

Comprehensive Annual Financial Report for Fiscal Year 2016/17

GOLETA, CALIFORNIA



CITY OF GOLETA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
YEAR ENDED JUNE 30, 2017

Prepared by:
Finance Department

CITY OF GOLETA

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December 21, 2017

To the Honorable Mayor, Councilmembers and Citizens of the City of Goleta:

CITY COUNCIL

Paula Perotte
Mayor

Stuart Kasdin
Mayor Pro Tempore

Roger S. Aceves
Councilmember

Michael T. Bennett
Councilmember

Kyle Richards
Councilmember

CITY MANAGER
Michelle Greene

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Goleta (City) for the fiscal year ended June 30, 2017. The report was prepared by the City's Finance Department in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB), the authoritative body establishing U.S. generally accepted accounting principles for local governments and was audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

This report contains management representations concerning the finances of the City, and management assumes full responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not exceed anticipated benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements are free from material misstatement. 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 have been included to enable an understanding of the City's financial activities.

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, also presented 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, this 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. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

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 31,760. The City is 10 miles west of the City of Santa Barbara and is approximately 90 miles northwest 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 Tempore 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 as of June 30, 2016 contracted with the City of Santa Barbara for library services. In August 2017, the City Council took action to pursue and assume direct management and operations of the Goleta Library starting in fiscal year 2018/19.

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 serves under contract and is appointed by 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 (TOT), and Franchise Fees comprise approximately 87% of the City's General Fund revenues for fiscal year 2016/17.

The City of Goleta 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 TOT and Sales Tax revenues, as well as significant Development related revenues. Out of the four primary revenue sources, TOT and Sales Tax are heavily dependent upon visitor and consumer behaviors. Staff continues to budget conservatively, as these revenues can vary from year to year. As we look toward the future, Goleta continues to see overall economic stability and expansion. The housing market is healthy as reflected in Goleta's property tax revenues. Building activity is robust, and visitor

services and travel are strong. The City recently had two new hotels open in the fall of 2017, which will contribute to the new fiscal year's TOT.

In FY 2016/17, the City's General Fund revenues exceeded expenditures by \$3,566,719. Excluding capital projects, General Fund "operating" revenues exceeded expenditures by \$3,810,271. The excess revenues over expenditures were primarily the result of significant savings in several department program areas for vacant positions, special projects and CIP projects that will be extended into FY 2017/18.

As part of the incorporation process, the City of Goleta and the County of Santa Barbara entered into a Revenue Neutrality Agreement (RNA). This agreement requires that 50% of the City's portion of Property Tax and 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 TOT generated by TOT taxpayers, staying in facilities that were in existence at City incorporation. Taken as a whole, the City generated approximately \$5.7 million in revenues that were paid to the County of Santa Barbara in FY 2016/17 in accordance with the RNA. The receipts and payments of the RNA are not included in the CAFR document.

MAJOR INITIATIVES

Management:

The City continues to maintain a strong and effective workforce of approximately 66 full-time equivalent positions in FY 2016/17, an increase of 2 FTE's from FY 2015/16. The City Manager has taken the lead in evaluating all departmental organizations to assist in determining organizational effectiveness and efficiency in an effort to meet the growing demands of the community and development related activities. Positions were added to help support the Current Planning division, and Neighborhood Services and Public Safety department to assist with recreation program creation and management. Reclassifications of two vacant positions were also evaluated and adopted in General Government based on restructuring of duties. By mid-year, the Purchasing responsibilities of the City were transferred over to the Finance Department from the City Manager's Office, to enhance budget control and compliance with the City's purchasing ordinance. By fiscal year end, the City had completed its organizational assessment of the Planning and Environmental Review Department and also moved forward with establishing a Municipal Library, and in August 2017, the City Council decided to pursue assuming direct management and operation of the Goleta Library. Impacts to the City's workforce will not be experienced until FY 2018/19, in which approximately 6 FTE's and 15 part-time staff will be added to the organization.

Economic Development

The City continues to work with the University of California, Santa Barbara (UCSB), to support new business ventures coming primarily out of UCSB and seeking to establish their new businesses in Goleta. Originally, the City, in partnership with UCSB and the Goleta Valley Chamber of Commerce, established Goleta Entrepreneurial Magnet (GEM) in an effort to support start-up companies and strengthen the local economy through supporting new and growing science and technology entrepreneurs. The close collaboration between the City and UCSB have produced networking events and workshops, programming opportunities and advisors to facilitate an environment conducive to entrepreneurial growth. One new

entrepreneurial success story is the Apeel Sciences Company, which has set up operations in Goleta this year, with 100,000 square feet of industrial space.

Furthermore, the City Council adopted an Economic Development Strategic Plan which focuses on economic conditions and future programs that might enhance Goleta's economic environment. In the beginning of FY 2016/17, the City implemented the Short-Term Vacation Rental (STVR) Permit Program to facilitate compliance with vacation rental operations.

Capital Improvement Program Plans

The City is currently underway with numerous significant Capital Improvement Projects. The Capital Improvement Program (CIP) Budget totaled \$38,452,562 in FY 2016/17.

In FY 2016/17 the City's CIP Division completed several improvement projects. These included the Maria Ygnacio Bike Path Lighting, Hollister Avenue High Intensity Activated Crosswalk (HAWK signal), pedestrian crossing improvements at Hollister and Orange Avenues, Goleta Community Center Path Lighting (aka Pedestrian Pathway and Lighting at the Boys & Girls Club), and Evergreen Park Tennis Courts Repair project. The Cathedral Oaks Landscaping project and Ward Drive Class 2 Bike Lanes projects are current in construction and are expected to be completed in FY 2017/18. The City currently has projects in final design by the end of fiscal year which consisted of the San Jose Creek Bike Path Middle Extent, San Jose Creek Bike Path Southern Extent, Hollister Avenue Bridge Replacement, Ekwill Street Extension, crosswalk improvements at Hollister Avenue and Chapel Street and Calle Real and Kingston Avenue, and various sidewalk infill and school crosswalk improvements. Additionally, construction was started for the Hollister Avenue Class 1 Bikeway project and is anticipated to be completed by end of 2017. The City is committed to projects that benefit the pedestrian and cycling community. Staff is continuing ongoing work on bicycle, pedestrian and transportation improvement projects. In FY 2016/17, the City initiated a Bicycle/Pedestrian Master Plan (BPMP), conducted six community workshops and received over 1,600 responses from a survey to gather public input. Staff also kicked off the Old Town Sidewalk Improvement project and is continuing to hold community meetings, with community outreach for the Complete Streets and Old Town Sidewalk project to continue into the new fiscal year. The City continues to apply and was awarded one state grant in FY 2016/17 totaling \$225,000. This grant will help fund a Goleta Traffic Safety Study.

In addition, 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 City owned public facilities. Furthermore, in FY 2016/17 the City awarded approximately \$4 million for the FY 2016/17 Pavement Rehabilitation Project to repair 10 arterial street sections throughout the City, in which work began at the end of the fiscal year, and will carry over into the new fiscal year, completing in Fall 2017. Studies were also conducted and workshops held to address infrastructure and facility management of the Goleta Valley Community Center (GVCC).

Strategic Plan:

In the spring of 2017, the City Council undertook a revision to its Strategic Plan (Plan), enhancing its citywide strategies, and adding objectives to the goals which focus on identifying department work efforts. The latest Plan, articulates eight overarching strategies that guide the City towards achieving its vision, "Goleta is a beautiful, safe, and diverse community of residents with family-friendly neighborhoods that values the environment, agriculture, and open space while

encouraging housing, recreation, and business opportunities.” These eight strategies serve as an umbrella for the goals and objectives organized beneath them. The citywide strategies are the following: 1) Support Environmental Vitality, 2) Support Community Vitality and Enhanced Recreational Opportunities, 3) Ensure Financial Stability, 4) Support Economic Vitality, 5) Strengthen Infrastructure, 6) Return Old Town to a Vital Center of the City, 7) Maintain a Safe Community, and 8) Enhance the Efficiency and Transparency of City Operations. The revised Plan is also linked to updated departmental performance measures provided in the new two-year budget cycle for FY 2017/18 and FY 2018/19. Performance measures have been and will continue to be tracked and presented annually in the budget document.

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 GAAP and GASB. 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 is also 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 Fund, Special Revenue Funds and all other governmental funds are included in the annual appropriated budget.

The two-year budget is arranged by department, function, and fund, which is 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. The second year of the two-year budget, is then reviewed and updated during the mid-cycle budget review, and adopted prior to the beginning of the second fiscal year.

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, 2017 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, 2017 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 GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

OTHER INFORMATION

Spending Limitation

Article XIII B of the California Constitution, also known as the Gann spending limit, restricts the amount of "proceeds of taxes" California governments may spend. As of June 30, 2017, the City had not reached its Article XIII B spending limitation.

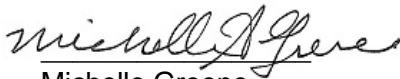
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR fiscal year ended June 30, 2016. This was the 14th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. The report satisfied both generally accepted accounting principles and applicable legal requirements.

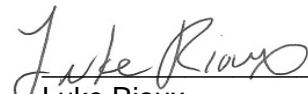
A Certificate of Achievement from the GFOA is valid for a period of one year only. Staff believes that our current CAFR continues to meet the Certificate of Achievement Programs' requirements and staff will be submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this CAFR 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.

Respectfully submitted,

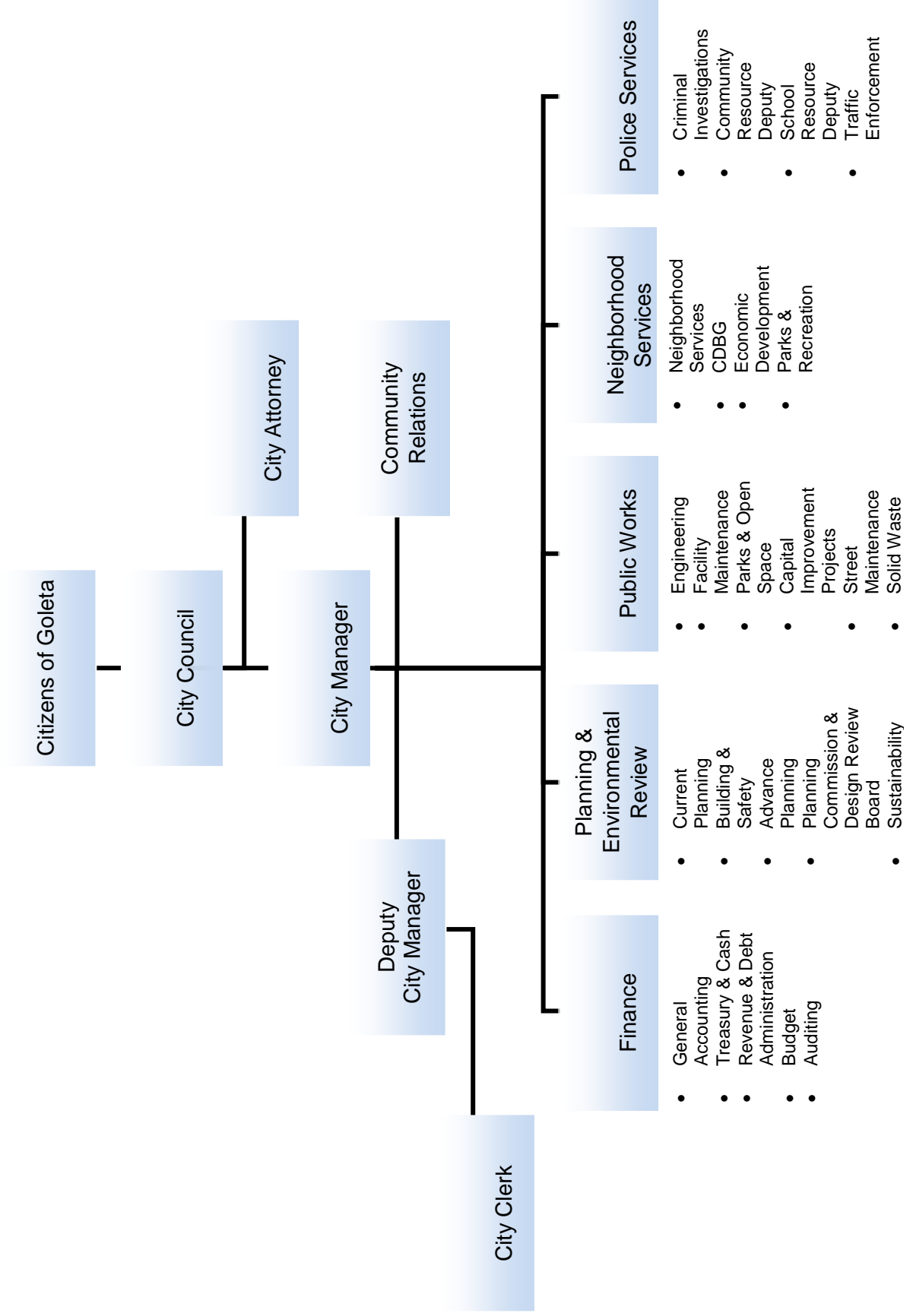


Michelle Greene
City Manager



Luke Rioux
Finance Director

City of Goleta Organizational Chart by Function



City of Goleta

List of Principal Officials Fiscal Year Ended June 30, 2017

CITY COUNCIL

Paula Perotte, Mayor
Stuart Kasdin, Mayor Pro Tempore
Roger Aceves, Councilmember
Michael T. Bennett, Councilmember
Kyle Richards, Councilmember

CITY MANAGER

Michelle Greene

CITY ATTORNEY

Michael Jenkins - Interim

EXECUTIVE MANAGEMENT

Vyto Adomaitis, Neighborhood Services & Public Safety Director
Rosemarie Gaglione, Public Works Director
Lt. Jason Grossini, Chief of Police
Peter Imhof, Planning & Environmental Review Director
Deborah Lopez, City Clerk
Carmen Nichols, Deputy City Manager
Luke Rioux, Finance 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, 2016

Christopher P. Morill

Executive Director/CEO

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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, 2017, 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, 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of contributions - defined benefit pension plans, the schedule of funding progress - other post-employment benefits plan, and the budgetary comparison schedules, identified as Required Supplementary Information (RSI) in the accompanying 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 RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 21, 2017, 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 21, 2017

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Management's Discussion and Analysis **Fiscal Year Ended June 30, 2017**

The information in this section is not covered by the Independent Auditor's Report, but is presented as required supplementary information for the benefit of the readers of the Comprehensive Annual Financial Report (CAFR).

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, 2017. 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 fiscal year 2017, the City's net position totaled \$237,203,246, an increase of approximately 5% from the prior year. The increase in net position is primarily due to revenues exceeding programmed expenses related to capital improvement projects that will be carried over into next fiscal year.
- Of the total net position, approximately \$19 million is unrestricted and thus may be used to meet the City's ongoing obligations.
- As of June 30, 2017, the City's total revenues exceeded expenses by \$12,301,355 primarily due to overall revenues exceeding the programmatic funding needs and significant savings in several department program areas. Special projects and Capital Improvement Program (CIP) projects will be extended into next fiscal year.
- The City's total revenue equaled \$44,173,070, an increase of \$4,393,963 or approximately 11% over the \$39,779,107 from last year.
- The General Fund reported excess revenues over expenditures of \$3,566,719 with expenditures of \$243,552 being for capital projects. This was primarily the result of vacant positions in various departments and significant savings in several department program areas for projects that will be extended into next fiscal year.
- The General Fund had an ending fund balance of \$21,438,685, which was an increase of \$3,633,757 from the \$17,804,928 fund balance last year. There is a balance of \$14,007,924 committed to meet the City's reserve policies or reserved for encumbrances, which increased \$1,597,205 from the \$12,410,719 balance from last year. CIP project funding reserve accounts for \$1,608,095 of the \$6,262,822 assigned fund balance. There is also \$4,151,227 assigned to continuing appropriations, \$170,000 assigned to pension benefits and \$333,500 assigned to other post-employment benefits, and \$1,032,173 of unassigned fund balance.

USING THIS ANNUAL FINANCIAL REPORT

This annual report contains the City's Basic Financial Statements, which includes three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities that provide information about the activities of the City as a whole and allow a longer-term view of the City's finances. The Fund Financial Statements illustrate how City services are financed in the short-term as well as what remains for future spending. They also report the City's operations in more detail than the Government-Wide Financial Statements by providing information about the City's most significant funds. The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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, deferred outflows of resources, liabilities and deferred inflows of resources 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/deferred outflows of resources and liabilities/deferred inflows of resources, 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.

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 (Planning and Environmental Review and Neighborhood Services), Public Safety, and Public Works. Property Tax, Sales Tax, Transient Occupancy Tax and Franchise Tax finance approximately 51% 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, Goleta Transportation Improvement Program (GTIP), Park Development Impact Fees (Park DIF), Measure A Grants, Federal Transportation Program (FTP), 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 Fiduciary 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

Summary of Net Position

The analysis focuses on the net position (See Table 1) and changes in net position (Table 2) of the City's governmental activities. The City does not have any business type activities. Table 1 below summarizes the Statement of Net Position for Governmental Activities as of June 30, 2017, with comparative totals as of June 30, 2016. As previously stated, the net position at year end serves as a useful indicator over time whether the City's financial position is improving or deteriorating.

Table 1
Summary of Net Position
As of June 30, 2017 and 2016

	Governmental Activities	
	2017	2016
Assets		
Current and other assets	\$ 62,009,688	\$ 49,268,939
Capital Assets	180,871,756	181,519,215
Total Assets	242,881,444	230,788,154
Deferred outflow - pension contributions	1,866,959	1,154,672
Other Liabilities	3,773,546	3,740,560
Long Term Liabilities:		
Net pension liability	2,219,286	1,590,804
Due in one year	146,313	143,753
Due in more than one year	1,236,805	1,087,503
Total Liabilities	7,375,950	6,562,620
Deferred inflows from pension	169,207	478,295
Net Position:		
Invested in Capital Assets, net of accumulated		
Depreciation and related debt	180,871,756	181,519,215
Restricted	36,891,364	28,429,446
Unrestricted	19,440,126	14,953,250
Total Net Position	\$ 237,203,246	\$ 224,901,911

As shown in Table 1, at June 30, 2017 the City's net position totaled \$237,203,246, an increase of \$12,301,335 or approximately 5%. The increase is primarily due to increases in current and other assets and decreases in liabilities. Current and other assets increased \$12,710,749, or approximately 26% for June 30, 2017. This increase is primarily due to a combination of revenues received and programmed for large projects not being started yet and receipt of development impact fee (DIF) revenues received this current fiscal year, mostly related to Goleta Transportation Improvement Program and Park DIF.

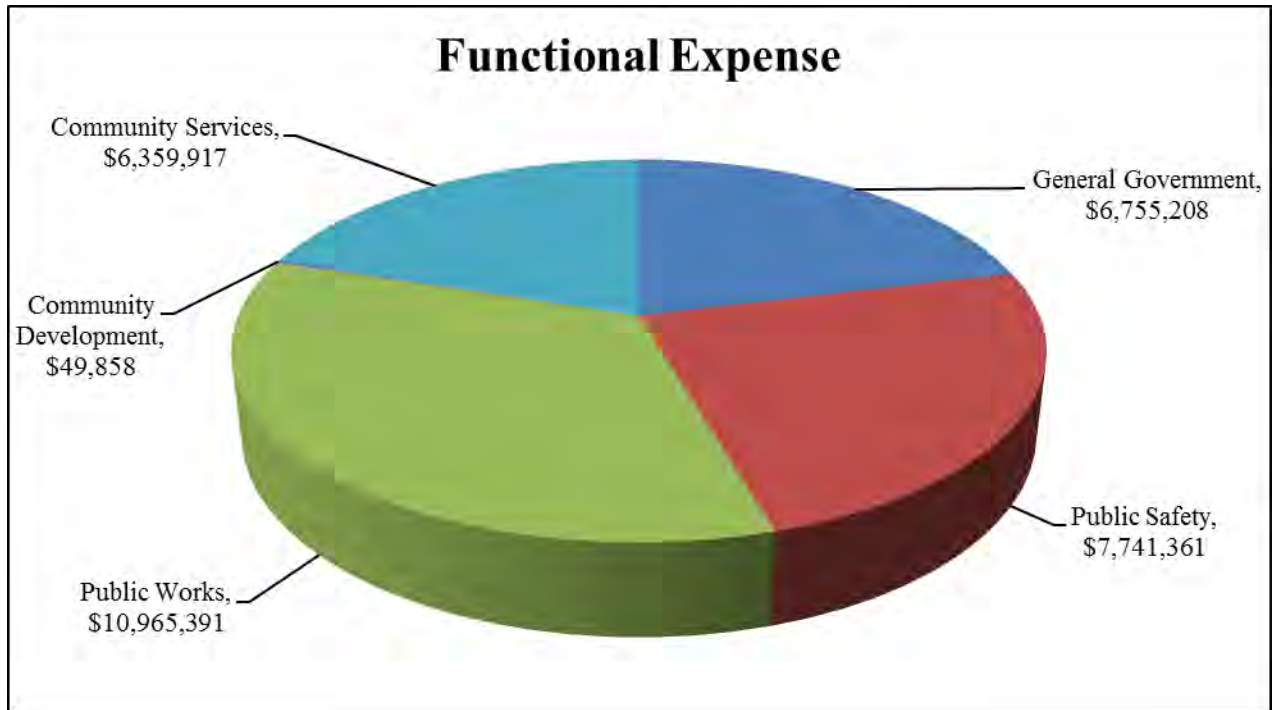
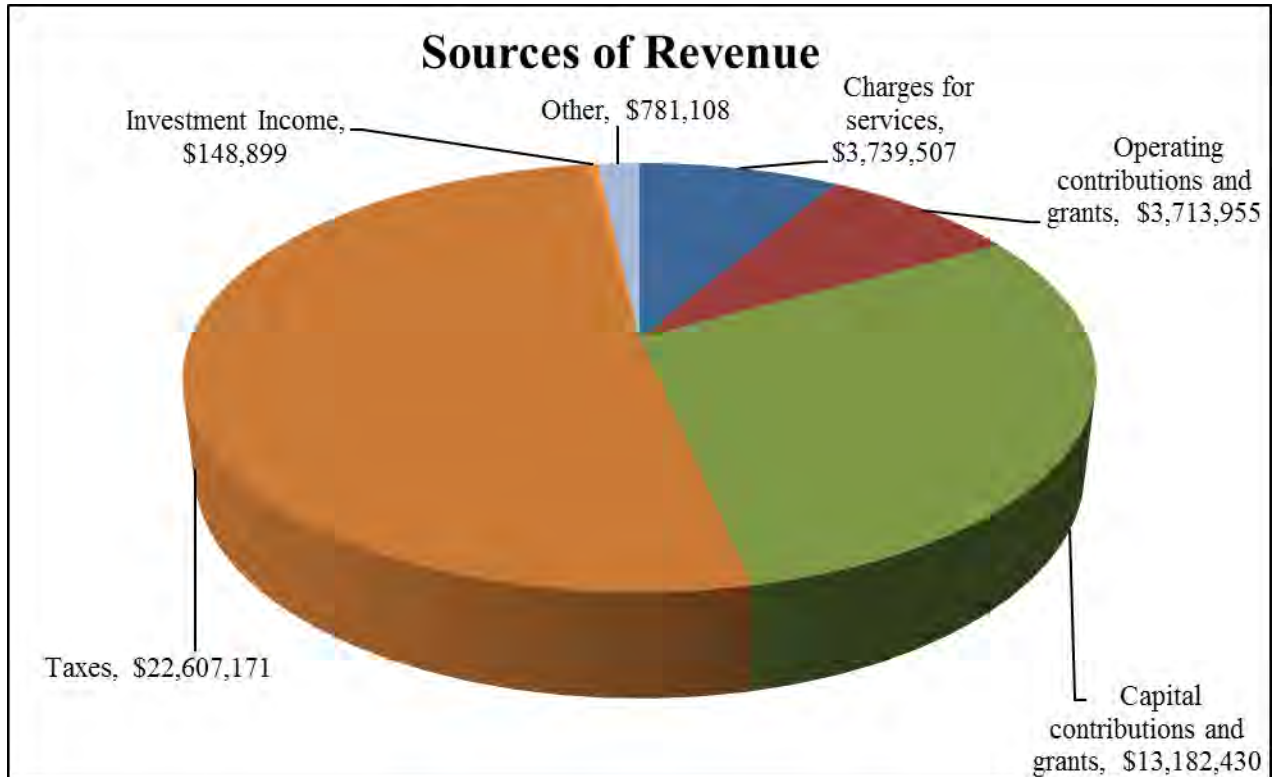
Total liabilities at \$7,375,950 experienced an overall increase of \$813,330, or approximately 12%. This is primarily due to the growth in the City's proportionate share of net pension liability, now at \$2,219,286 of the City's pension plan. The City of Goleta implemented GASB Statement 68 effective Fiscal Year ending June 30, 2015. With the reporting change, the City recognized a net pension asset, deferred outflows of resources, deferred inflows of resources, pension expense and a net pension liability. Additional information on the City's retirement plans can be found starting in Note 9 in the Notes to the Basic Financial Statements. The City will be setting up section 115 trusts to address the future impacts of pension liabilities and other postemployment benefit (OPEB) liabilities.

Capital assets totaled \$297,191,507 at year-end before accumulated depreciation of \$116,319,751, resulting in capital assets net of depreciation of \$180,871,756, which is a decrease of approximately 2% over last year. The decrease is primarily due to increased amounts subject to accumulated depreciation. The City incurred \$4,668,665 in construction in process (not being depreciated), and completed CIP projects of \$988,150, that was moved over into infrastructure and buildings and improvements.

<u>Asset Type</u>		
Land	\$	28,744,747
Building and improvements		2,639,738
Furniture and equipment		983,274
Vehicles		727,704
Infrastructure and right of way		245,845,039
Construction in progress		18,251,005
Total capital assets		<u>297,191,507</u>
Less depreciation		<u>116,319,751</u>
Capital Assets net of Depreciation	\$	<u>180,871,756</u>

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by legal requirements are \$19,440,126. This represents a \$4,486,876 or approximately 30% increase from prior year.

**Fiscal Year 2017 Governmental Activities
(See Table 2)**



Changes in Net Position

Table 2 below, Changes in Net Position, provides details of how the City's net position changed from the prior year. Generally, it indicates whether the financial health of the City as a whole is better or worse at June 30, 2017, in relation to a year earlier. For the fiscal year ended June 30, 2017, the total net position increased by \$12,301,335. This increase is primarily due to an increase in revenues over expenditures, and revenues programmed for special projects and capital projects that will carry over into the next fiscal year

Table 2
Changes in Net Position
Year Ended June 30, 2017 and 2016

	Governmental Activities	
	2017	2016
Revenues		
Program Revenues:		
Charges for services	\$ 3,739,507	\$ 3,621,829
Operating contributions and grants	3,713,955	2,232,050
Capital contributions and grants	13,182,430	11,720,354
General Revenues		
Taxes:		
Sales taxes	6,491,121	6,216,442
Property taxes levied for general purposes	6,051,805	5,719,552
Transient occupancy tax	8,615,207	8,175,456
Franchise taxes	1,202,162	1,241,017
Other taxes	246,876	292,277
Investment Income	148,899	126,310
Other	781,108	433,820
Total Revenues	44,173,070	39,779,107
Expenses		
General Government	6,755,208	6,422,673
Public Safety	7,741,361	7,611,834
Public Works	10,965,391	9,350,254
Community Development	49,858	44,509
Community Services	6,359,917	4,363,053
Total Expenses	31,871,735	27,792,323
Change in Net Position	\$ 12,301,335	\$ 11,986,784
Ending Net Position	\$ 237,203,246	\$ 224,901,911

The City's total revenues were \$44,173,070 while the total cost of all programs and services was \$31,871,735. Transient Occupancy Tax (TOT) of \$8,615,207 is the City's largest revenue source at approximately 20%, while Sales Taxes of \$6,491,121 is the City's second largest revenue source at approximately 15%. Property Tax of \$6,051,805 is the City's third largest revenue source at approximately 14%. These revenues fund a significant portion of the City's basic services.

Government Activities

Table 3 presents the cost of each of the City's programs, General Government, Public Safety, Public Works, Community Development, Community Services 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, 2017

	Total Cost of Services	Net Cost of Services
General Government	\$ 6,755,208	\$ (6,736,279)
Public Safety	7,741,361	(7,116,475)
Public Works	10,965,391	6,693,093
Community Development	49,858	2,205,825
Community Services	6,359,917	(6,282,007)
Totals	\$ 31,871,735	\$ (11,235,843)

- General Government expenses comprise approximately 21% of the governmental expenses and include City Council, City Manager, City Clerk, City Attorney, Public Outreach, Support Services, Finance and Risk Management. Charges for services and other fees partially offset the cost of this program.
- Public Safety expenses comprise approximately 24% of the governmental expenses. Revenue from fines and capital grants partially offset the cost of this program.
- Public Works expenses comprise approximately 34% 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 approximately 20% of the governmental expenses. Related fees and charges for services partially 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 \$57,259,404, an increase of \$11,754,953 over prior year. The General Fund increased \$3,633,757. The GTIP Fund also experienced an increase of \$3,135,659 as a result of developer impact fees collected for the year, and projects carried over into the next fiscal year. The Measure A Grants fund balance decreased by \$257,057, due to the Ward Drive Class II Bike project and pending receipt of grants expected in the next fiscal year. The Park DIF Fund Balance also increased by \$5,314,477, due developer impact fees collected for the year, which are programmed towards park related capital projects. Federal Transportation Program fund balance increased by \$533,240 due to accrued expenditures related to Hollister Avenue Bridge Replacement (San Jose Creek Phase II). The total of Other Governmental Funds increased by \$314,705 from \$12,818,691 to \$13,133,396 this fiscal year.

General Fund Budgetary Highlights

Revenues: Actual revenues of \$25,928,149 received came slightly below of the Final Budget by \$141,551, primarily as a result of original tax estimates falling short of budgeted amounts, which included sales tax and franchise fees. The City also experienced lower revenue than anticipated with deposits earned in the charges for services category, due to the use of contract services rather than City staff. On an actual basis overall, the City experienced an approximately \$1.3 million or 5.4% increase in General Fund revenues. The Original Budget for General Fund revenues of \$25,401,900 was increased by \$667,800 to \$26,069,700 as part of the City's quarterly budget reviews throughout the year.

Expenditures: Actual expenditures were less than final budgeted amounts in all areas, with a positive variance of \$7,321,997. Budget savings were recognized with vacant positions, but with the majority related to special projects and capital projects, that will continue to be programmed in the next fiscal year. Less than anticipated expenditures were recognized by all departments, which includes General Government, Public Safety, Public Works and Community Services. Also, less than anticipated expenditures were recognized for Capital Outlay, which will result in carryovers of project budget balances into next fiscal year.

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 \$21,438,685 as of June 30, 2017. This amount was higher than the final budget projection by \$7,179,454 as a result of the revenue and expenditure activity noted above.

Fund Balance:	
Nonspendable	
Prepaid Items	\$ 135,766
Committed	14,007,924
Assigned	6,262,822
Unassigned	<u>1,032,173</u>
 Total Fund Balance	 <u>\$ 21,438,685</u>

The Council has established fiscal policies for funding Compensated Absences, 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 \$8,753,058. Additionally, the City Manager has approved the Continuing Designation of unexpended funds of \$4,151,227 assigned for special projects into the next fiscal year. Per Council direction, all remaining fund balance is to be placed in the Unassigned Fund Balance.

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 \$297,191,507 at the end of fiscal year 2017. After accumulated depreciation, the net book value of these infrastructure improvements totals \$180,871,756. (See Table 4 on next page)

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

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

Governmental Activities	
Land	\$ 28,744,747
Buildings and improvements	2,639,738
Furniture and equipment	983,274
Vehicles	727,704
Infrastructure and right of way	245,845,039
Construction In progress	18,251,005
Depreciation	(116,319,751)
Total Fixed Assets	\$ 180,871,756

Long-Term Debt

At fiscal year-end the Long-term Debt reported by the City included Other Post-Employment Benefits (OPEB).

Additional information on the City of Goleta’s long-term debt can be found in Notes 1i, 6, 9, 10 and 13 to the financial statements.

Table 5
Long-Term Debt

Governmental Activities	
Net Pension Liability	\$ 2,219,286
OPEB Liability	309,552
Claims and Judgements Payable	684,001
Compensated Absences	389,565
Total	\$ 3,602,404

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The City’s primary resources (Sales Tax, Property Tax, Transient Occupancy Tax “TOT” and Franchise Fees) are all potentially affected by fluctuations in the economy. Because the top four revenue sources in the General Fund provide funding for approximately 87% 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 fiscal year 2017/18 economic indicators point to a continued regional recovery, which shows an upward trajectory in the largest tax revenue TOT, primarily due to a slight increase in room rates and an increase in the number of total rooms available throughout the City due to the opening of two new hotels in the fall of 2017. Sales tax is expected to remain relatively flat, as online sales increase and the City receiving its share of the county pool.

As we look towards the future, Goleta continues to see overall economic stability and expansion. The housing market is healthy as reflected in Goleta’s property tax revenues as it’s expected to remain robust and expand due to increases in assessed valuations and increased inventory in housing. The City Council continues to place

strong emphasis on prudent finance 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.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT STAFF

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.

CITY OF GOLETA

STATEMENT OF NET POSITION

June 30, 2017

	<u>Governmental Activities</u>
ASSETS:	
Cash and investments (Note 2)	\$ 58,275,000
Receivables:	
Accounts	2,918,254
Interest	4,413
Due from other governments	563,555
Prepaid items	248,466
Capital assets (Note 5):	
Nondepreciable	58,391,065
Depreciable, net of accumulated depreciation	<u>122,480,691</u>
 TOTAL ASSETS	 <u>242,881,444</u>
DEFERRED OUTFLOW OF RESOURCES:	
Deferred amounts from pension	<u>1,866,959</u>
LIABILITIES:	
Accounts payable	2,201,144
Accrued salaries and benefits	121,728
Retentions payable	42,047
Due to Successor Agency	512,262
Deposits payable	828,554
Unearned revenue	67,811
Long-term liabilities:	
Due within one year (Note 6)	146,313
Due in more than one year (Note 6)	<u>3,456,091</u>
 TOTAL LIABILITIES	 <u>7,375,950</u>
DEFERRED INFLOW OF RESOURCES:	
Deferred amounts from pension	<u>169,207</u>
NET POSITION:	
Net investment in capital assets	180,871,756
Restricted for:	
Public works	36,648,966
Community development	242,398
Unrestricted	<u>19,440,126</u>
 TOTAL NET POSITION	 <u><u>\$ 237,203,246</u></u>

See accompanying notes to basic financial statements.

CITY OF GOLETA

STATEMENT OF ACTIVITIES

For the year ended June 30, 2017

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
Governmental activities:					
General government	\$ 6,755,208	\$ 18,929	\$ -	\$ -	\$ (6,736,279)
Public safety	7,741,361	129,051	424,256	71,579	(7,116,475)
Public works	10,965,391	1,338,942	3,289,699	13,029,843	6,693,093
Community development	49,858	2,234,166	-	21,517	2,205,825
Community services	6,359,917	18,419	-	59,491	(6,282,007)
Total governmental activities	<u>\$ 31,871,735</u>	<u>\$ 3,739,507</u>	<u>\$ 3,713,955</u>	<u>\$ 13,182,430</u>	<u>(11,235,843)</u>
General revenues:					
Taxes:					
Sales taxes					6,491,121
Property taxes, levied for general purposes					6,051,805
Transient occupancy taxes					8,615,207
Franchise taxes					1,202,162
Other taxes					246,876
Investment income					148,899
Other					781,108
Total general revenues					<u>23,537,178</u>
Change in net position					12,301,335
Net Position - Beginning of Year					<u>224,901,911</u>
Net Position - End of Year					<u>\$ 237,203,246</u>

See accompanying 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 funds have been classified as major funds:

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

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

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.

Active Transportation Program - This fund is used to account to account for state grant funds for transportation projects.

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 June 30, 2017.

CITY OF GOLETA

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2017

	Special Revenue Funds		
	General	GTIP	Park Development Impact Fees (DIF)
ASSETS			
Cash and investments (Note 2)	\$ 20,622,155	\$ 12,733,922	\$ 10,713,213
Receivables:			
Accounts	2,188,109	-	-
Interest	1,659	931	782
Due from other governments	-	-	-
Due from other funds (Note 3)	742,839	-	-
Prepaid items	135,766	-	-
TOTAL ASSETS	\$ 23,690,528	\$ 12,734,853	\$ 10,713,995
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 894,898	\$ 113,775	\$ 4,105
Accrued salaries and benefits	118,264	-	-
Retentions payable	-	-	-
Due to Successor Agency	512,262	-	-
Due to other funds (Note 3)	-	-	-
Deposits payable	658,608	-	-
Unearned revenue	67,811	-	-
TOTAL LIABILITIES	2,251,843	113,775	4,105
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - grants	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-
FUND BALANCES (NOTE 14):			
Nonspendable:			
Prepaid items	135,766	-	-
Restricted:			
Public works	-	12,621,078	10,709,890
Community development	-	-	-
Committed	14,007,924	-	-
Assigned for:			
Carryovers	4,151,227	-	-
CIP project funding	1,608,095	-	-
Pension benefits	170,000	-	-
Other postemployment benefits	333,500	-	-
Unassigned	1,032,173	-	-
TOTAL FUND BALANCES	21,438,685	12,621,078	10,709,890
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 23,690,528	\$ 12,734,853	\$ 10,713,995

See accompanying notes to basic financial statements.

Special Revenue Funds (Continued)			
Measure A Grants	Active Transportation Program	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 14,205,710	\$ 58,275,000
-	367,142	363,003	2,918,254
-	-	1,041	4,413
323,027	-	240,528	563,555
-	-	-	742,839
-	-	112,700	248,466
<u>\$ 323,027</u>	<u>\$ 367,142</u>	<u>\$ 14,922,982</u>	<u>\$ 62,752,527</u>
\$ -	\$ 352,170	\$ 836,196	\$ 2,201,144
-	-	3,464	121,728
-	-	42,047	42,047
-	-	-	512,262
323,027	14,972	404,840	742,839
-	19,446	150,500	828,554
-	-	-	67,811
<u>323,027</u>	<u>386,588</u>	<u>1,437,047</u>	<u>4,516,385</u>
<u>257,057</u>	<u>367,142</u>	<u>352,539</u>	<u>976,738</u>
<u>257,057</u>	<u>367,142</u>	<u>352,539</u>	<u>976,738</u>
-	-	112,700	248,466
-	-	10,994,516	34,325,484
-	-	2,466,690	2,466,690
-	-	-	14,007,924
-	-	-	4,151,227
-	-	-	1,608,095
-	-	-	170,000
-	-	-	333,500
<u>(257,057)</u>	<u>(386,588)</u>	<u>(440,510)</u>	<u>(51,982)</u>
<u>(257,057)</u>	<u>(386,588)</u>	<u>13,133,396</u>	<u>57,259,404</u>
<u>\$ 323,027</u>	<u>\$ 367,142</u>	<u>\$ 14,922,982</u>	<u>\$ 62,752,527</u>

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CITY OF GOLETA

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

June 30, 2017

Fund balances - total governmental funds		\$ 57,259,404
Amounts reported for governmental activities in the Statement of Net Position		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet:		
Capital assets	\$ 297,191,507	
Accumulated depreciation	<u>(116,319,751)</u>	180,871,756
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 expenditure when due. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances as of June 30, 2017 are:		
OPEB liability	(309,552)	
Claims payable	(684,001)	
Compensated absences	<u>(389,565)</u>	(1,383,118)
Net pension liability applicable to the City governmental activities is not due and payable in the current period and accordingly is not reported as a fund liability. Additionally, related deferred inflows and outflows of resources are not reported in the fund statements. Balances as of June 30, 2017 are as follows:		
Deferred outflow - pension contributions	1,866,959	
Deferred inflow from pension	(169,207)	
Net pension liability	<u>(2,219,286)</u>	(521,534)
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>976,738</u>
Net position of governmental activities		<u><u>\$ 237,203,246</u></u>

See accompanying 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, 2017

	Special Revenue Funds		
	General	GTIP	Park Development Impact Fees (DIF)
REVENUES:			
Taxes	\$ 22,557,357	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	2,271,386	-	-
Licenses and permits	16,713	-	-
Fines and forfeitures	129,051	-	-
Investment income	172,532	78,616	63,779
Developer fees	-	3,801,992	5,290,053
Other	781,110	-	-
TOTAL REVENUES	<u>25,928,149</u>	<u>3,880,608</u>	<u>5,353,832</u>
EXPENDITURES:			
Current:			
General government	6,703,041	-	-
Public safety	7,556,368	-	-
Public works	3,671,057	125,814	-
Community development	-	-	3,718
Community services	4,187,412	-	-
Capital outlay	243,552	619,135	35,637
TOTAL EXPENDITURES	<u>22,361,430</u>	<u>744,949</u>	<u>39,355</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,566,719</u>	<u>3,135,659</u>	<u>5,314,477</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	67,038	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>67,038</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	3,633,757	3,135,659	5,314,477
FUND BALANCES - BEGINNING OF YEAR	<u>17,804,928</u>	<u>9,485,419</u>	<u>5,395,413</u>
FUND BALANCES - END OF YEAR	<u>\$ 21,438,685</u>	<u>\$ 12,621,078</u>	<u>\$ 10,709,890</u>

See accompanying notes to basic financial statements.

Special Revenue Funds (Continued)			
Measure A Grants	Active Transportation Program	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,074,264	\$ 24,631,621
65,970	-	2,292,722	2,358,692
-	-	691,911	2,963,297
-	-	-	16,713
-	-	-	129,051
-	-	99,197	414,124
-	-	2,785,607	11,877,652
-	-	-	781,110
<u>65,970</u>	<u>-</u>	<u>7,943,701</u>	<u>43,172,260</u>
-	-	-	6,703,041
-	-	156,945	7,713,313
-	-	1,982,026	5,778,897
-	-	28,553	32,271
-	-	2,295,586	6,482,998
<u>323,027</u>	<u>386,588</u>	<u>3,098,848</u>	<u>4,706,787</u>
<u>323,027</u>	<u>386,588</u>	<u>7,561,958</u>	<u>31,417,307</u>
<u>(257,057)</u>	<u>(386,588)</u>	<u>381,743</u>	<u>11,754,953</u>
-	-	-	67,038
-	-	<u>(67,038)</u>	<u>(67,038)</u>
-	-	<u>(67,038)</u>	<u>-</u>
<u>(257,057)</u>	<u>(386,588)</u>	<u>314,705</u>	<u>11,754,953</u>
-	-	<u>12,818,691</u>	<u>45,504,451</u>
<u>\$ (257,057)</u>	<u>\$ (386,588)</u>	<u>\$ 13,133,396</u>	<u>\$ 57,259,404</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, 2017

Net change in fund balances - total governmental funds \$ 11,754,953

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	\$ 4,767,082	
Depreciation expense	<u>(5,414,541)</u>	(647,459)

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	(138,212)	
Change in claims payable	(1,700)	
Change in compensated absences payable	<u>(11,950)</u>	(151,862)

Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability and related change in pension amounts for deferred outflows of resources and deferred inflows of resources

392,893

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>952,810</u>
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Change in net position of governmental activities		<u><u>\$ 12,301,335</u></u>
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See accompanying notes to basic financial statements.

CITY OF GOLETA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2017

	Successor Agency to the Goleta Redevelopment Agency Private-Purpose Trust Fund	Agency Fund Developer Deposits
ASSETS:		
Cash and investments	\$ 1,057,427	\$ 965,508
Accounts receivable	71	-
Due from City	512,262	-
Restricted assets:		
Cash and investments with fiscal agent	1,342,041	-
Land	1,122,649	-
TOTAL ASSETS	<u>4,034,450</u>	<u>\$ 965,508</u>
LIABILITIES:		
Accounts payable	156,301	\$ 69,165
Deposits	-	896,343
Due to County Auditor-Controller	512,262	-
Accrued interest payable	97,015	-
Bonds payable, current portion	175,000	-
Bonds payable, net of current portion	14,529,771	-
TOTAL LIABILITIES	<u>15,470,349</u>	<u>\$ 965,508</u>
NET POSITION:		
Held in trust for Successor Agency and other purposes	<u>(11,435,899)</u>	
TOTAL NET POSITION	<u>\$ (11,435,899)</u>	

See accompanying notes to basic financial statements.

CITY OF GOLETA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the year ended June 30, 2017

	Successor Agency to the Goleta Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS:	
Property taxes	\$ 1,864,095
Investment earnings	11,942
	<hr/>
TOTAL ADDITIONS	1,876,037
	<hr/>
DEDUCTIONS:	
Administrative allowance	167,599
Community development	394,049
Debt service:	
Interest	1,175,649
	<hr/>
TOTAL DEDUCTIONS	1,737,297
	<hr/>
CHANGE IN NET POSITION	138,740
NET POSITION - BEGINNING OF YEAR	<hr/> (11,574,639)
NET POSITION - END OF YEAR	<hr/> <u>\$ (11,435,899)</u>

See accompanying notes to basic financial statements.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended June 30, 2017

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 in 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.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

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, liabilities, 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 except for grants, for which the City uses an availability period of 120 days.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

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 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 nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met. Revenues, expenditures, assets, and liabilities resulting from nonexchange 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 120 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 inflows 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.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

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 noncurrent receivables are deferred and 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 noncurrent 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 Park Development Impact Fees (DIF) Special Revenue Fund is used to account for park development impact fees.

The Measure A Grants Special Revenue 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.

The Active Transportation Program is used to account for state grant funds for transportation projects.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

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, AB 1484, and SB 107. 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 and Public Works Department. Since 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 73 - Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, contains provisions that address employer and governmental nonemployer contributing entities for pensions that are not within the scope of GASB 68, effective for periods beginning after June 15, 2016, and did not impact the City.

GASB 74 - Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, effective for periods beginning after June 15, 2016, and did not impact the City.

GASB 77 - Tax Abatement Disclosure, effective for periods beginning after December 15, 2015, and did not impact the City.

GASB 78 - Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans, effective for periods beginning after December 15, 2015, and did not impact the City.

GASB 79 - Certain External Investment Pools and Pool Participants, contains certain provisions on portfolio quality, custodial credit risk, and shadow pricing, effective for periods beginning after December 15, 2015, and did not impact the City.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

d. New Accounting Pronouncements (Continued):

Current Year Standards (Continued):

GASB 80 - *Blending Requirements for Certain Component Units*, effective for periods beginning after June 15, 2016, and 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 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017.
- GASB 81 - *Irrevocable Split-Interest Agreements*, effective for periods beginning after December 15, 2016.
- GASB 82 - *Pension Issues*, effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which are effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.
- GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018.
- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 85 - *Omnibus 2017*, effective for periods beginning after June 15, 2017.
- GASB 86 - *Certain Debt Extinguishment Issues*, effective for periods beginning after June 15, 2017.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

e. Cash and Investments:

Investments are reported in the accompanying financial statements at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 acquisition value at the date of 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.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

f. Capital Assets (Continued):

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
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 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 will not be recognized as an outflow of resources (expense) until that time. The City has the following items that qualify for reporting in this category:

- Deferred outflow related to pensions. This amount is equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflow related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plan.
- Deferred outflow related to pensions for the changes in proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plan.
- Deferred outflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plans fiduciary net position. These amounts are amortized over five years.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

g. Deferred Outflows/Inflows of Resources (Continued):

In addition to liabilities, the statement of net position 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 the following items that qualify for reporting in this category:

- Deferred inflow related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plan.
- Deferred inflow from pensions resulting from changes in assumptions. This amount is amortized over a closed period equal to the average expecting remaining service lives of all employees that are provided with pensions through the plan.

h. 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.

i. 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.

j. 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.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

k. Pensions:

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

l. 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

m. 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.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

m. Governmental Fund Balance Classifications (Continued):

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.

n. 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.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

2. CASH AND INVESTMENTS:

Cash and Investments:

Cash and investments as of June 30, 2017, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 58,275,000
Statement of Fiduciary Net Position:	
Cash and investments	2,022,935
Cash and investments with fiscal agent	<u>1,342,041</u>
Total cash and investments	<u>\$ 61,639,976</u>

Cash and investments held by the City at June 30, 2017, consist of the following:

Petty cash	\$ 500
Demand deposits	58,348,807
Investments	<u>3,290,669</u>
Total cash and investments	<u>\$ 61,639,976</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.

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.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

2. CASH AND INVESTMENTS (CONTINUED):

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

Investment Types <u>Authorized by State Law</u>	Authorized by Investment <u>Policy</u>	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	\$65,000,000
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.

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 to permit the City to meet all projected cash obligations.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

2. CASH AND INVESTMENTS (CONTINUED):

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

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.

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>
Local Agency Investment Fund	\$ 1,948,628
Cash with Trustee:	
Money Market Mutual Funds	<u>1,342,041</u>
	<u>\$ 3,290,669</u>

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

2. CASH AND INVESTMENTS (CONTINUED):

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 Standard & Poor's 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, 2017</u>	<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund	*	\$ 1,948,628	\$ -	\$ 1,948,628
Cash with Trustee:				
Money Market Mutual Funds	A	<u>1,342,041</u>	<u>1,342,041</u>	<u>-</u>
		<u>\$ 3,290,669</u>	<u>\$ 1,342,041</u>	<u>\$ 1,948,628</u>

* - The state investment pool does not offer an investment rating.

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, 2017, 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 10% 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).

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

2. CASH AND INVESTMENTS (CONTINUED):

Custodial Credit Risk (Continued):

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 that have a value of 150% of the secured public deposits or letters of credit issued by the Federal Home Loan Bank of San Francisco that have a value of 105% of the secured public deposits. As of June 30, 2017, the City had deposits of \$57,462,013 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.

Fair Value Measurements:

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The City's investments in LAIF and money market mutual funds are not subject to the fair value hierarchy.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

3. INTERFUND BALANCES:

Current interfund balances at June 30, 2017, consisted of following:

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund	Measure A Grants Special Revenue Fund	\$ 323,027
	Active Transportation Program Special Revenue Fund	14,972
	Other Governmental Funds	<u>404,840</u>
		<u>\$ 742,839</u>

These are short-term borrowing from the General Fund for temporary cash shortfalls recorded in the Measure A Grants Special Revenue Fund, the Active Transportation Program Special Revenue Fund, and the Other Governmental Funds.

4. INTERFUND TRANSFERS:

Interfund transfers at June 30, 2017, consist of the following:

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfers</u>	<u>Amount</u>
General Fund (a) (b)	Other Governmental Funds	<u>\$ 67,038</u>

(a) This transfer of \$29,619 was made to reimburse the General Fund for staff time devoted to administration of the CDBG program.

(b) This transfer of \$37,419 was made to reimburse the General Fund for costs paid on behalf of IRWMP in prior years

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

5. CAPITAL ASSETS:

A summary of the changes in capital assets at June 30, 2017, is as follows:

	Beginning Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2017</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>14,570,490</u>	<u>4,668,665</u>	<u>(988,150)</u>	<u>18,251,005</u>
Total capital assets, not being depreciated	<u>54,710,550</u>	<u>4,668,665</u>	<u>(988,150)</u>	<u>58,391,065</u>
Capital assets, being depreciated:				
Infrastructure	233,585,087	864,639	-	234,449,726
Vehicles	660,624	67,080	-	727,704
Furniture and equipment	951,937	31,337	-	983,274
Building and improvements	<u>2,516,227</u>	<u>123,511</u>	<u>-</u>	<u>2,639,738</u>
Total capital assets, being depreciated	<u>237,713,875</u>	<u>1,086,567</u>	<u>-</u>	<u>238,800,442</u>
Less accumulated depreciation for:				
Infrastructure	(108,879,230)	(5,225,170)	-	(114,104,400)
Vehicles	(399,914)	(72,808)	-	(472,722)
Furniture and equipment	(673,003)	(47,968)	-	(720,971)
Building and improvements	<u>(953,063)</u>	<u>(68,595)</u>	<u>-</u>	<u>(1,021,658)</u>
Total accumulated depreciation	<u>(110,905,210)</u>	<u>(5,414,541)</u>	<u>-</u>	<u>(116,319,751)</u>
Total capital assets being depreciated, net	<u>126,808,665</u>	<u>(4,327,974)</u>	<u>-</u>	<u>122,480,691</u>
Total capital assets, net	<u>\$ 181,519,215</u>	<u>\$ 340,691</u>	<u>\$ (988,150)</u>	<u>\$ 180,871,756</u>

Depreciation expense was charged to functions as follows:

General government	\$ 47,473
Public safety	28,048
Public works	5,321,433
Community services	<u>17,587</u>
	<u>\$ 5,414,541</u>

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

6. LONG-TERM LIABILITIES:

A summary of changes in long-term at June 30, 2017, is as follows:

	Beginning Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2017</u>	Due in One Year
Other Post-Employment Benefits (OPEB) liability (Note 13)	\$ 171,340	\$ 152,842	\$ (14,630)	\$ 309,552	\$ -
Claims and judgments payable (Note 10)	682,301	62,836	(61,136)	684,001	68,400
Compensated absences	377,615	319,294	(307,344)	389,565	77,913
Net pension liability (Note 9)	<u>1,590,804</u>	<u>1,119,639</u>	<u>(491,157)</u>	<u>2,219,286</u>	<u>-</u>
Total long-term liabilities	<u>\$ 2,822,060</u>	<u>\$ 1,654,611</u>	<u>\$ (874,267)</u>	<u>\$ 3,602,404</u>	<u>\$ 146,313</u>

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, 2017, was \$684,001.

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 1i. The liability in the amount of \$389,565 at June 30, 2017, is expected to be paid in future years from future resources. Compensated absences have typically been liquidated from the General Fund.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

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, which would otherwise accrue entirely to the City, is 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 restricted or assigned fund balance in the General Fund or as restricted fund balance in the funds other than the General Fund.

Encumbrances as of June 30, 2017, are as follows:

Major Funds:	
General Fund	\$ 4,151,227
GTIP Special Revenue Fund	820,809
Park Development Impact Fees Special Revenue Fund	138,222
Other Governmental Funds	<u>8,307,095</u>
Total Encumbrances	<u>\$ 13,417,353</u>

9. RETIREMENT PLANS:

a. General Information about the Pension Plans:

Plan Descriptions:

All qualified permanent and probationary employees are eligible to participate in the City's 2.0% at 55 (Tier I) and 2.0% at 62 (Tier III PEPPRA) Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

9. RETIREMENT PLANS (CONTINUED):

a. General Information about the Pension Plans (Continued):

Benefits Provided:

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit formula	2%@55	2%@62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.886%	6.313%
Required employer contribution rates:		
Normal cost rate	8.880%	6.555%
Payment of unfunded liability	\$ 78,795	\$ -

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

9. RETIREMENT PLANS (CONTINUED):

a. General Information about the Pension Plans (Continued):

Contributions:

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions:

As of June 30, 2017, the City reported net pension liabilities for its proportionate share of the net pension liability of all Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	<u>\$ 2,219,286</u>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2016, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

9. RETIREMENT PLANS (CONTINUED):

b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

The City's proportionate share of the net pension liability for all Plans as of the measurement dates ended June 30, 2015 and 2016 was as follows:

Proportion - June 30, 2015	0.05799%
Proportion - June 30, 2016	0.06388%
Change - Increase (Decrease)	0.00589%

For the year ended June 30, 2017, the City recognized pension expense of \$142,597. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 535,490	\$ -
Differences between expected and actual experience	17,462	(4,001)
Change in assumptions	-	(165,206)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	859,843	-
Net differences between projected and actual earnings on plan investments	454,164	-
Total	<u>\$ 1,866,959</u>	<u>\$ (169,207)</u>

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

9. RETIREMENT PLANS (CONTINUED):

b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

\$535,490 are reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
<u>2018</u>	\$ 291,037
2019	247,302
2020	401,215
2021	222,708
2022	-
Thereafter	-

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

9. RETIREMENT PLANS (CONTINUED):

- b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Actuarial Assumptions:

For the measurement period ended June 30, 2016 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2015 total pension liability determined in the June 30, 2015 actuarial accounting valuation. The June 30, 2016 total pension liability was based on the following actuarial methods and assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increase	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

(1) Varies by entry age and service

(2) The mortality table used was developed by CalPERS- specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available on CalPERS website.

(3) Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

All other actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications.

Change of Assumptions:

There were no changes of assumptions during the measurement period June 30, 2016. Deferred inflows of resources for changes of assumptions presented in the financial statements represent the unamortized portion of the changes of assumptions related to prior measurement periods.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

9. RETIREMENT PLANS (CONTINUED):

- b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Discount Rate:

The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the Plans, the tests revealed the assets would not run out. Therefore, the current 7.65% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund.

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

9. RETIREMENT PLANS (CONTINUED):

- b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Discount Rate (Continued):

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2015.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%
Total	100.00%		

- (a) An expected inflation of 2.5% used for this period.
(b) An expected inflation of 3.0% used for this period.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

9. RETIREMENT PLANS (CONTINUED):

- b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.65%
Net Pension Liability	\$ 3,809,882
Current Discount Rate	7.65%
Net Pension Liability	\$ 2,219,286
1% Increase	8.65%
Net Pension Liability	\$ 904,738

Pension Plans Fiduciary Net Position:

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Subsequent Events:

In December 2016, CalPERS' Board of Directors voted to lower the discount rate used in its actuarial valuations from 7.5% to 7.0% over three fiscal years, beginning in fiscal year 2018. The change in the discount rate will affect the contribution rates for employers beginning in fiscal year 2019, and result in increases to employers' normal costs and unfunded actuarial liabilities. For the GASB Statement 68 accounting valuations, the discount rate will move straight to 7% starting with the June 30, 2017 measurement date reports and will result in an increase to employer's total pension liabilities.

- C. Payable to the Pension Plans:

The City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2017.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

10. RISK MANAGEMENT:

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement:

The City is a member of the California Joint Powers Insurance Authority (Authority). The Insurance Authority is composed of 117 California public entities and is organized under a joint powers agreement pursuant to California Government Code Section 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 California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Self-Insurance Programs of Authority:

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government 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 from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

10. RISK MANAGEMENT (CONTINUED):

Self-Insurance Programs of Authority (Continued):

Primary Liability Program (Continued)

For 2016-17 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) \$2.5 million annual aggregate deductible in the \$3 million in excess of \$2 million layer, and (b) \$3 million annual aggregate deductible in the \$5 million in excess of \$10 million layer. There is a third annual aggregate deductible in the amount of \$2.5 million in the \$5 million in excess of \$5 million layer, however it is fully covered under a separate policy and therefore not retained by the Authority. The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Costs of covered claims for subsidence losses have a sub-limit of \$30 million per occurrence.

Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government 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 layer 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 from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2016-17 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' 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.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

10. RISK MANAGEMENT (CONTINUED):

Purchased Insurance:

Pollution Legal Liability Insurance

The City participates in the pollution legal liability insurance program 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 an aggregate limit of \$50 million for the 3-year period from July 1, 2014 through July 1, 2017. 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 \$14,207,887. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

The City purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2014-2015	\$ 193,951	\$ 470,581	\$ (39,532)	\$ 625,000
2015-2016	625,000	177,843	(120,542)	682,301
2016-2017	682,301	62,836	(61,136)	684,001

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 2016-17.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

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. Rental costs for the year ended June 30, 2017, were \$726,173.

Minimum future rental payments under the operating leases as of June 30, 2017, are as follows (amounts do not include common area maintenance costs):

Fiscal Year <u>Ending</u>	Office Suite
2018	\$ 543,845
2019	563,952
2020	<u>282,893</u>
	<u>\$ 1,390,690</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.

13. OTHER POST-EMPLOYMENT BENEFITS (OPEB):

Plan Description:

The City provides postemployment health care benefits through the CalPERS health care program (PEMHCA) to eligible employees. The City pays the greater of \$133 per month or the PEMHCA minimum of \$128 for fiscal year 2016-2017. To be eligible for postretirement health benefits, employees must complete at least 5 years of continuous service and be a minimum of 55 years of age.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

13. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED):

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, 2017, the City paid \$14,630 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	\$ 154,165
Interest on net OPEB obligation	10,709
Adjustment to annual required contribution	<u>(12,032)</u>
Annual OPEB cost (expense)	152,842
Actual contributions made	<u>(14,630)</u>
Increase in net OPEB obligation	138,212
Net OPEB Obligation - beginning of year	<u>171,340</u>
Net OPEB Obligation - end of year	<u>\$ 309,552</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/15	\$ 67,344	16.19%	\$ 113,685
6/30/16	68,877	17.01%	171,340
6/30/17	152,842	9.57%	309,552

Funded Status and Funding Progress:

As of June 30, 2016, the actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$985,130, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$985,130. 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 \$5,180,046 and the ratio of the UAAL to the covered payroll was 19.02%.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

13. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED):

Funded Status and Funding Progress (Continued):

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, and mortality, as well as economic assumptions regarding claim costs per retiree, health care 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 valuation used the entry projected unit credit cost method. The actuarial assumptions included an investment interest rate of 6.25% per annum (net of administrative expenses). The PEMHCA minimum was assumed to increase 4% annually. 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, 2017, was 27 years.

14. FUND BALANCE CLASSIFICATIONS:

Detail to committed fund balance classifications at June 30, 2017, is as follow:

<u>General Fund</u>	
Committed to:	
Contingency	\$ 8,753,058
Compensated absences	172,144
Capital equipment	472,722
Insurance risk management	200,000
Public facilities	4,110,000
Litigation defense	<u>300,000</u>
	<u>\$ 14,007,924</u>

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

14. FUND BALANCE CLASSIFICATIONS (CONTINUED):

General Fund Balance Policy:

The City adopted a fund balance policy identifying the following for committed fund balance of the general fund:

- Emergency contingencies equal to 33% of the general fund operating budget, less transfer to reserve for long-term debt
- Compensated absences reserve equal to 50% of outstanding leave balances at the end of each fiscal year.
- Capital equipment reserve equal to replacement cost of each vehicle and equipment owned by City, less the value of useful life remaining.
- Risk management reserve for future liability exposure needs to be funded annually at \$25,000 until a maximum balance of \$200,000 is reached.
- Public Facilities reserve dedicated for purpose of acquiring a city-owned facilities
- Litigation reserve equal to a combination of cost estimates for existing litigation and the City's fiscal constraints

15. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES:

Expenditures in Excess of Appropriations:

The following funds reported expenditures in excess of appropriations at June 30, 2017:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other Governmental Fund:			
Public Safety Special Revenue Fund	\$ 100,028	\$ 129,438	\$ (29,410)
Library Services Special Revenue Fund	253,284	268,244	(14,960)

Deficit Fund Balances:

The following funds reported deficit fund balances at June 30, 2017:

Major Funds:	
Measure A Grants Special Revenue Fund	\$ 257,057
Active Transportation Special Revenue Fund	386,588
Other Governmental Funds:	
Miscellaneous Grants Special Revenue Fund	7,578
Local STIP Special Revenue Fund	153,833
HSIP Special Revenue Fund	97,912
Federal Transportation Program Special Revenue Fund	172,432

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

15. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES:

Deficit Fund Balances (Continued):

The deficit of \$257,057 in the Measure A Grants Special Revenue Fund will be eliminated by receipt of future revenues.

The deficit of \$386,588 in the Active Transportation Grant Special Revenue Fund will be eliminated by receipt of future revenues.

The deficit of \$7,578 in the Miscellaneous Grants Special Revenue Fund will be eliminated by receipt of future revenues.

The deficit of \$153,833 in the Local STIP Special Revenue Fund will be eliminated by receipt of future revenues.

The deficit of \$97,912 in the HSIP Special Revenue Fund will be eliminated by receipt of future revenues.

The deficit of \$172,432 in the Federal Transportation Program 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 were enacted as part of the fiscal year 2011-12 state budget package, which dissolved the redevelopment agency.

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.

In September 2015, the Legislature passed and the Governor signed SB 107, which made additional changes to the Dissolution Act.

Under the Dissolution Act, each California redevelopment agency (each 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 to the former Redevelopment Agency.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

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 are 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 (CAC) 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 Successor Agency elected on January 17, 2012 to serve as the Successor Agency.

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 the DOF's review to determine if an enforceable obligation exists. However, since these are bond funds, the DOF made no adjustments to the balance available to the affected taxing agencies. The DOF further noted that upon receiving Finding of Completion from the 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 cancelation 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.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

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

- 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.

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. The City has already spent the bond proceeds for purposes that the bonds were issued for. The City also did not remit other transfers that were disallowed totaling \$4,042,886 to the CAC.

On November 20, 2016, the Court issued a final judgment denying the City's claims and entered a judgment in favor of the DOF. The City filed a notice of appeal challenging the ruling by the trial court. City management, in consultation with its legal counsel, believe that the City has a strong likelihood of prevailing on its claim that the transfer of \$14,082,472 in bond proceeds to the City from the former RDA pursuant to a 2011 bond indenture constituted an enforceable obligation that must be respected by the DOF under the dissolution law. The City also believe that it has a reasonable likelihood of prevailing on its claim that the 2010 loan agreement requiring a cash transfer of \$3,530,624 survives the dissolution law, thereby allowing the City to avoid remittance. 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. This will result in a significant reduction in the fund balance of the General Fund.

The City has recorded a liability in the General Fund equal to disallowed transfer to the City in the amount of \$512,262.

As of the date of dissolution, the housing 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.

In the current and future fiscal years, the Successor Agency will only be allocated revenue from the County of Santa Barbara in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the Dissolved RDA until all enforceable obligations of the Dissolved RDA have been paid in full and all assets have been liquidated.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

17. SUCCESSOR AGENCY DISCLOSURES:

Land:

At June 30, 2017, 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, 2017, is as follows:

	Beginning Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2017</u>	Due in One Year <u>Year</u>
Tax Allocation Bonds	\$ 15,075,000	\$ -	\$ (165,000)	\$ 14,910,000	\$ 175,000
Less deferred amount:					
Discount on bonds issued	<u>(212,971)</u>	<u>-</u>	<u>7,742</u>	<u>(205,229)</u>	<u>-</u>
Total long-term liabilities	<u>\$ 14,862,029</u>	<u>\$ -</u>	<u>\$ (157,258)</u>	<u>\$ 14,704,771</u>	<u>\$ 175,000</u>

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.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

For the year ended June 30, 2017

17. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

Long-Term Liabilities (Continued):

Allocation Bonds 2011 (Continued)

The annual requirements to amortize the Tax Allocation Bonds outstanding as of June 30, 2017, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 175,000	\$ 1,164,175	\$ 1,339,175
2019	185,000	1,154,113	1,339,113
2020	195,000	1,143,013	1,338,013
2021	205,000	1,130,825	1,335,825
2022	220,000	1,117,500	1,337,500
2023-2027	1,365,000	5,323,125	6,688,125
2028-2032	1,970,000	4,718,113	6,688,113
2033-2037	2,875,000	3,813,200	6,688,200
2038-2042	4,230,000	2,463,200	6,693,200
2043-2045	<u>3,490,000</u>	<u>525,000</u>	<u>4,015,000</u>
	14,910,000	22,552,264	37,462,264
Less deferred amounts:			
Discount on bonds issued	<u>(205,229)</u>	<u>-</u>	<u>(205,229)</u>
	<u>\$ 14,704,771</u>	<u>\$ 22,552,264</u>	<u>\$ 37,257,035</u>

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, 2017, have been evaluated for possible adjustments to the financial statements or disclosure as of December 21, 2017, which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GOLETA

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last Ten Fiscal Years*

Fiscal year ended	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement period	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.02565%	0.05799%	0.08184%
Plan's proportionate share of the net pension liability	\$ 2,219,286	\$ 1,590,804	\$ 1,609,229
Plan's covered - employee payroll	\$ 5,180,046	\$ 4,778,639	\$ 4,819,034
Plan's proportionate share of the net pension liability as a percentage of covered - employee payroll	42.84%	33.29%	33.39%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	74.06%	84.47%	25.24%
Plan's proportionate share of aggregate employer contributions	\$ 357,317	\$ 299,253	\$ 204,572

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions

* - Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

CITY OF GOLETA

SCHEDULE OF CONTRIBUTIONS

Last Ten Fiscal Years*

Fiscal year ended	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 535,490	\$ 491,157	\$ 528,634
Contributions in relation to the actuarially determined contributions	\$ (535,490)	\$ (491,157)	(528,634)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered - employee payroll	\$ 5,464,417	\$ 5,180,046	\$ 4,778,639
Contributions as a percentage of covered - employee payroll	9.80%	9.48%	11.06%

Notes to Schedule:

Valuation Date	6/30/2014	6/30/2013	6/30/2012
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Methods and Assumptions Used to Determine Contribution Rates:

Cost-sharing employers	Entry age**
Amortization method	Level percentage of payroll, closed**
Asset valuation method	Market Value ***
Inflation	2.75%**
Salary increases	Depending on age, service, and type of employment**
Investment rate of return	7.50%, net of pension plan investment expense, including inflation**
Retirement age	50 years (2% @55), 52 years (2% @62)**
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board**

* - Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

** - The valuation for June 30, 2012 and 2013 (applicable to fiscal year ended June 30, 2015 and 2016, respectively) included the same actuarial assumptions.

*** - The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method. The market value asset valuation method was utilized for the June 30, 2013 and 2014 valuations (applicable to fiscal years ended June 30, 2016 and 2017, respectively)

CITY OF GOLETA

SCHEDULE OF FUNDING PROGRESS -
OTHER POST-EMPLOYMENT BENEFITS PLAN

For the year ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Payroll [(b)-(a)]/c]
6/30/2014	\$ -	\$ 333,405	\$ 333,405	0.00%	\$ 4,128,277	8.08%
6/30/2016	-	985,130	985,130	0.00%	5,180,046	19.02%

BUDGETARY COMPARISON SCHEDULES

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 funds have been classified as major funds:

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

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

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.

Active Transportation Program - This fund is used to account to account for state grant funds for transportation projects.

CITY OF GOLETA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 22,608,800	\$ 22,620,800	\$ 22,557,357	\$ (63,443)
Charges for services	1,595,800	2,357,300	2,271,386	(85,914)
Licenses and permits	20,400	20,400	16,713	(3,687)
Fines and forfeitures	251,500	131,500	129,051	(2,449)
Investment income	155,000	165,000	172,532	7,532
Other	770,400	774,700	781,110	6,410
TOTAL REVENUES	25,401,900	26,069,700	25,928,149	(141,551)
EXPENDITURES:				
Current:				
General government	6,576,989	7,162,614	6,703,041	459,573
Public safety	8,115,809	7,615,809	7,556,368	59,441
Public works	4,925,028	7,384,436	3,671,057	3,713,379
Community services	4,567,421	5,632,337	4,187,412	1,444,925
Capital outlay	485,000	1,888,231	243,552	1,644,679
TOTAL EXPENDITURES	24,670,247	29,683,427	22,361,430	7,321,997
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	731,653	(3,613,727)	3,566,719	7,180,446
OTHER FINANCING SOURCES:				
Transfers in	120,590	68,030	67,038	(992)
TOTAL OTHER FINANCING SOURCES	120,590	68,030	67,038	(992)
NET CHANGE IN FUND BALANCE	852,243	(3,545,697)	3,633,757	7,179,454
FUND BALANCE - BEGINNING OF YEAR	17,804,928	17,804,928	17,804,928	-
FUND BALANCE - END OF YEAR	\$ 18,657,171	\$ 14,259,231	\$ 21,438,685	\$ 7,179,454

See accompanying note to required supplementary information.

CITY OF GOLETA

BUDGETARY COMPARISON SCHEDULE

GTIP SPECIAL REVENUE FUND

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 45,000	\$ 45,000	\$ 78,616	\$ 33,616
Developer fees	6,081,449	6,081,449	3,801,992	(2,279,457)
TOTAL REVENUES	6,126,449	6,126,449	3,880,608	(2,245,841)
EXPENDITURES:				
Current:				
Public works	114,000	260,000	125,814	134,186
Capital outlay	3,782,308	5,327,764	619,135	4,708,629
TOTAL EXPENDITURES	3,896,308	5,587,764	744,949	4,842,815
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,230,141	538,685	3,135,659	2,596,974
OTHER FINANCING USES:				
Transfers out	(45,000)	(9,000)	-	9,000
TOTAL OTHER FINANCING USES	(45,000)	(9,000)	-	9,000
NET CHANGE IN FUND BALANCE	2,185,141	529,685	3,135,659	2,605,974
FUND BALANCE - BEGINNING OF YEAR	9,485,419	9,485,419	9,485,419	-
FUND BALANCE - END OF YEAR	\$ 11,670,560	\$ 10,015,104	\$ 12,621,078	\$ 2,605,974

See accompanying note to required supplementary information.

CITY OF GOLETA

BUDGETARY COMPARISON SCHEDULE

PARK DEVELOPMENT IMPACT FEES SPECIAL REVENUE FUND

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 21,000	\$ 21,000	\$ 63,779	\$ 42,779
Developer fees	3,754,014	3,754,014	5,290,053	1,536,039
TOTAL REVENUES	3,775,014	3,775,014	5,353,832	1,578,818
EXPENDITURES:				
Current:				
Community development	-	16,000	3,718	12,282
Capital outlay	80,000	3,316,216	35,637	3,280,579
TOTAL EXPENDITURES	80,000	3,332,216	39,355	3,292,861
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,695,014	442,798	5,314,477	4,871,679
OTHER FINANCING USES:				
Transfers out	(20,000)	(4,000)	-	4,000
TOTAL OTHER FINANCING USES	(20,000)	(4,000)	-	4,000
NET CHANGE IN FUND BALANCE	3,675,014	438,798	5,314,477	4,875,679
FUND BALANCE - BEGINNING OF YEAR	5,395,413	5,395,413	5,395,413	-
FUND BALANCE - END OF YEAR	\$ 9,070,427	\$ 5,834,211	\$ 10,709,890	\$ 4,875,679

See accompanying note to required supplementary information.

CITY OF GOLETA

BUDGETARY COMPARISON SCHEDULE

MEASURE A GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 419,990	\$ 480,960	\$ 65,970	\$ (414,990)
TOTAL REVENUES	419,990	480,960	65,970	(414,990)
EXPENDITURES:				
Capital outlay	419,990	480,960	323,027	157,933
TOTAL EXPENDITURES	419,990	480,960	323,027	157,933
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(257,057)	(257,057)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ -	\$ (257,057)	\$ (257,057)

See accompanying note to required supplementary information.

CITY OF GOLETA

BUDGETARY COMPARISON SCHEDULE

ACTIVE TRANSPORTATION PROGRAM SPECIAL REVENUE FUND

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 105,000	\$ 2,147,000	\$ -	\$ (2,147,000)
TOTAL REVENUES	105,000	2,147,000	-	(2,147,000)
EXPENDITURES:				
Capital outlay	105,000	2,147,000	386,588	1,760,412
TOTAL EXPENDITURES	105,000	2,147,000	386,588	1,760,412
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(386,588)	(386,588)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ -	\$ (386,588)	\$ (386,588)

See accompanying note to required supplementary information.

CITY OF GOLETA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2017

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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SUPPLEMENTARY INFORMATION

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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.

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.

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

OTHER GOVERNMENTAL FUNDS
(CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED)

Long Range Development Plan - This fund is used to account for traffic infrastructure funding from University of California, Santa Barbara.

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.

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

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

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

Developer Agreement - This fund is used to account for developer agreement funds for use in agreed upon projects with the City and developer.

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.

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.

OTHER GOVERNMENTAL FUNDS
(CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED)

TIGER Grant - This fund is used to account for support of capital projects which repair bridges or improve infrastructure to a state of good repair.

PEG - This fund is used to account for funds received as local franchising fees for capital costs for public, education or governmental access facilities.

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

CITY OF GOLETA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

June 30, 2017

		<u>Special Revenue Funds</u>		
		<u>Gas Tax</u>	<u>Transportation</u>	<u>Measure A</u>
ASSETS				
Cash and investments		\$ 897,085	\$ 181,761	\$ 3,090,603
Receivables:				
Accounts		-	-	-
Interest		66	13	242
Due from other governments		-	-	5,938
Prepaid items		-	-	-
	TOTAL ASSETS	<u>\$ 897,151</u>	<u>\$ 181,774</u>	<u>\$ 3,096,783</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable		\$ 55,960	\$ -	\$ 346,577
Accrued salaries and benefits		-	-	-
Retentions payable		12,643	-	24,826
Due to other funds		-	-	-
Deposits payable		-	-	-
	TOTAL LIABILITIES	<u>68,603</u>	<u>-</u>	<u>371,403</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - grants		-	-	-
	TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):				
Nonspendable:				
Prepaid items		-	-	-
Restricted:				
Public works		828,548	181,774	2,725,380
Community development		-	-	-
Unassigned		-	-	-
	TOTAL FUND BALANCES (DEFICITS)	<u>828,548</u>	<u>181,774</u>	<u>2,725,380</u>
	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 897,151</u>	<u>\$ 181,774</u>	<u>\$ 3,096,783</u>

Special Revenue Funds (Continued)

Solid Waste Program	Public Safety Donations	Public Administration Facilities DIF	Library Facilities DIF	Sheriff Facilities DIF	Housing In-Lieu
\$ 968,189	\$ 309,167	\$ 1,040,983	\$ 164,905	\$ 833,626	\$ 36,674
59,531	-	-	-	-	-
75	25	79	15	64	3
-	-	-	-	-	-
-	-	100,000	-	-	-
<u>\$ 1,027,795</u>	<u>\$ 309,192</u>	<u>\$ 1,141,062</u>	<u>\$ 164,920</u>	<u>\$ 833,690</u>	<u>\$ 36,677</u>
\$ 88,905	\$ 8,874	\$ 20,697	\$ -	\$ -	\$ -
3,464	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>92,369</u>	<u>8,874</u>	<u>20,697</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	100,000	-	-	-
935,426	300,318	1,020,365	164,920	833,690	-
-	-	-	-	-	36,677
-	-	-	-	-	-
<u>935,426</u>	<u>300,318</u>	<u>1,120,365</u>	<u>164,920</u>	<u>833,690</u>	<u>36,677</u>
<u>\$ 1,027,795</u>	<u>\$ 309,192</u>	<u>\$ 1,141,062</u>	<u>\$ 164,920</u>	<u>\$ 833,690</u>	<u>\$ 36,677</u>

(Continued)

CITY OF GOLETA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2017

	Special Revenue Funds (Continued)			
	Environmental Programs	Fire Facilities DIF	Long Range Development Plan	Public Safety
ASSETS				
Cash and investments	\$ 187,164	\$ 2,278,722	\$ 1,561,049	\$ -
Receivables:				
Accounts	-	41,963	-	-
Interest	15	177	96	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	\$ 187,179	\$ 2,320,862	\$ 1,561,145	\$ -
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 17,485	\$ 11,705	\$ 120,360	\$ -
Accrued salaries and benefits	-	-	-	-
Retentions payable	-	-	-	-
Due to other funds	-	-	-	-
Deposits payable	-	-	-	-
TOTAL LIABILITIES	17,485	11,705	120,360	-
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - grants	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-
FUND BALANCES (DEFICITS):				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted:				
Public works	-	2,309,157	1,440,785	-
Community development	169,694	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	169,694	2,309,157	1,440,785	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 187,179	\$ 2,320,862	\$ 1,561,145	\$ -

Special Revenue Funds (Continued)

Solid Waste Recycling	RSTP State Grant	Comstock Plover Endowment	Miscellaneous Grants	Local STIP	IRWMP Grant
\$ 21,088	\$ 127,250	\$ 151,557	\$ -	\$ -	\$ -
8,106	-	-	-	159,501	-
2	10	12	1	-	-
-	7,429	-	48,948	-	-
-	-	-	-	12,700	-
<u>\$ 29,196</u>	<u>\$ 134,689</u>	<u>\$ 151,569</u>	<u>\$ 48,949</u>	<u>\$ 172,201</u>	<u>\$ -</u>
\$ -	\$ -	\$ 1,069	\$ 12,500	\$ 9,824	\$ -
-	-	-	-	-	-
-	-	-	-	4,578	-
-	-	-	21,072	152,131	-
-	-	150,500	-	-	-
-	-	151,569	33,572	166,533	-
-	-	-	22,955	159,501	-
-	-	-	22,955	159,501	-
-	-	-	-	12,700	-
29,196	134,689	-	-	-	-
-	-	-	-	-	-
-	-	-	(7,578)	(166,533)	-
<u>29,196</u>	<u>134,689</u>	<u>-</u>	<u>(7,578)</u>	<u>(153,833)</u>	<u>-</u>
<u>\$ 29,196</u>	<u>\$ 134,689</u>	<u>\$ 151,569</u>	<u>\$ 48,949</u>	<u>\$ 172,201</u>	<u>\$ -</u>

(Continued)

CITY OF GOLETA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2017

	Special Revenue Funds (Continued)			
	Developer Agreement	CDBG	HSIP	Library Services
ASSETS				
Cash and investments	\$ 2,227,753	\$ -	\$ -	\$ 170
Receivables:				
Accounts	-	-	105	-
Interest	122	-	-	13
Due from other governments	-	8,130	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	\$ 2,227,875	\$ 8,130	\$ 105	\$ 183
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 3,583	\$ 2,626	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Retentions payable	-	-	-	-
Due to other funds	-	5,504	98,017	-
Deposits payable	-	-	-	-
TOTAL LIABILITIES	3,583	8,130	98,017	-
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - grants	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-
FUND BALANCES (DEFICITS):				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted:				
Public works	-	-	-	-
Community development	2,224,292	-	-	183
Unassigned	-	-	(97,912)	-
TOTAL FUND BALANCES (DEFICITS)	2,224,292	-	(97,912)	183
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,227,875	\$ 8,130	\$ 105	\$ 183

Special Revenue Funds (Continued)				
Street Lighting	TIGER Grant	PEG	Federal Transportation Program	Total Other Governmental Funds
\$ 110,437	\$ -	\$ 17,527	\$ -	\$ 14,205,710
-	75,481	18,316	-	363,003
10	-	1	-	1,041
-	-	-	170,083	240,528
-	-	-	-	112,700
<u>\$ 110,447</u>	<u>\$ 75,481</u>	<u>\$ 35,844</u>	<u>\$ 170,083</u>	<u>\$ 14,922,982</u>
\$ 20,179	\$ 29,132	\$ -	86,720	\$ 836,196
-	-	-	-	3,464
-	-	-	-	42,047
-	41,594	-	86,522	404,840
-	-	-	-	150,500
<u>20,179</u>	<u>70,726</u>	<u>-</u>	<u>173,242</u>	<u>1,437,047</u>
-	-	-	170,083	352,539
-	-	-	170,083	352,539
-	-	-	-	112,700
90,268	-	-	-	10,994,516
-	-	35,844	-	2,466,690
-	4,755	-	(173,242)	(440,510)
<u>90,268</u>	<u>4,755</u>	<u>35,844</u>	<u>(173,242)</u>	<u>13,133,396</u>
<u>\$ 110,447</u>	<u>\$ 75,481</u>	<u>\$ 35,844</u>	<u>\$ 170,083</u>	<u>\$ 14,922,982</u>

CITY OF GOLETA

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

For the year ended June 30, 2017

	Special Revenue Funds		
	Gas Tax	Transportation	Measure A
REVENUES:			
Taxes	\$ -	\$ -	\$ 1,406,218
Intergovernmental	580,498	24,525	46,757
Charges for services	-	-	-
Investment income	5,210	1,281	29,434
Developer fees	-	-	-
TOTAL REVENUES	585,708	25,806	1,482,409
EXPENDITURES:			
Current:			
Public safety	-	-	-
Public works	278,436	-	711,736
Community development	-	-	-
Community services	-	-	-
Capital outlay	-	27,184	1,030,002
TOTAL EXPENDITURES	278,436	27,184	1,741,738
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	307,272	(1,378)	(259,329)
OTHER FINANCING USES:			
Transfers out	-	-	-
TOTAL OTHER FINANCING USES	-	-	-
NET CHANGE IN FUND BALANCES	307,272	(1,378)	(259,329)
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	521,276	183,152	2,984,709
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 828,548</u>	<u>\$ 181,774</u>	<u>\$ 2,725,380</u>

Special Revenue Funds (Continued)

Solid Waste Program	Public Safety Donations	Public Administration Facilities DIF	Library Facilities DIF	Sheriff Facilities DIF	Housing In-Lieu
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
566,911	125,000	-	-	-	-
7,042	1,787	6,476	1,508	5,611	3,633
-	-	255,872	57,982	65,968	-
<u>573,953</u>	<u>126,787</u>	<u>262,348</u>	<u>59,490</u>	<u>71,579</u>	<u>3,633</u>
-	25,328	-	-	1,003	-
674,718	-	8,600	-	-	-
-	-	1,174	-	-	1,175
-	-	-	102,342	-	1,925,000
-	17,447	48,473	-	-	-
<u>674,718</u>	<u>42,775</u>	<u>58,247</u>	<u>102,342</u>	<u>1,003</u>	<u>1,926,175</u>
<u>(100,765)</u>	<u>84,012</u>	<u>204,101</u>	<u>(42,852)</u>	<u>70,576</u>	<u>(1,922,542)</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>(100,765)</u>	<u>84,012</u>	<u>204,101</u>	<u>(42,852)</u>	<u>70,576</u>	<u>(1,922,542)</u>
<u>1,036,191</u>	<u>216,306</u>	<u>916,264</u>	<u>207,772</u>	<u>763,114</u>	<u>1,959,219</u>
<u>\$ 935,426</u>	<u>\$ 300,318</u>	<u>\$ 1,120,365</u>	<u>\$ 164,920</u>	<u>\$ 833,690</u>	<u>\$ 36,677</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, 2017

	Special Revenue Funds (Continued)			
	Environmental Programs	Fire Facilities DIF	Long Range Development Plan	Public Safety
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	215,856	-	129,324
Charges for services	-	-	-	-
Investment income	1,470	15,588	6,890	114
Developer fees	-	170,246	1,235,539	-
TOTAL REVENUES	1,470	401,690	1,242,429	129,438
EXPENDITURES:				
Current:				
Public safety	-	1,176	-	129,438
Public works	45,653	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	195,509	757,767	-
TOTAL EXPENDITURES	45,653	196,685	757,767	129,438
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(44,183)	205,005	484,662	-
OTHER FINANCING USES:				
Transfers out	-	-	-	-
TOTAL OTHER FINANCING USES	-	-	-	-
NET CHANGE IN FUND BALANCES	(44,183)	205,005	484,662	-
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	213,877	2,104,152	956,123	-
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 169,694	\$ 2,309,157	\$ 1,440,785	\$ -

Special Revenue Funds (Continued)

Solid Waste Recycling	RSTP State Grant	Comstock Plover Endowment	Miscellaneous Grants	Local STIP	IRWMP Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16,203	10,777	-	104,966	-	60,820
-	-	-	-	-	-
171	935	1,069	51	47	40
-	-	-	-	-	-
<u>16,374</u>	<u>11,712</u>	<u>1,069</u>	<u>105,017</u>	<u>47</u>	<u>60,860</u>
-	-	-	-	-	-
8,000	-	-	-	-	-
-	-	1,069	-	-	-
-	-	-	-	-	-
-	10,777	-	123,062	164,079	-
<u>8,000</u>	<u>10,777</u>	<u>1,069</u>	<u>123,062</u>	<u>164,079</u>	<u>-</u>
-	-	-	-	-	-
8,374	935	-	(18,045)	(164,032)	60,860
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,419)</u>
-	-	-	-	-	(37,419)
8,374	935	-	(18,045)	(164,032)	23,441
<u>20,822</u>	<u>133,754</u>	<u>-</u>	<u>10,467</u>	<u>10,199</u>	<u>(23,441)</u>
<u>\$ 29,196</u>	<u>\$ 134,689</u>	<u>\$ -</u>	<u>\$ (7,578)</u>	<u>\$ (153,833)</u>	<u>\$ -</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, 2017

	Special Revenue Funds (Continued)			
	Developer Agreement	CDBG	HSIP	Library Services
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 267,418
Intergovernmental	-	213,500	58,245	-
Charges for services	-	-	-	-
Investment income	9,421	-	-	850
Developer fees	1,000,000	-	-	-
TOTAL REVENUES	1,009,421	213,500	58,245	268,268
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	25,135	-	-
Community services	-	-	-	268,244
Capital outlay	35,941	160,232	156,157	-
TOTAL EXPENDITURES	35,941	185,367	156,157	268,244
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	973,480	28,133	(97,912)	24
OTHER FINANCING USES:				
Transfers out	-	(29,619)	-	-
TOTAL OTHER FINANCING USES	-	(29,619)	-	-
NET CHANGE IN FUND BALANCES	973,480	(1,486)	(97,912)	24
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	1,250,812	1,486	-	159
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 2,224,292	\$ -	\$ (97,912)	\$ 183

Special Revenue Funds (Continued)				
Street Lighting	TIGER Grant	PEG	Federal Transportation Program	Total Other Governmental Funds
\$ 285,845	\$ 78,962	\$ 35,821	\$ -	\$ 2,074,264
-	-	-	831,251	2,292,722
-	-	-	-	691,911
546	-	23	-	99,197
-	-	-	-	2,785,607
<u>286,391</u>	<u>78,962</u>	<u>35,844</u>	<u>831,251</u>	<u>7,943,701</u>
-	-	-	-	156,945
254,883	-	-	-	1,982,026
-	-	-	-	28,553
-	-	-	-	2,295,586
-	74,207	-	298,011	3,098,848
<u>254,883</u>	<u>74,207</u>	<u>-</u>	<u>298,011</u>	<u>7,561,958</u>
<u>31,508</u>	<u>4,755</u>	<u>35,844</u>	<u>533,240</u>	<u>381,743</u>
-	-	-	-	(67,038)
-	-	-	-	(67,038)
31,508	4,755	35,844	533,240	314,705
<u>58,760</u>	<u>-</u>	<u>-</u>	<u>(706,482)</u>	<u>12,818,691</u>
<u>\$ 90,268</u>	<u>\$ 4,755</u>	<u>\$ 35,844</u>	<u>\$ (173,242)</u>	<u>\$ 13,133,396</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 638,176	\$ 627,342	\$ 580,498	\$ (46,844)
Investment income	2,500	2,500	5,210	2,710
TOTAL REVENUES	<u>640,676</u>	<u>629,842</u>	<u>585,708</u>	<u>(44,134)</u>
EXPENDITURES:				
Current:				
Public works	<u>861,143</u>	<u>1,151,118</u>	<u>278,436</u>	<u>872,682</u>
TOTAL EXPENDITURES	<u>861,143</u>	<u>1,151,118</u>	<u>278,436</u>	<u>872,682</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(220,467)	(521,276)	307,272	828,548
FUND BALANCE - BEGINNING OF YEAR	<u>521,276</u>	<u>521,276</u>	<u>521,276</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 300,809</u>	<u>\$ -</u>	<u>\$ 828,548</u>	<u>\$ 828,548</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 24,704	\$ 24,704	\$ 24,525	\$ (179)
Investment income	1,800	1,800	1,281	(519)
TOTAL REVENUES	<u>26,504</u>	<u>26,504</u>	<u>25,806</u>	<u>(698)</u>
EXPENDITURES:				
Capital outlay	-	205,253	27,184	178,069
TOTAL EXPENDITURES	<u>-</u>	<u>205,253</u>	<u>27,184</u>	<u>178,069</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	26,504	(178,749)	(1,378)	177,371
FUND BALANCE - BEGINNING OF YEAR	<u>183,152</u>	<u>183,152</u>	<u>183,152</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 209,656</u>	<u>\$ 4,403</u>	<u>\$ 181,774</u>	<u>\$ 177,371</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,496,000	\$ 1,496,000	\$ 1,406,218	\$ (89,782)
Intergovernmental	-	-	46,757	46,757
Investment income	16,000	16,000	29,434	13,434
TOTAL REVENUES	<u>1,512,000</u>	<u>1,512,000</u>	<u>1,482,409</u>	<u>(29,591)</u>
EXPENDITURES:				
Current:				
Public works	1,065,000	2,033,310	711,736	1,321,574
Capital outlay	921,467	2,458,413	1,030,002	1,428,411
TOTAL EXPENDITURES	<u>1,986,467</u>	<u>4,491,723</u>	<u>1,741,738</u>	<u>2,749,985</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(474,467)	(2,979,723)	(259,329)	2,720,394
FUND BALANCE - BEGINNING OF YEAR	<u>2,984,709</u>	<u>2,984,709</u>	<u>2,984,709</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,510,242</u>	<u>\$ 4,986</u>	<u>\$ 2,725,380</u>	<u>\$ 2,720,394</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 559,989	\$ 559,989	\$ 566,911	\$ 6,922
Investment income	7,000	7,000	7,042	42
TOTAL REVENUES	<u>566,989</u>	<u>566,989</u>	<u>573,953</u>	<u>6,964</u>
EXPENDITURES:				
Current:				
Public works	<u>647,205</u>	<u>759,961</u>	<u>674,718</u>	<u>85,243</u>
TOTAL EXPENDITURES	<u>647,205</u>	<u>759,961</u>	<u>674,718</u>	<u>85,243</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(80,216)	(192,972)	(100,765)	92,207
FUND BALANCE - BEGINNING OF YEAR	<u>1,036,191</u>	<u>1,036,191</u>	<u>1,036,191</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 955,975</u>	<u>\$ 843,219</u>	<u>\$ 935,426</u>	<u>\$ 92,207</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 250,000	\$ 250,000	\$ 125,000	\$ (125,000)
Investment income	1,400	1,400	1,787	387
TOTAL REVENUES	<u>251,400</u>	<u>251,400</u>	<u>126,787</u>	<u>(124,613)</u>
EXPENDITURES:				
Current:				
Public safety	125,000	197,163	25,328	171,835
Capital outlay	-	17,447	17,447	-
TOTAL EXPENDITURES	<u>125,000</u>	<u>214,610</u>	<u>42,775</u>	<u>171,835</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	126,400	36,790	84,012	47,222
FUND BALANCE - BEGINNING OF YEAR	<u>216,306</u>	<u>216,306</u>	<u>216,306</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 342,706</u>	<u>\$ 253,096</u>	<u>\$ 300,318</u>	<u>\$ 47,222</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 2,000	\$ 2,000	\$ 6,476	\$ 4,476
Developer fees	791,925	791,925	255,872	(536,053)
TOTAL REVENUES	<u>793,925</u>	<u>793,925</u>	<u>262,348</u>	<u>(531,577)</u>
EXPENDITURES:				
Current:				
Public works	-	11,746	8,600	3,146
Community development	-	4,800	1,174	3,626
Capital outlay	-	150,000	48,473	101,527
TOTAL EXPENDITURES	<u>-</u>	<u>166,546</u>	<u>58,247</u>	<u>108,299</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>793,925</u>	<u>627,379</u>	<u>204,101</u>	<u>(423,278)</u>
OTHER FINANCING USES:				
Transfers out	<u>(6,000)</u>	<u>(1,200)</u>	<u>-</u>	<u>1,200</u>
TOTAL OTHER FINANCING USES	<u>(6,000)</u>	<u>(1,200)</u>	<u>-</u>	<u>1,200</u>
NET CHANGE IN FUND BALANCE	787,925	626,179	204,101	(422,078)
FUND BALANCE - BEGINNING OF YEAR	<u>916,264</u>	<u>916,264</u>	<u>916,264</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,704,189</u>	<u>\$ 1,542,443</u>	<u>\$ 1,120,365</u>	<u>\$ (422,078)</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 400	\$ 400	\$ 1,508	\$ 1,108
Developer fees	231,328	231,328	57,982	(173,346)
TOTAL REVENUES	231,728	231,728	59,490	(172,238)
EXPENDITURES:				
Current:				
Community services	60,000	103,600	102,342	1,258
TOTAL EXPENDITURES	60,000	103,600	102,342	1,258
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	171,728	128,128	(42,852)	(170,980)
OTHER FINANCING USES:				
Transfers out	(2000)	(400)	-	400
TOTAL OTHER FINANCING USES	(2,000)	(400)	-	400
NET CHANGE IN FUND BALANCE	169,728	127,728	(42,852)	(170,580)
FUND BALANCE - BEGINNING OF YEAR	207,772	207,772	207,772	-
FUND BALANCE - END OF YEAR	\$ 377,500	\$ 335,500	\$ 164,920	\$ (170,580)

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 3,800	\$ 3,800	\$ 5,611	\$ 1,811
Developer fees	369,642	369,642	65,968	(303,674)
TOTAL REVENUES	373,442	373,442	71,579	(301,863)
EXPENDITURES:				
Current:				
Public safety	-	4,000	1,003	2,997
TOTAL EXPENDITURES	-	4,000	1,003	2,997
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	373,442	369,442	70,576	(298,866)
OTHER FINANCING USES:				
Transfers out	(5,000)	(1,000)	-	1,000
TOTAL OTHER FINANCING USES	(5,000)	(1,000)	-	1,000
NET CHANGE IN FUND BALANCE	368,442	368,442	70,576	(297,866)
FUND BALANCE - BEGINNING OF YEAR	763,114	763,114	763,114	-
FUND BALANCE - END OF YEAR	\$ 1,131,556	\$ 1,131,556	\$ 833,690	\$ (297,866)

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 10,000	\$ 10,000	\$ 3,633	\$ (6,367)
Developer fees	1,936,493	1,936,493	-	(1,936,493)
TOTAL REVENUES	1,946,493	1,946,493	3,633	(1,942,860)
EXPENDITURES:				
Current:				
Community development	-	4,800	1,175	3,625
Community services	1,950,000	1,950,000	1,925,000	25,000
TOTAL EXPENDITURES	1,950,000	1,954,800	1,926,175	28,625
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,507)	(8,307)	(1,922,542)	(1,914,235)
OTHER FINANCING USES:				
Transfers out	(6,000)	(1,200)	-	1,200
TOTAL OTHER FINANCING USES	(6,000)	(1,200)	-	1,200
NET CHANGE IN FUND BALANCE	(9,507)	(9,507)	(1,922,542)	(1,913,035)
FUND BALANCE - BEGINNING OF YEAR	1,959,219	1,959,219	1,959,219	-
FUND BALANCE - END OF YEAR	\$ 1,949,712	\$ 1,949,712	\$ 36,677	\$ (1,913,035)

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 1,500	\$ 1,500	\$ 1,470	\$ (30)
TOTAL REVENUES	1,500	1,500	1,470	(30)
EXPENDITURES:				
Current:				
Public works	9,200	62,418	45,653	16,765
TOTAL EXPENDITURES	9,200	62,418	45,653	16,765
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,700)	(60,918)	(44,183)	16,735
FUND BALANCE - BEGINNING OF YEAR	213,877	213,877	213,877	-
FUND BALANCE - END OF YEAR	\$ 206,177	\$ 152,959	\$ 169,694	\$ 16,735

CITY OF GOLETA

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

FIRE FACILITIES DEVELOPMENT IMPACT FEES SPECIAL REVENUE FUND

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 471,000	\$ 1,471,000	\$ 215,856	\$ (1,255,144)
Investment income	12,000	12,000	15,588	3,588
Developer fees	889,533	889,533	170,246	(719,287)
TOTAL REVENUES	<u>1,372,533</u>	<u>2,372,533</u>	<u>401,690</u>	<u>(1,970,843)</u>
EXPENDITURES:				
Current:				
Public safety	-	4,800	1,176	3,624
Capital outlay	1,598,455	3,217,908	195,509	3,022,399
TOTAL EXPENDITURES	<u>1,598,455</u>	<u>3,222,708</u>	<u>196,685</u>	<u>3,026,023</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(225,922)</u>	<u>(850,175)</u>	<u>205,005</u>	<u>1,055,180</u>
OTHER FINANCING USES:				
Transfers out	(6,000)	(1,200)	-	1,200
TOTAL OTHER FINANCING USES	<u>(6,000)</u>	<u>(1,200)</u>	<u>-</u>	<u>1,200</u>
NET CHANGE IN FUND BALANCE	(231,922)	(851,375)	205,005	1,056,380
FUND BALANCE - BEGINNING OF YEAR	<u>2,104,152</u>	<u>2,104,152</u>	<u>2,104,152</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,872,230</u>	<u>\$ 1,252,777</u>	<u>\$ 2,309,157</u>	<u>\$ 1,056,380</u>

CITY OF GOLETA

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

LONG RANGE DEVELOPMENT PLAN SPECIAL REVENUE FUND

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 14,000	\$ 14,000	\$ 6,890	\$ (7,110)
Developer fees	2,270,058	2,270,058	1,235,539	(1,034,519)
TOTAL REVENUES	<u>2,284,058</u>	<u>2,284,058</u>	<u>1,242,429</u>	<u>(1,041,629)</u>
EXPENDITURES:				
Capital outlay	<u>1,102,030</u>	<u>2,796,799</u>	<u>757,767</u>	<u>2,039,032</u>
TOTAL EXPENDITURES	<u>1,102,030</u>	<u>2,796,799</u>	<u>757,767</u>	<u>2,039,032</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,182,028	(512,741)	484,662	997,403
FUND BALANCE - BEGINNING OF YEAR	<u>956,123</u>	<u>956,123</u>	<u>956,123</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,138,151</u>	<u>\$ 443,382</u>	<u>\$ 1,440,785</u>	<u>\$ 997,403</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 129,324	\$ 29,324
Investment income	-	-	114	114
TOTAL REVENUES	<u>100,000</u>	<u>100,000</u>	<u>129,438</u>	<u>29,438</u>
EXPENDITURES:				
Current:				
Public safety	<u>100,028</u>	<u>100,028</u>	<u>129,438</u>	<u>(29,410)</u>
TOTAL EXPENDITURES	<u>100,028</u>	<u>100,028</u>	<u>129,438</u>	<u>(29,410)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(28)	(28)	-	28
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (28)</u>	<u>\$ (28)</u>	<u>\$ -</u>	<u>\$ 28</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 16,203	\$ 8,203
Investment income	100	100	171	71
TOTAL REVENUES	<u>8,100</u>	<u>8,100</u>	<u>16,374</u>	<u>8,274</u>
EXPENDITURES:				
Current:				
Public works	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	100	100	8,374	8,274
FUND BALANCE - BEGINNING OF YEAR	<u>20,822</u>	<u>20,822</u>	<u>20,822</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 20,922</u>	<u>\$ 20,922</u>	<u>\$ 29,196</u>	<u>\$ 8,274</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 530,526	\$ 10,777	\$ (519,749)
Investment income	800	800	935	135
TOTAL REVENUES	800	531,326	11,712	(519,614)
EXPENDITURES:				
Capital outlay	-	529,726	10,777	518,949
TOTAL EXPENDITURES	-	529,726	10,777	518,949
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	800	1,600	935	(665)
FUND BALANCE - BEGINNING OF YEAR	133,754	133,754	133,754	-
FUND BALANCE - END OF YEAR	\$ 134,554	\$ 135,354	\$ 134,689	\$ (665)

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 1,100	\$ 1,100	\$ 1,069	\$ (31)
TOTAL REVENUES	1,100	1,100	1,069	(31)
EXPENDITURES:				
Current:				
Community development	1,100	1,100	1,069	31
TOTAL EXPENDITURES	1,100	1,100	1,069	31
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 246,653	\$ 104,966	\$ (141,687)
Investment income	-	-	51	51
TOTAL REVENUES	-	246,653	105,017	(141,636)
EXPENDITURES:				
Capital outlay	-	246,653	123,062	123,591
TOTAL EXPENDITURES	-	246,653	123,062	123,591
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(18,045)	(18,045)
FUND BALANCE - BEGINNING OF YEAR	10,467	10,467	10,467	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 10,467	\$ 10,467	\$ (7,578)	\$ (18,045)

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 47	\$ 47
Intergovernmental	325,000	6,622,648	-	(6,622,648)
TOTAL REVENUES	325,000	6,622,648	47	(6,622,601)
EXPENDITURES:				
Capital outlay	325,000	6,622,648	164,079	6,458,569
TOTAL EXPENDITURES	325,000	6,622,648	164,079	6,458,569
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(164,032)	(164,032)
FUND BALANCE - BEGINNING OF YEAR	10,199	10,199	10,199	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 10,199	\$ 10,199	\$ (153,833)	\$ (164,032)

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 60,820	\$ 60,820	\$ -
Investment income	-	61	40	(21)
TOTAL REVENUES	-	60,881	60,860	(21)
OTHER FINANCING USES:				
Transfers out	-	(37,440)	(37,419)	21
TOTAL OTHER FINANCING USES	-	(37,440)	(37,419)	21
NET CHANGE IN FUND BALANCE	-	23,441	23,441	-
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(23,441)	(23,441)	(23,441)	-
FUND BALANCE - END OF YEAR	\$ (23,441)	\$ -	\$ -	\$ -

CITY OF GOLETA

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

DEVELOPER AGREEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 6,000	\$ 6,000	\$ 9,421	\$ 3,421
Developer fees	270,000	270,000	1,000,000	730,000
TOTAL REVENUES	276,000	276,000	1,009,421	733,421
EXPENDITURES:				
Capital outlay	200,000	343,650	35,941	307,709
TOTAL EXPENDITURES	200,000	343,650	35,941	307,709
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	76,000	(67,650)	973,480	1,041,130
FUND BALANCE - BEGINNING OF YEAR	1,250,812	1,250,812	1,250,812	-
FUND BALANCE - END OF YEAR	<u>\$ 1,326,812</u>	<u>\$ 1,183,162</u>	<u>\$ 2,224,292</u>	<u>\$ 1,041,130</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 309,867	\$ 365,971	\$ 213,500	\$ (152,471)
TOTAL REVENUES	<u>309,867</u>	<u>365,971</u>	<u>213,500</u>	<u>(152,471)</u>
EXPENDITURES:				
Current:				
Community development	24,665	25,135	25,135	-
Capital outlay	<u>254,612</u>	<u>311,217</u>	<u>160,232</u>	<u>150,985</u>
TOTAL EXPENDITURES	<u>279,277</u>	<u>336,352</u>	<u>185,367</u>	<u>150,985</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>30,590</u>	<u>29,619</u>	<u>28,133</u>	<u>(1,486)</u>
OTHER FINANCING USES:				
Transfers out	<u>(30,590)</u>	<u>(29,619)</u>	<u>(29,619)</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>(30,590)</u>	<u>(29,619)</u>	<u>(29,619)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(1,486)	(1,486)
FUND BALANCE - BEGINNING OF YEAR	<u>1,486</u>	<u>1,486</u>	<u>1,486</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,486</u>	<u>\$ 1,486</u>	<u>\$ -</u>	<u>\$ (1,486)</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 42,300	\$ 199,258	\$ 58,245	\$ (141,013)
TOTAL REVENUES	42,300	199,258	58,245	(141,013)
EXPENDITURES				
Capital outlay	42,300	199,258	156,157	43,101
TOTAL EXPENDITURES	42,300	199,258	156,157	43,101
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(97,912)	(97,912)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ -	\$ (97,912)	\$ (97,912)

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 252,529	\$ 252,529	\$ 267,418	\$ 14,889
Investment income	600	600	850	250
TOTAL REVENUES	<u>253,129</u>	<u>253,129</u>	<u>268,268</u>	<u>15,139</u>
EXPENDITURES:				
Current:				
Community services	<u>253,284</u>	<u>253,284</u>	<u>268,244</u>	<u>(14,960)</u>
TOTAL EXPENDITURES	<u>253,284</u>	<u>253,284</u>	<u>268,244</u>	<u>(14,960)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(155)	(155)	24	179
FUND BALANCE - BEGINNING OF YEAR	<u>159</u>	<u>159</u>	<u>159</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 183</u>	<u>\$ 179</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 273,072	\$ 273,072	\$ 285,845	\$ 12,773
Investment income	300	300	546	246
TOTAL REVENUES	<u>273,372</u>	<u>273,372</u>	<u>286,391</u>	<u>13,019</u>
EXPENDITURES:				
Current:				
Public works	<u>285,516</u>	<u>285,516</u>	<u>254,883</u>	<u>30,633</u>
TOTAL EXPENDITURES	<u>285,516</u>	<u>285,516</u>	<u>254,883</u>	<u>30,633</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,144)	(12,144)	31,508	43,652
FUND BALANCE - BEGINNING OF YEAR	<u>58,760</u>	<u>58,760</u>	<u>58,760</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 46,616</u>	<u>\$ 46,616</u>	<u>\$ 90,268</u>	<u>\$ 43,652</u>

CITY OF GOLETA

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

TIGER GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	\$ 236,000	\$ 78,962	\$ (157,038)
TOTAL REVENUES	-	236,000	78,962	(157,038)
EXPENDITURES:				
Capital outlay	-	236,000	74,207	161,793
TOTAL EXPENDITURES	-	236,000	74,207	161,793
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	4,755	4,755
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ -	\$ 4,755	\$ 4,755

CITY OF GOLETA

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

PEG SPECIAL REVENUE FUND

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	\$ 31,000	\$ 35,821	\$ 4,821
Investment income	-	-	23	23
TOTAL REVENUES	-	31,000	35,844	4,844
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ 31,000	\$ 35,844	\$ 4,844

CITY OF GOLETA

BUDGETARY COMPARISON SCHEDULE

FEDERAL TRANSPORTATION PROGRAM SPECIAL REVENUE FUND

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 864,534	\$ 6,739,746	\$ 831,251	\$ (5,908,495)
TOTAL REVENUES	864,534	6,739,746	831,251	(5,908,495)
EXPENDITURES				
Capital outlay	864,534	6,739,746	298,011	6,441,735
TOTAL EXPENDITURES	864,534	6,739,746	298,011	6,441,735
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	533,240	533,240
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(706,482)	(706,482)	(706,482)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (706,482)	\$ (706,482)	\$ (173,242)	\$ 533,240

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. Since 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, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
ASSETS:				
Cash and investments	\$ 1,145,245	\$ 1,161,738	\$ 1,341,475	\$ 965,508
LIABILITIES:				
Accounts payable	\$ 140,320	\$ 966,083	\$ 949,342	\$ 157,061
Deposits payable	1,004,925	1,264,364	1,460,742	808,547
TOTAL LIABILITIES	\$ 1,145,245	\$ 2,230,447	\$ 2,410,084	\$ 965,608

DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2017

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 says 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.	126 - 133
<u>Revenue Capacity</u> - these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	134 - 141
<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.	142 - 145
<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.	146 - 147
<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.	148 - 151

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 basis of accounting)

	Fiscal Year Ended June 30,			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities:				
Net investment in capital assets	\$ 168,561,463	\$ 168,713,837	\$ 165,751,283	\$ 164,443,711
Restricted	15,401,523	14,202,532	15,707,269	13,773,387
Unrestricted	<u>8,785,763</u>	<u>8,056,471</u>	<u>5,998,325</u>	<u>7,302,694</u>
Total governmental activities net position	<u>\$ 192,748,749</u>	<u>\$ 190,972,840</u>	<u>\$ 187,456,877</u>	<u>\$ 185,519,792</u>

Fiscal Year Ended June 30,

2012	2013	2014	2015	2016	2017
\$ 172,075,288	\$ 163,927,809	\$ 172,564,805	\$ 183,863,622	\$ 181,519,215	\$ 180,871,756
13,409,549	13,017,605	18,154,319	17,955,771	28,429,446	36,891,364
16,715,914	14,419,566	10,963,974	11,095,734	15,465,702	19,440,126
<u>\$ 202,200,751</u>	<u>\$ 191,364,980</u>	<u>\$ 201,683,098</u>	<u>\$ 212,915,127</u>	<u>\$ 225,414,363</u>	<u>\$ 237,203,246</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,			
	2008	2009	2010	2011
Expenses:				
General government	\$ 3,902,025	\$ 3,626,933	\$ 4,504,965	\$ 3,364,448
Public safety	5,853,577	6,220,064	6,443,432	6,534,163
Public works	11,235,589	11,628,940	11,131,852	9,632,224
Community development	1,670,489	4,524,328	3,006,793	2,157,181
Community services	2,569,696	2,812,884	2,662,570	2,412,473
Interest and other charges	75,612	63,902	38,756	473,629
Total expenses	<u>25,306,988</u>	<u>28,877,051</u>	<u>27,788,368</u>	<u>24,574,118</u>
Program revenues:				
Charges for services:				
General government	8,590	8,569	7,491	6,525
Public safety	217,652	255,448	264,526	228,485
Public works	686,705	747,329	633,760	680,933
Community development	931,359	1,171,393	915,013	1,267,026
Community services	16,410	16,747	14,763	15,503
Operating grants and contributions:				
Public safety	-	173,527	188,168	171,280
Public works	3,056,038	2,508,017	3,087,242	2,225,067
Community development	51,175	19,360	90,527	7,531
Community services	-	-	-	-
Capital grants and contributions:				
Public safety	179,856	77,340	3,919	14,607
Public works	2,122,198	1,884,115	2,521,375	1,001,539
Community development	8,407	248,172	97,874	20,656
Community services	37,690	64,591	3,505	7,166
Total program revenues	<u>7,316,080</u>	<u>7,174,608</u>	<u>7,828,163</u>	<u>5,646,318</u>
Net revenues (expenses)	<u>(17,990,908)</u>	<u>(21,702,443)</u>	<u>(19,960,205)</u>	<u>(18,927,800)</u>
General revenues and other changes in net position:				
Taxes:				
Sales taxes	4,160,113	3,353,658	3,310,542	3,905,548
Property taxes, levied for general purpose	4,609,491	4,713,635	4,781,106	4,790,367
Redevelopment Agency tax increment, restricted	2,754,708	3,234,533	3,903,872	3,644,069
Motor vehicle in lieu taxes, unrestricted	1,106,524	878,401	118,547	150,977
Transient occupancy tax	2,783,144	2,462,457	2,143,120	2,417,169
Franchise taxes	938,208	1,079,337	1,002,546	1,031,099
Other taxes	418,052	426,035	585,546	393,853
Investment income	719,157	375,504	163,884	231,090
Other	621,283	506,742	435,079	426,543
Special item - forgiveness of debt	1,500,000	-	-	-
Total general revenues	<u>19,610,680</u>	<u>17,030,302</u>	<u>16,444,242</u>	<u>16,990,715</u>
Extraordinary item:				
Gain on dissolution of Redevelopment Agency	-	-	-	-
Changes in net position	<u>\$ 1,619,772</u>	<u>\$ (4,672,141)</u>	<u>\$ (3,515,963)</u>	<u>\$ (1,937,085)</u>

Fiscal Year Ended June 30,

	2012	2013	2014	2015	2016	2017
\$	4,442,304	\$ 5,216,451	\$ 5,071,322	\$ 5,563,514	\$ 5,910,221	\$ 6,755,208
	6,786,540	7,193,436	7,386,485	7,598,735	7,611,834	7,741,361
	7,311,563	14,292,509	10,704,905	8,784,684	9,350,254	10,965,391
	795,924	33,365	34,194	297,547	44,509	49,858
	2,982,588	3,443,203	4,385,593	4,270,831	4,363,053	6,359,917
	510,656	260	-	-	-	-
	<u>22,829,575</u>	<u>30,179,224</u>	<u>27,582,499</u>	<u>26,515,311</u>	<u>27,279,871</u>	<u>31,871,735</u>
	29,939	43,159	43,744	48,740	32,874	18,929
	169,945	171,132	176,260	197,928	156,125	129,051
	641,538	616,780	1,194,632	1,241,016	1,258,930	1,338,942
	1,654,126	1,581,191	2,040,086	1,664,052	2,156,101	2,234,166
	14,415	13,554	15,567	17,665	17,799	18,419
	129,919	161,294	142,605	106,258	114,671	424,256
	2,398,730	2,114,326	2,564,451	2,342,000	2,117,379	3,289,699
	-	-	-	-	-	-
	-	-	-	-	-	-
	57,906	44,201	53,324	34,781	243,648	71,579
	7,518,761	7,474,170	10,688,258	11,996,936	10,947,335	13,029,843
	825,552	1,103,734	21,975	374,039	373,338	21,517
	25,471	21,964	44,096	25,744	156,033	59,491
	<u>13,466,302</u>	<u>13,345,505</u>	<u>16,984,998</u>	<u>18,049,159</u>	<u>17,574,233</u>	<u>20,635,892</u>
	<u>(9,363,273)</u>	<u>(16,833,719)</u>	<u>(10,597,501)</u>	<u>(8,466,152)</u>	<u>(9,705,638)</u>	<u>(11,235,843)</u>
	3,845,273	5,776,818	6,812,304	6,329,870	6,216,442	6,491,121
	5,017,404	5,026,723	5,163,756	5,266,101	5,719,552	6,051,805
	2,152,407	-	-	-	-	-
	-	-	-	-	-	-
	2,685,546	5,604,278	6,976,954	7,807,830	8,175,456	8,615,207
	1,187,154	1,152,381	1,223,935	1,272,418	1,241,017	1,202,162
	456,783	557,042	247,795	274,256	292,277	246,876
	207,471	132,736	112,050	90,723	126,310	148,899
	765,646	872,273	378,825	341,687	433,820	781,108
	-	-	-	-	-	-
	<u>16,317,684</u>	<u>19,122,251</u>	<u>20,915,619</u>	<u>21,382,885</u>	<u>22,204,874</u>	<u>23,537,178</u>
	9,726,548	-	-	-	-	-
\$	<u>16,680,959</u>	<u>\$ 2,288,532</u>	<u>\$ 10,318,118</u>	<u>\$ 12,916,733</u>	<u>\$ 12,499,236</u>	<u>\$ 12,301,335</u>

CITY OF GOLETA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2008	2009	2010	2011
General fund:				
Reserved	\$ 997,972	\$ 143,065	\$ 189,127	\$ -
Unreserved	9,087,093	8,813,424	7,807,167	-
Total general fund	<u>\$ 10,085,065</u>	<u>\$ 8,956,489</u>	<u>\$ 7,996,294</u>	<u>\$ -</u>
All other governmental funds:				
Reserved	\$ 6,200,802	\$ 1,874,263	\$ 2,522,135	\$ -
Unreserved, reported in:				
Special revenue funds	7,622,276	8,606,741	8,392,385	-
Capital projects funds	810,000	3,398,377	3,480,094	-
Total all other governmental funds	<u>\$ 14,633,078</u>	<u>\$ 13,879,381</u>	<u>\$ 14,394,614</u>	<u>\$ -</u>
General fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ 319,801
Committed	-	-	-	-
Assigned	-	-	-	23,545,619
Unassigned	-	-	-	504,384
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,369,804</u>
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ 72,988
Restricted	-	-	-	13,328,391
Assigned	-	-	-	-
Unassigned	-	-	-	(424,952)
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,976,427</u>

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

Fiscal Year Ended June 30,

2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 128,085	\$ 536,424	\$ 460,192	\$ 410,865	\$ 82,990	\$ 135,766
-	12,690,889	12,862,911	12,746,021	15,417,875	14,007,924
14,914,858	516,358	-	417,369	977,903	6,356,024
2,914,290	1,766,805	553,862	415,531	1,838,612	938,971
<u>\$ 17,957,233</u>	<u>\$ 15,510,476</u>	<u>\$ 13,876,965</u>	<u>\$ 13,989,786</u>	<u>\$ 18,317,380</u>	<u>\$ 21,438,685</u>
\$ 50,000	\$ 185	\$ 167	\$ 182	\$ 100,074	\$ 112,700
13,089,510	12,354,267	15,788,665	17,955,589	28,329,372	36,792,174
-	-	-	-	-	-
(527,586)	(645,505)	(2,359,311)	(330,121)	(729,923)	(1,084,155)
<u>\$ 12,611,924</u>	<u>\$ 11,708,947</u>	<u>\$ 13,429,521</u>	<u>\$ 17,625,650</u>	<u>\$ 27,699,523</u>	<u>\$ 35,820,719</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,			
	2008	2009	2010	2011
Revenues:				
Taxes	\$ 17,341,789	\$ 16,756,152	\$ 16,951,278	\$ 17,460,722
Intergovernmental	4,417,441	2,919,468	3,590,007	18,421,878
Charges for services	1,543,839	1,746,412	1,630,733	1,818,583
Licenses and permits	217,653	255,448	264,525	228,486
Fines and forfeitures	217,653	255,448	264,525	228,486
Investment income	1,071,351	570,708	282,408	330,722
Developer fees	532,347	1,314,011	489,825	166,928
Other	621,302	642,639	435,080	454,838
Total revenues	<u>25,963,375</u>	<u>24,460,286</u>	<u>23,908,381</u>	<u>39,110,643</u>
Expenditures				
Current:				
General government	3,768,660	3,500,545	3,706,924	3,761,490
Public safety	5,846,854	6,185,519	6,408,887	6,499,618
Public works	6,291,291	5,696,189	5,704,610	4,546,534
Community development	1,119,545	3,868,251	1,330,563	17,132,204
Community services	2,726,268	2,791,020	2,574,680	2,410,641
Pass-through to other agencies	550,944	656,077	1,693,526	1,023,921
Capital outlay	1,451,785	3,718,518	2,567,257	3,832,456
Debt service:				
Principal	425,653	69,390	63,615	68,782
Interest	80,261	67,133	38,756	93,853
Bond issuance cost	-	-	-	388,720
Total expenditures	<u>22,261,261</u>	<u>26,552,642</u>	<u>24,088,818</u>	<u>39,758,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,702,114</u>	<u>(2,092,356)</u>	<u>(180,437)</u>	<u>(647,576)</u>
Other financing sources (uses):				
Tax allocation bonds issued	-	-	-	16,085,000
Discount on bonds issued	-	-	-	(253,615)
Transfers in	3,038,958	5,450,007	2,165,683	16,593,176
Transfers out	<u>(3,038,958)</u>	<u>(5,450,007)</u>	<u>(2,165,683)</u>	<u>(16,593,176)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,831,385</u>
Net change in fund balances, before extraordinary item	3,702,114	(2,092,356)	(180,437)	15,183,809
Extraordinary loss on dissolution of Redevelopment Agency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 3,702,114</u>	<u>\$ (2,092,356)</u>	<u>\$ (180,437)</u>	<u>\$ 15,183,809</u>
Debt service as a percentage of noncapital expenditures	2.43%	0.60%	0.48%	0.45%

Fiscal Year Ended June 30,

2012	2013	2014	2015	2016	2017
\$ 16,733,812	\$ 19,542,847	\$ 22,339,191	\$ 22,925,753	\$ 23,649,455	\$ 24,631,621
3,544,582	5,624,425	6,400,343	11,740,038	1,923,771	2,358,692
2,140,438	2,095,880	2,697,388	2,353,873	2,864,921	2,963,297
169,943	171,132	176,260	4,756	2,436	16,713
169,943	171,132	176,260	197,928	156,125	129,051
345,014	301,651	288,061	279,670	346,146	414,124
6,149,623	3,466,434	3,918,215	3,904,960	10,426,271	11,877,652
815,871	872,273	378,825	342,685	433,922	781,110
<u>30,069,226</u>	<u>32,245,774</u>	<u>36,374,543</u>	<u>41,749,663</u>	<u>39,803,047</u>	<u>43,172,260</u>
4,507,674	4,875,271	4,945,251	5,044,002	5,921,564	6,703,041
6,751,995	7,187,085	7,464,395	7,571,316	7,564,633	7,713,313
4,774,930	6,080,632	5,129,309	4,817,198	4,433,051	5,778,897
789,001	33,365	34,194	279,741	26,703	32,271
2,980,756	3,441,371	4,385,593	4,388,910	4,558,781	6,482,998
-	-	-	-	-	-
10,179,990	13,723,359	14,130,471	15,339,546	2,896,848	4,706,787
495,572	83,033	22,007	-	-	-
883,982	260	-	-	-	-
-	-	-	-	-	-
<u>31,363,900</u>	<u>35,424,376</u>	<u>36,111,220</u>	<u>37,440,713</u>	<u>25,401,580</u>	<u>31,417,307</u>
(1,294,674)	(3,178,602)	263,323	4,308,950	14,401,467	11,754,953
-	-	-	-	-	-
-	-	-	-	-	-
247,695	37,052	14,153,059	2,429,567	1,323,699	67,038
<u>(247,695)</u>	<u>(37,052)</u>	<u>(14,153,059)</u>	<u>(2,429,567)</u>	<u>(1,323,699)</u>	<u>(67,038)</u>
-	-	-	-	-	-
(1,294,674)	(3,178,602)	263,323	4,308,950	14,401,467	11,754,953
(5,312,457)	-	-	-	-	-
<u>\$ (6,607,131)</u>	<u>\$ (3,178,602)</u>	<u>\$ 263,323</u>	<u>\$ 4,308,950</u>	<u>\$ 14,401,467</u>	<u>\$ 11,754,953</u>
6.51%	0.38%	0.10%	0.00%	0.00%	0.00%

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
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
2015	5,635,342,590	215,724,563	5,419,618,027
2016	6,089,379,285	218,841,848	5,870,537,437
2017	6,399,862,393	241,333,422	6,158,528,971

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.

(A) Effective February 1, 2012, the Redevelopment Agency was dissolved. See Notes 16 and 17.

Redevelopment Agency			
Secured and Unsecured	Less: Exemptions	Taxable Assessed Value (A)	Total Direct Tax Rate (A)
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%
1,221,226,250	153,699,413	1,067,526,837	1.04228%
1,232,513,103	152,751,877	1,079,761,226	1.04159%
1,278,194,953	161,350,968	1,116,843,985	1.03768%
1,331,787,175	167,186,201	1,164,600,974	1.03373%

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,			
	2008	2009	2010	2011
City Direct Rates:				
City of Goleta Basic Levy (1)	1.00000	1.00000	1.00000	1.00000
Overlapping Rates (2):				
Goleta Unified School District	0.01627	0.01627	0.01627	0.01627
Santa Barbara City College	-	0.00850	0.00850	0.00850
Santa Barbara High School District	0.01248	0.01248	0.01248	0.01248
Rates	<u>1.02875</u>	<u>1.03725</u>	<u>1.03725</u>	<u>1.03725</u>
City's Share of 1% Levy Per Prop 13 (3)	<u>0.04903</u>	<u>0.04903</u>	<u>0.04903</u>	<u>0.04903</u>
Redevelopment Rate (4)	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>
Total Direct Rate (5)	<u>0.10817</u>	<u>0.10817</u>	<u>0.11701</u>	<u>0.11993</u>

Notes:

- (1) In 1978, California voters passed Proposition 13 which set 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 for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- (3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio
- (4) Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment for the State of California for the fiscal year 2012-13 and years thereafter.
- (5) Total Direct Rate is the weighted average of all individual direct rate applied to by the government preparing the statistical section information and excludes revenue derived from aircraft. Beginning in fiscal year 2013-14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during fiscal year 2012-13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Sources: Santa Barbara Auditor-Controller
City of Goleta, Finance Department

Fiscal Year Ended June 30,

2012	2013	2014	2015	2016	2017
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.01627	0.01627	0.01383	0.01314	0.01248	0.01061
0.00850	0.00850	0.00850	0.00850	0.00850	0.00731
0.01366	0.01391	0.01995	0.01995	0.01670	0.01581
<u>1.03843</u>	<u>1.03868</u>	<u>1.04228</u>	<u>1.04159</u>	<u>1.03768</u>	<u>1.03373</u>
<u>0.04903</u>	<u>0.04903</u>	<u>0.04903</u>	<u>0.04903</u>	<u>0.04903</u>	<u>0.04903</u>
<u>1.00000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>0.12106</u>	<u>0.12288</u>	<u>0.05104</u>	<u>0.05103</u>	<u>0.05094</u>	<u>0.05095</u>

CITY OF GOLETA

PRINCIPAL PROPERTY TAX PAYERS

Current Fiscal Year and Nine Fiscal Years Ago

Taxpayer	Primary Use	2017	
		Taxable Assessed Value	Percent of Total City Taxable Assessed Value
BRS Investment Properties, LLC	Residential	\$ 203,097,227	2.77%
SP Maravilla, LLC	Institutional	\$ 115,129,488	1.57%
Camino Real II LLC	Commercial	\$ 92,786,068	1.27%
Karl Storz Goleta Property LLC	Industrial	\$ 91,259,758	1.25%
Deckers Cabrillo, LLC	Commercial	\$ 83,017,449	1.13%
Goleta Hollister Apartments LLC	Residential	\$ 79,312,127	1.08%
Raytheon Company	Unsecured	\$ 76,507,396	1.04%
Willow Springs LP	Residential	\$ 68,892,279	0.94%
FLIR Commercial Vision Systems Inc.	Commercial	\$ 61,405,381	0.84%
Nassau Land Company LP	Commercial	\$ 50,388,640	0.69%
Top Ten Total		<u>\$ 921,795,813</u>	<u>12.59%</u>
Taxpayer	Primary Use	2008	
		Taxable Assessed Value	Percent of Total City Taxable Assessed Value
HT-Santa Barbara Inc	Residential	\$ 140,000,000	2.50%
Raytheon Company	Unsecured	112,988,669	2.02%
SP Maravilla, LLC	Industrial	104,291,400	1.86%
Camino Real II LLC	Commercial	79,621,607	1.42%
I V Investments LP	Commercial	53,754,000	0.96%
Goleta Investment Partners LLC	Residential	40,562,773	0.72%
Nassau Land Company LP	Commercial	39,043,605	0.70%
IRE-SB, Inc.	Commercial	38,045,675	0.68%
Pacific Oaks LP	Residential	37,826,548	0.67%
University Business Center Associates	Industrial	36,303,372	0.65%
Top Ten Total		<u>\$ 682,437,649</u>	<u>12.18%</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
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%
2015	2,538,700	2,538,700	100.00%	-	2,538,700	100.00%
2016	2,752,953	2,752,953	100.00%	-	2,752,953	100.00%
2017	2,904,565	2,904,565	100.00%	-	2,904,565	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>
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	-	-	-	-	0.00%	-
2015	-	-	-	-	0.00%	-
2016	-	-	-	-	0.00%	-
2017	-	-	-	-	0.00%	-

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, 2017

2015-2017 Assessed Valuations:

\$5,866,555,614

<u>Direct and Overlapping Tax and Assessment Debt</u>	Total Outstanding Debt 6/30/2017	Percentage Applicable (1)	City's Share of Overlapping Debt 6/30/2017
Goleta Union High School	\$ 66,700,000	12.299%	\$ 8,203,433
Santa Barbara High School District	15,795,000	50.847%	8,031,284
Santa Barbara Community College District	118,590,907	13.971%	16,568,336
City of Goleta	0	100.000%	0
Total Direct and Overlapping Tax and Assessment Debt			<u>\$ 32,803,053</u>
 <u>Overlapping General Fund Debt</u>			
Santa Barbara County General Fund Obligations	\$ 54,790,000	8.141%	\$ 4,460,454
Total Gross Overlapping General Fund Debt			<u>\$ 4,460,454</u>
Less: Santa Barbara County supported obligations			<u>319,127</u>
Total Net Overlapping General Fund Debt			<u>\$ 4,141,327</u>
 <u>Overlapping Tax Increment Debt (Successor Agency):</u>	 \$ 15,075,000	 100.000%	 \$ 15,075,000
 Total Direct Debt			 \$ -
Total Gross Overlapping Debt			\$ 52,338,507
Total Net Overlapping Debt			\$ 52,019,380
 Gross Combined Total Debt			 \$ 52,338,507 (2)
Net Combined Total Debt			\$ 52,019,380

Ratios to 2015-2016 Assessed Valuations:

Direct Debt	0.00%
Total Direct and Overlapping Tax and Assessment Debt	0.56%
Gross Combined Total Debt	0.89%
Net Combined Total Debt	0.89%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$602,212,494):

Total Overlapping Tax Increment Debt	2.72%
--------------------------------------	-------

Notes:

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: County of Santa Barbara

CITY OF GOLETA

COMPUTATION OF LEGAL DEBT MARGIN

Last Ten Fiscal Years

	Fiscal Year Ended June 30,			
	2008	2009	2010	2011
Assessed valuation	\$ 4,846,111,226	\$ 5,037,169,032	\$ 5,149,233,266	\$ 5,199,860,164
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	1,211,527,807	1,259,292,258	1,287,308,317	1,299,965,041
Debt limit percentage	15%	15%	15%	15%
Debt limit	181,729,171	188,893,839	193,096,247	194,994,756
Total net debt applicable to limitation	-	-	-	-
Legal debt margin	<u>\$ 181,729,171</u>	<u>\$ 188,893,839</u>	<u>\$ 193,096,247</u>	<u>\$ 194,994,756</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,					
2012	2013	2014	2015	2016	2017
\$ 5,333,232,339	\$ 5,321,655,710	\$ 5,476,016,337	\$ 5,635,342,590	\$ 6,089,379,285	\$ 6,399,862,393
25%	25%	25%	25%	25%	25%
1,333,308,085	1,330,413,928	1,369,004,084	1,408,835,648	1,522,344,821	1,599,965,598
15%	15%	15%	15%	15%	15%
199,996,213	199,562,089	205,350,613	211,325,347	228,351,723	239,994,840
-	-	-	-	-	-
<u>\$ 199,996,213</u>	<u>\$ 199,562,089</u>	<u>\$ 205,350,613</u>	<u>\$ 211,325,347</u>	<u>\$ 228,351,723</u>	<u>\$ 239,994,840</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	City of Goleta		
		County Population (1) (in thousands)	Personal Income (2) (in thousands)	Per Capita Income (2) (in thousands)	Unemployment Rate (3)
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%
2015	30,298	438	994,502	32.8	3.60%
2016	31,235	447	1,015,220	32.5	3.10%
2017	31,760	451	1,085,697	34.2	3.00%

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	2017		2008	
	Number of Employees	Employment % to Total Population (1)	Number of Employees	Employment % to Total Population (1)
University of California, Santa Barbara	6268	20.07%	2008 Data not available	
Raytheon	1150	3.68%	2008 Data not available	
Sansum Clinic	1020	3.27%		
The Ritz Bacara	600	1.92%		
Log Me In	600	1.92%		
Tecolote Research	570	1.82%		
Goleta Unified School District	565	1.81%		
Jordano's	561	1.80%		
Yardi Systems	535	1.71%		
Deckers Outdoors	476	1.52%		
FLIR Commercial Vision Systems	450	1.44%		
AppFolio	400	1.28%		
Karl Storz Imaging	350	1.12%		
Goleta Valley Cottage Hospital	348	1.11%		
Curvature, LLC	315	1.01%		
Marborg Industries	307	0.98%		
Medtronic	250	0.80%		
Costco	233	0.75%		
Mentor Corporation	218	0.70%		
Santa Barbara Focalplane (Lockheed Martin)	219	0.70%		
Devereux	200	0.64%		
Inogen Inc.	180	0.58%		
Sientra	170	0.54%		
The Home Depot	161	0.52%		
URS Corporation	115	0.37%		
Channel Tech Group	110	0.35%		
Impulse Advanced Communications	106	0.34%		
Seymore Duncan	102	0.33%		
Biopac	100	0.32%		

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

Source: City of Goleta, Finance Department

CITY OF GOLETA

FULL-TIME AND PART-TIME CITY EMPLOYEES
BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year Ended June 30, 2017									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	4.75	7.00	8.00	7.40	8.40	8.40	8.40	14.55	16.30	16.30
Administrative Services*	4.00	4.00	4.00	4.80	4.80	4.80	4.80	-	-	-
Finance Department	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.45	6.00	6.00
Planning and Environmental Services	13.50	14.00	12.00	11.50	11.50	11.50	11.50	13.80	14.80	15.80
Neighborhood Services and Public Safety	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	4.00	5.00
Public Works	<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>	<u>17.90</u>	<u>22.90</u>	<u>22.90</u>
Total	<u>45.25</u>	<u>48.00</u>	<u>46.00</u>	<u>46.70</u>	<u>47.70</u>	<u>48.70</u>	<u>48.70</u>	<u>55.70</u>	<u>64.00</u>	<u>66.00</u>

* - Beginning in fiscal year 2014-2015; the Administrative Services has been combined with General Government

CITY OF GOLETA
OPERATING INDICATORS
BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police (1):										
Calls for Service	16,117	15,159	21,212	21,002	19,277	19,531	20,077	23,150	25,025	23,894
Citations	1,421	2,344	2,842	2,493	982	1,121	1,586	1,444	1,033	871
Reports Taken	3,186	3,176	3,230	2,875	3,052	2,857	3,079	3,293	3,238	3,329
Fire (2):										
Calls for Service	2,314	2,786	2,847	3,022	2,536	1,942	3,065	3,751	3,856	3,962
Public works (3):										
Street resurfacing (miles)	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 Public Works Department

CITY OF GOLETA

CAPITAL ASSET STATISTICS
BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,			
	2008	2009	2010	2011
Public Safety:				
Police Stations (1)	-	-	-	-
Fire Stations (2)	3	3	3	3
Community Development and Community Services:				
Parks and Open Space - Acreage	438	440	440	457
Community Center	1	1	1	1
Library	1	1	1	1
Historic Stowe House	1	1	1	1
Amtrak Restrooms	1	1	1	1
Elementary Schools (K - 6)	5	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	-	-	-	-
Public Works:				
Area of City (Square Miles)	7.9	7.9	7.9	8.0
Miles of Streets	172.3	172.3	172.3	174.0
Number of Streetlights (3)	85	85	85	89
Number of Vehicles (City-wide)	15	15	14	14
Corporation Yard	-	-	-	1

- (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 sixty seven (1,567) 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,

2012	2013	2014	2015	2016	2017
-	-	-	-	-	-
3	3	3	3	3	3
477	477	477	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
4	4	4	4	4	4
-	-	-	-	-	-
8.0	8.0	8.0	8.0	8.0	8.0
174.0	174.0	174.0	174.0	174.0	174.0
89	98	103	103	103	103
14	14	14	20	18	21
1	1	1	1	1	1

CITY OF GOLETA

REVENUE AND RATES OF TRANSIENT OCCUPANCY TAX

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Transient Occupancy Taxes for the Fiscal Year	Transient Occupancy Tax Rate
2008	2,783,144	10%
2009	2,462,457	10%
2010	2,143,120	10%
2011	2,417,169	10%
2012 (1)	2,685,546	10%
2013 (2)	5,604,278	12%
2014	6,976,954	12%
2015	7,807,830	12%
2016	8,175,456	12%
2017	8,615,207	12%

Notes:

- (1) As of July 1, 2012, the City of Goleta was no longer required to share Transient Occupancy Tax with the County of Santa Barbara under the Revenue Neutrality Agreement.
- (2) From July 2012 through December 2012, the tax rate was 10% and then increased to 13% on January 1, 2013

CITY OF GOLETA

PRINCIPAL TRANSIENT OCCUPANY TAX PAYERS

Current Fiscal Year and Nine Fiscal Years Ago

2017

Bacara Resort & Spa

The Goodland

Hampton Inn

Marriott Courtyard

Motel 6

Pacifica Suites

South Coast Inn

Super 8 Motel

2008

Bacara Resort & Spa

Holiday Inn

Motel 6

Pacifica Suites

South Coast Inn

Super 8 Motel

Note:

Top transient occupany tax payers are listed in alphabetical order.

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