community development	2,306,787	3,791,902	1,177,266	1,119,545
Community services	734,783	1,136,769	3,295,355	2,726,268
Pass-through to other agencies	401,710	103,384	450,545	550,944
Capital outlay	866,484	197,500	597,627	1,451,785
<b>Debt service:</b>				
Principal	413,189	436,959	771,101	425,653
Interest	46,040	38,892	139,414	80,261
Bond issuance cost	-	-	-	-
Total expenditures	<u>18,834,530</u>	<u>20,200,918</u>	<u>22,827,028</u>	<u>22,261,261</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,724,194</u>	<u>5,043,126</u>	<u>2,493,342</u>	<u>3,484,461</u>
<b>Other financing sources (uses):</b>				
Tax allocation bonds issued	-	-	-	-
Discount on bonds issued	-	-	-	-
Transfers in	1,213,036	1,204,752	2,829,956	3,038,958
Transfers out	<u>(1,213,036)</u>	<u>(1,204,752)</u>	<u>(2,829,956)</u>	<u>(3,038,958)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances, before extraordinary item	1,724,194	5,043,126	2,493,342	3,484,461
<b>Extraordinary loss on dissolution   of Redevelopment Agency</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,724,194</u>	<u>\$ 5,043,126</u>	<u>\$ 2,493,342</u>	<u>\$ 3,484,461</u>
<b>Debt service as a percentage of   noncapital expenditures</b>	2.56%	2.38%	4.10%	2.43%

Fiscal Year Ended June 30,					
2009	2010	2011	2012	2013	2014
\$ 16,756,152	\$ 16,951,278	\$ 17,460,722	\$ 16,733,812	\$ 19,542,847	\$ 22,339,191
2,919,468	3,590,007	18,421,878	3,544,582	5,624,425	6,400,343
1,746,412	1,630,733	1,818,583	2,140,438	2,095,880	2,697,388
255,448	264,525	228,486	169,943	171,132	176,260
570,708	282,408	330,722	345,014	301,651	288,061
1,314,011	489,825	166,928	6,149,623	3,466,434	3,918,215
642,639	435,080	454,838	815,871	872,273	378,825
<u>24,204,838</u>	<u>23,643,856</u>	<u>38,882,157</u>	<u>29,899,283</u>	<u>32,074,642</u>	<u>36,198,283</u>
3,500,545	3,706,924	3,761,490	4,507,674	4,875,271	4,945,251
6,185,519	6,408,887	6,499,618	6,751,995	7,187,085	7,464,395
5,696,189	5,704,610	4,546,534	4,774,930	6,080,632	5,129,309
3,868,251	1,330,563	17,132,204	789,001	33,365	34,194
2,791,020	2,574,680	2,410,641	2,980,756	3,441,371	4,385,593
656,077	1,693,526	1,023,921	-	-	-
3,718,518	2,567,257	3,832,456	10,179,990	13,723,359	14,130,471
69,390	63,615	68,782	495,572	83,033	22,007
67,133	38,756	93,853	883,982	260	-
-	-	388,720	-	-	-
<u>26,552,642</u>	<u>24,088,818</u>	<u>39,758,219</u>	<u>31,363,900</u>	<u>35,424,376</u>	<u>36,111,220</u>
<u>(2,347,804)</u>	<u>(444,962)</u>	<u>(876,062)</u>	<u>(1,464,617)</u>	<u>(3,349,734)</u>	<u>87,063</u>
-	-	16,085,000	-	-	-
-	-	(253,615)	-	-	-
5,450,007	2,165,683	16,593,176	247,695	37,052	14,153,059
<u>(5,450,007)</u>	<u>(2,165,683)</u>	<u>(16,593,176)</u>	<u>(247,695)</u>	<u>(37,052)</u>	<u>(14,153,059)</u>
-	-	15,831,385	-	-	-
(2,347,804)	(444,962)	14,955,323	(1,464,617)	(3,349,734)	87,063
-	-	-	(5,312,457)	-	-
<u>\$ (2,347,804)</u>	<u>\$ (444,962)</u>	<u>\$ 14,955,323</u>	<u>\$ (6,777,074)</u>	<u>\$ (3,349,734)</u>	<u>\$ 87,063</u>
0.60%	0.48%	0.45%	6.51%	0.38%	0.10%

CITY OF GOLETA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year Ended June 30,	City		
	Secured and Unsecured	Less: Exemptions	Taxable Assessed Value
2005	\$ 3,526,555,537	\$ 109,735,138	\$ 3,416,820,399
2006	3,667,247,789	127,367,000	3,539,880,789
2007	4,609,243,631	144,341,549	4,464,902,082
2008	4,846,111,226	155,221,614	4,690,889,612
2009	5,037,169,032	154,348,677	4,882,820,355
2010	5,149,233,266	143,525,584	5,005,707,682
2011	5,199,860,164	185,868,983	5,013,991,181
2012	5,333,232,339	203,847,882	5,129,384,457
2013	5,321,655,710	228,041,081	5,093,614,629
2014	5,476,016,337	250,788,107	5,225,228,230

Note:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values of the Debt Service payment of Goleta Unified School District, Santa Barbara High School District, and Santa Barbara City College.



Redevelopment Agency			
<u>Secured and Unsecured</u>	<u>Less: Exemptions</u>	<u>Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
\$ 823,942,992	\$ 39,791,239	\$ 784,151,753	1.02935%
855,566,776	48,145,605	807,421,171	1.02977%
916,338,045	49,175,662	867,162,383	1.02925%
972,697,831	59,156,174	913,541,657	1.02875%
1,018,970,730	58,752,855	960,217,875	1.03725%
1,075,227,858	54,687,971	1,020,539,887	1.03725%
1,131,416,537	94,950,658	1,036,465,879	1.03725%
1,156,274,956	105,085,071	1,051,189,885	1.03843%
1,187,685,066	129,671,772	1,058,013,294	1.03868%
1,221,226,259	153,699,414	1,067,526,845	1.04228%

CITY OF GOLETA

DIRECT AND OVERLAPPING GOVERNMENTS PROPERTY TAX RATES

Last Ten Fiscal Years  
(rate per \$100 of taxable value)

	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
City Direct Rates:				
City of Goleta Basic Rate	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:				
Goleta Unified School District	0.01746	0.01729	0.01677	0.01627
Santa Barbara High School District	0.01189	0.01248	0.01248	0.01248
Santa Barbara City College	-	-	-	-
Santa Barbara Secondary/High School District	-	-	-	-
Total Direct Rate	<u>1.02935</u>	<u>1.02977</u>	<u>1.02925</u>	<u>1.02875</u>

Note:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values of the Bond Debt Service of Goleta Unified School District, Santa Barbara High School District, and Santa Barbara City College.

Fiscal Year Ended June 30,					
2009	2010	2011	2012	2013	2014
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.01627	0.01627	0.01627	0.01627	0.01627	0.01383
0.01248	0.01248	0.01248	0.01273	0.01298	0.01298
0.00850	0.00850	0.00850	0.00850	0.00850	0.00697
-	-	-	0.00093	0.00093	0.00085
<u>1.03725</u>	<u>1.03725</u>	<u>1.03725</u>	<u>1.03843</u>	<u>1.03868</u>	<u>1.03463</u>

CITY OF GOLETA

PRINCIPAL PROPERTY TAX PAYERS

Current Fiscal Year and Nine Fiscal Years Ago

Taxpayer	Primary Use	2014	
		Taxable Assessed Value	Percent of Total City Taxable Assessed Value
SP Maravilla, LLC	Institutional	\$ 111,425,304	1.77%
BRS Investment Properties, LLC	Commercial	107,010,000	1.70%
Camino Real II LLC	Commercial	87,825,873	1.40%
Los Carneros Business Park LP	Commercial	50,000,000	0.79%
Sumida Family Limited Partnership	Residential	46,885,646	0.75%
Willow Springs, LP	Residential	40,925,637	0.65%
Nassau Land Co, LP	Commercial	40,246,802	0.64%
University Business Center Assoc.	Commercial	39,513,287	0.63%
Citrix Systems, Inc.	Commercial	38,637,686	0.61%
Rockbridge Investments, LP	Industrial	37,759,100	0.60%
Top Ten Total		<u>\$ 600,229,335</u>	<u>9.54%</u>

Taxpayer	Primary Use	2005	
		Taxable Assessed Value	Percent of Total City Taxable Assessed Value
HT-Santa Barbara Inc	Commercial	\$ 145,000,000	3.45%
Camino Real II, LLC	Commercial	47,123,047	1.12%
Nassau Land Company LP	Commercial	42,871,586	1.02%
Maravilla, LLC	Industrial	40,345,133	0.96%
Raytheon Company	Commercial	36,522,039	0.87%
University Business Center	Commercial	33,573,253	0.80%
Sandpiper-Golf Trust	Commercial	30,346,022	0.72%
IRE-SB Inc	Commercial	28,967,309	0.69%
Rockbridge Investments, LP	Industrial	28,692,189	0.68%
Girsch Big Propety, LP	Commercial	26,190,705	0.62%
Top Ten Total		<u>\$ 459,631,283</u>	<u>10.94%</u>

Note: The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

Source: Santa Barbara Auditor-Controller

CITY OF GOLETA

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date (1)	
		Amount	Percent of Levy		Amount	Percent of Levy
2005	\$ 1,775,867	\$ 1,775,867	100.00%	\$ -	\$ 1,775,867	100.00%
2006	1,901,688	1,901,688	100.00%	-	1,901,688	100.00%
2007	2,076,982	2,076,982	100.00%	-	2,076,982	100.00%
2008	1,984,793	1,984,793	100.00%	-	1,984,793	100.00%
2009	2,043,072	2,043,072	100.00%	-	2,043,072	100.00%
2010	2,081,000	2,081,000	100.00%	-	2,081,000	100.00%
2011	2,087,364	2,087,364	100.00%	-	2,087,364	100.00%
2012	2,162,721	2,162,721	100.00%	-	2,162,721	100.00%
2013	2,260,137	2,260,137	100.00%	-	2,260,137	100.00%
2014	2,311,154	2,311,154	100.00%	-	2,311,154	100.00%

(1) The City participates in the Teeter Plan. The Teeter Plan is an alternative method of apportioning property tax money. Cities participating in the Plan received 95% of the property taxes in advance from the County and the remaining 5% after the County reconciles the Cities' balance on June 30.

Note: The amounts above include the City of Goleta secured property taxes only.

CITY OF GOLETA

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Loans Payable</u>	<u>Total Governmental Activities</u>	<u>Percentage of Personal Income</u>	<u>Debt per Capita</u>
2005	\$ 1,195,000	\$ 521,112	\$ 1,800,000	\$ 3,516,112	0.28%	\$ 114
2006	800,000	479,153	1,800,000	3,079,153	0.22%	101
2007	375,000	433,052	1,500,000	2,308,052	0.17%	77
2008	-	382,400	-	382,400	0.03%	13
2009	-	311,997	-	311,997	0.02%	10
2010	-	249,394	-	249,394	0.02%	8
2011	-	180,612	-	180,612	0.01%	6
2012	-	105,040	-	105,040	0.01%	4
2013	-	22,007	-	22,007	2.17%	1
2014	-	-	-	-	0	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF GOLETA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2014

2013-2014 Assessed Valuations:

2013-2014 City Assessed Valuation	\$ 5,476,016,337
Redevelopment Agency Incremental Valuation	1,221,226,259
Adjusted Assessed Valuation	<u>\$ 4,254,790,078</u>

	<u>Percentage Applicable</u>	<u>Total Outstanding Debt 6/30/134</u>	<u>City's Share of Overlapping Debt</u>
<u>Overlapping Debt Repaid with Property Taxes:</u>			
Goleta Unified School District	100.000%	\$ 17,650,000	\$ 17,650,000
Santa Barbara High School District	100.000%	126,127,320	126,127,320
Santa Barbara City College	100.000%	59,340,000	<u>59,340,000</u>
Total Overlapping Debt Repaid with Property Taxes			203,117,320
<u>Direct and Overlapping General Fund Obligation Debt:</u>			
Santa Barbara County General Fund Obligations	6.984%	\$ 65,355,000 (1)	4,564,491
Goleta Valley Community Center Lease	100.000%	22,007	<u>22,007</u>
Total Direct and Overlapping General Fund Obligation Debt			<u>4,586,498</u>
Total Direct and Overlapping Other Debt			<u>\$ 207,703,818 (2)</u>

Ratios to 2013-2014 Assessed Valuations:

Total Direct and Overlapping Tax and Assessment Debt	3.710%
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Ratios to Adjusted Assessed Valuations:

Combined Total Debt	4.880%
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Notes:

- (1) Population estimated for the City and County were used to calculate the estimated percentage applicable of the overlapping debt. Of the County's 429,200 population, 6.98% (or 29,962) reside within the City's boundaries.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, tax allocation bonds, and non-bonded capital lease obligations.

CITY OF GOLETA

COMPUTATION OF LEGAL DEBT MARGIN

Last Ten Fiscal Years

	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
Assessed valuation	\$ 3,526,555,537	\$ 3,667,247,789	\$ 4,609,243,631	\$ 4,846,111,226
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	881,638,884	916,811,947	1,152,310,908	1,211,527,807
Debt limit percentage	15%	15%	15%	15%
Debt limit	132,245,833	137,521,792	172,846,636	181,729,171
Total net debt applicable to limitation	-	-	-	-
Legal debt margin	<u>\$ 132,245,833</u>	<u>\$ 137,521,792</u>	<u>\$ 172,846,636</u>	<u>\$ 181,729,171</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located with the State.



Fiscal Year Ended June 30,					
2009	2010	2011	2012	2013	2014
\$ 5,037,169,032	\$ 5,149,233,266	\$ 5,199,860,164	\$ 5,333,232,339	\$ 5,321,655,710	\$ 5,476,016,337
25%	25%	25%	25%	25%	25%
1,259,292,258	1,287,308,317	1,299,965,041	1,333,308,085	1,330,413,928	1,369,004,084
15%	15%	15%	15%	15%	15%
188,893,839	193,096,247	194,994,756	199,996,213	199,562,089	205,350,613
-	-	-	-	-	-
<u>\$ 188,893,839</u>	<u>\$ 193,096,247</u>	<u>\$ 194,994,756</u>	<u>\$ 199,996,213</u>	<u>\$ 199,562,089</u>	<u>\$ 205,350,613</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF GOLETA

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population (1) City of Goleta	Santa Barbara County	City of Goleta		
		Population (1) (in thousands)	Personal Income (2) (in thousands)	Per Capita Income (2) (in thousands)	Unemployment Rate (3)
2005	30,749	400	\$ 988,475	\$ 32.1	2.30%
2006	30,526	399	1,035,179	33.9	2.10%
2007	30,163	400	1,101,964	36.5	2.00%
2008	30,082	404	1,151,430	38.3	2.10%
2009	30,307	407	1,172,251	38.7	2.60%
2010	30,404	424	1,137,617	37.4	4.20%
2011	31,099	426	901,342	29.0	4.70%
2012	29,930	427	942,855	31.5	4.40%
2013	29,962	429	1,015,352	33.9	2.90%
2014	30,202	433	1,022,368	33.9	2.60%

Sources:

(1) California Department of Finance

(2) U.S. Department of Commerce, Bureau of Economic Analysis (Santa Barbara-Santa Maria-Goleta)

(3) California Employment Development Department

CITY OF GOLETA

PRINCIPAL EMPLOYERS

Current Fiscal Year and Nine Fiscal Years Ago

Employer	2014		2005	
	Number of Employees	Employment % to Total Population (1)	Number of Employees	Employment % to Total Population (1)
Sansum Clinic	1200	3.97%	2005 Data not available	
Raytheon	1150	3.81%		
Goleta Unified School District	645	2.14%		
Citrix Online	600	1.99%		
Jodano's	578	1.91%		
Barcara Resorts	575	1.90%		
Yardi Systems	573	1.90%		
FLIR	375	1.24%		
Goleta Valley Cottage Hospital	350	1.16%		
Curvature, LLC	310	1.03%		
Karl Storz Imaging	300	0.99%		
Allergan (Inamed)	299	0.99%		
Medtronic	275	0.91%		
Network Hardware Resale	271	0.90%		
Costco	260	0.86%		
Mentor Corp.	220	0.73%		
Inogen Inc.	164	0.54%		
The Home Depot	161	0.53%		

(1) "Employment % to Total Population" as used above represents the total population of the City of Goleta at Current Year into the Number of Employees.

CITY OF GOLETA

FULL-TIME AND PART-TIME CITY EMPLOYEES  
BY FUNCTION

Last Ten Fiscal Years

Function	Authorized Positions for Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	6.50	6.00	6.25	4.75	7.00	8.00	7.40	8.40	8.40	8.40
Administrative Services	4.50	2.50	2.50	4.00	4.00	4.00	4.80	4.80	4.80	4.80
Finance Department	-	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Planning and Environmental Services	14.00	14.00	14.00	13.50	14.00	12.00	11.50	11.50	11.50	11.50
RDA and Neighborhood Services	1.00	4.00	4.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Community Services	<u>13.00</u>	<u>14.50</u>	<u>14.50</u>	<u>15.00</u>	<u>15.00</u>	<u>14.00</u>	<u>15.00</u>	<u>15.00</u>	<u>16.00</u>	<u>16.00</u>
Total	<u><u>39.00</u></u>	<u><u>44.50</u></u>	<u><u>45.25</u></u>	<u><u>45.25</u></u>	<u><u>48.00</u></u>	<u><u>46.00</u></u>	<u><u>46.70</u></u>	<u><u>47.70</u></u>	<u><u>48.70</u></u>	<u><u>48.70</u></u>

Source: City of Goleta, Finance Department

CITY OF GOLETA

OPERATING INDICATORS  
BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police (1):										
Calls for Service	16,458	14,788	15,200	16,117	15,159	21,212	21,002	19,277	19,531	20,077
Citations	2,028	1,577	1,798	1,421	2,344	2,842	2,493	982	1,121	1,586
Reports Taken	3,884	3,927	3,748	3,186	3,176	3,230	2,875	3,052	2,857	3,079
Fire (2):										
Calls for Service	2,334	2,150	2,066	2,314	2,786	2,847	3,022	2,536	1,942	3,065
Public works (3):										
Street resurfacing (miles)	9.7	8.5	10.8	24.6	33.0	10.6	10.0	10.4	18.5	5.8

Sources:

- (1) Santa Barbara County Sheriff Department
- (2) Santa Barbara County Fire Department
- (3) City of Goleta's Community Services Department

CITY OF GOLETA  
CAPITAL ASSET STATISTICS  
BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
<b>Public Safety:</b>				
Police Stations (1)	-	-	-	-
Fire Stations (2)	3	3	3	3
<b>Community Development and Community Services:</b>				
Parks and Open Space - Acreage	296	436	437	438
Community Center	1	1	1	1
Library	1	1	1	1
Historic Stowe House	1	1	1	1
Amtrak Restrooms	-	-	-	1
Elementary Schools (K - 6)	4	5	5	5
Middle Schools (6 - 8)	1	1	1	1
High Schools (9 - 12)	1	1	1	1
Private Schools	3	3	3	3
Special Needs Schools	-	-	-	-
<b>Public Works:</b>				
Area of City (Square Miles)	7.9	7.9	7.9	7.9
Miles of Streets	172.3	172.3	172.3	172.3
Number of Streetlights (3)	71	71	73	85
Number of Vehicles (City-wide)	9	9	13	15
Corporation Yard	-	-	-	-

- (1) City contracts with County of Santa Barbara for Law Enforcement Services.
- (2) Fire Department related services are provided by the County Fire Department.
- (3) There are one thousand five hundred fifty three (1,553) streetlights owned and maintained by Southern California Edison (SCE) in addition to those owned and maintained by the City.

Source: Various City of Goleta Departments

Fiscal Year Ended June 30,

2009	2010	2011	2012	2013	2014
-	-	-	-	-	-
3	3	3	3	3	3
440	440	457	477	477	477
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
5	5	5	5	5	5
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	4	4	4
-	-	-	-	-	-
7.9	7.9	8.0	8.0	8.0	8.0
172.3	172.3	174.0	174.0	174.0	174.0
85	85	89	89	98	103
15	14	14	14	14	14
-	-	1	1	1	1

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