

CITY OF GOLETA
Goleta, California

Comprehensive Annual Financial Report

Year ended June 30, 2008

Prepared by

FINANCE DEPARTMENT

Alvertina Rivera

Finance Director

CITY OF GOLETA
Comprehensive Annual Financial Report
Year ended June 30, 2008

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INTRODUCTORY SECTION:</u>	
Letter of Transmittal	i
Organizational Chart	vii
List of Principal Officials	viii
Certificate of Achievement for Excellence in Financial Reporting (GFOA)	ix
<u>FINANCIAL SECTION:</u>	
Independent Auditor's Report	1
Management's Discussion and Analysis (Required Supplementary Information)	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	15
Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Assets	17
Statement of Revenues, Expenditures, and Changes in Fund Balances	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20

CITY OF GOLETA
Comprehensive Annual Financial Report
Year ended June 30, 2008

TABLE OF CONTENTS

	<u>PAGE</u>
<u>FINANCIAL SECTION, (Continued):</u>	
Agency Fund:	
Statement of Fiduciary Assets and Liabilities	21
Notes to the Basic Financial Statements	22
Required Supplementary Information:	
Budgetary Comparison Schedules:	
General Fund	50
Environmental Programs Special Revenue Fund	51
Library Services Special Revenue Fund	52
Notes to Required Supplementary Information	53
Supplementary Schedules:	
Major Governmental Funds:	
Budgetary Comparison Schedules:	
RDA Housing Fund Capital Projects Fund	54
RDA Debt Service Fund	55
Nonmajor Governmental Funds:	
Combining Balance Sheet	56
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	63

CITY OF GOLETA
Comprehensive Annual Financial Report
Year ended June 30, 2008

TABLE OF CONTENTS

	<u>PAGE</u>
Budgetary Comparison Schedules:	
Non-Major Special Revenue Funds:	
Gas Tax Fund	70
Transportation Fund	71
Measure D Fund	72
Solid Waste Program Fund	73
GTIP Fund	74
Park Development Fees Fund	75
Public Administration Facilities DIF Fund	76
Library Facilities DIF Fund	77
Sheriff Facilities DIF Fund	78
Housing In-Lieu Fund	79
State Park Grant Fund	80
Public Safety Fund	81
Solid Waste Recycling Fund	82
RSTP Fund	83
Local STIP Fund	84
Environmental Justice Fund	85
STIP Fund	86

CITY OF GOLETA
Comprehensive Annual Financial Report
Year ended June 30, 2008

TABLE OF CONTENTS, (CONTINUED)

	<u>PAGE</u>
Federal Transportation Program Fund	87
Community Development Block Grant Fund	88
TCSP Fund	89
EPA Brownfield Grant Fund	90
OTS Public Safety Fund	91
STE Grant Fund	92
FEMA Grant Fund	93
Street Lighting Fund	94
Comstock Plover Endowment Fund	95
Nonmajor Capital Projects Funds:	
RDA Project Fund	96
RDA Bond Proceeds Fund	97
Agency Fund:	
Schedule of Changes in Fiduciary Assets and Liabilities	98
<u>STATISTICAL SECTION</u>	
Introduction to statistical section	99
Net Assets by Component - Last Six Fiscal Years	100
Changes in Net Assets - Last Six Fiscal Years	102
Fund Balances of Governmental Funds - Last Six Fiscal Years	104

CITY OF GOLETA
Comprehensive Annual Financial Report
Year ended June 30, 2008

TABLE OF CONTENTS, (CONTINUED)

	<u>PAGE</u>
Changes in Fund Balances Governmental Funds - Last Six Fiscal Years	106
Assessed Value and Estimated Actual Value of Taxable Property - Last Six Fiscal Years	108
Property Tax Rates Direct and Overlapping Governments - Last Six Fiscal Years	110
Principal Property Tax Payers - Current Year	112
Property Tax Levies and Collections - Last Six Fiscal Years	113
Ratios of Outstanding Debt by Type	114
Direct and Overlapping Governmental Activities Debt	115
Computation of Legal Debt Margin - Last Six Fiscal Years	116
Demographic and Economic Statistics - Last Six Fiscal Years	118
Principal Employers - Current Fiscal Year	119
Full-time and Part-time City Employees by Function - Last Five Fiscal Years	120
Operating Indicators by Function - Last Six Fiscal Years	122
Capital Asset Statistics by Function - Last Six Fiscal Years	124



December 01, 2008

To the Citizens of the City of Goleta:

CITY COUNCIL
Michael T. Bennett
Mayor

Roger S. Aceves
Mayor Pro Tempore

Jean W. Blois
Councilmember

Eric Onnen
Councilmember

Jonny Wallis
Councilmember

CITY MANAGER
Daniel Singer

It is with great pleasure that we present to you the City of Goleta Comprehensive Annual Financial Report (CAFR). This report complies with the financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement 34. The financial reporting model is intended to improve financial reporting by adding significant additional information not previously available in local government financial statements.

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

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

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

These statements combined with other information are further analyzed in a narrative section entitled Management's Discussion and Analysis (MD&A). The MD&A provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City.

GOVERNMENT PROFILE

The City of Goleta incorporated on February 1, 2002 as a General Law City under the laws of the State of California. The City of Goleta encompasses approximately 8 square miles in southern Santa Barbara County and has a population of approximately 30,169. The City is adjacent to the City of Santa Barbara and is approximately 90 miles from Los Angeles.

The City operates under the Council-Manager form of government. The City Council is comprised of five members elected at large for staggered four year terms of office. The Mayor and Mayor Pro Tem are selected by the Council from among its members to serve one-year terms. The City Council serves as the legislative and policy-making body of the City, enacting all laws and directing such actions as are required to provide for the general welfare of the community. The City provides municipal services through contracts for street, park, and landscape maintenance, and legal services. 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 437 acres of parks and open space. The City owns the Goleta Public Library and contracts with the City of Santa Barbara for library services.

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

ECONOMIC CONDITION AND OUTLOOK

The City of Goleta is comprised of single-family homes, condominiums and apartments with a mixture of retail, light industrial, manufacturing, and service entities providing a diverse tax base for the City. Property Tax, Sales Tax, Transient Occupancy Tax and Motor Vehicle-in-Lieu Fees comprise approximately 82% of the City's General Fund revenues.

The City of Goleta and the immediate surrounding cities are key factors in the overall economic activity of the entire South Coast. The City and its immediate vicinity provide a significant share of the South Coast and County's basic economic activity in the form of educational services, intellectual services, tourism, and manufacturing. Three of these four sectors continue to grow. The role of durable manufacturing is decreasing both in magnitude and economic impact. However, it does remain an important part of the economy, the largest sector in the City, the second largest in the area. In contrast, the decline in manufacturing employment has been compensated for by an increase in service employment and trade. Additionally, the large scale regional retail outlets have increased the City's presence as a retail trade center.

These shifts in the economy are changing to some degree the economic character of the City and its role. The growth in service employment appears to be driven by two very different influences: growth in intellectual services and tourism. The City's proximity to the University of California, Santa Barbara (UCSB) continues to stimulate intellectual services activity. The overall appeal of the area and the presence of the airport in particular continue to stimulate tourism in the area.

The City's General Fund revenues exceeded operating expenditures by \$720,980. The Revenue Neutrality Agreement between the City of Goleta and the County of Santa Barbara specifies that property tax generated by the property located within the City be divided equally

between the City and County in perpetuity. As a result the City received approximately \$1.5 million in property tax at time of incorporation. Said funds were forgiven by the County on June 30, 2008. Additional provisions of the Revenue Neutrality Agreement are as follows:

- 30% of the retail sales tax allocable to the City shall be allocated to the County in perpetuity.
- An additional 20% of the retail sales tax allocable to the City shall be allocated to the County for a period of ten years.
- 40% of the transient occupancy tax generated by TOT taxpayers, which currently exist in the City, shall be allocated to the County for a period of ten years.

The California economy continues to demonstrate signs of a recession that is affecting not only this state and nation, but seems to have extended world-wide. All generally accepted economic indicators appear to indicate economic conditions will worsen before any noticeable improvement is seen. Fortunately, while Goleta is not completely immune from the effects of the economy, it is a unique position that is affected to a lesser extent by the current economic conditions.

MAJOR INITIATIVES

Management:

Forty-five and a quarter positions were authorized in FY 2007-08. The extensive recruitment process to date has yielded a highly motivated and committed City workforce with very low turnover rate.

General Plan:

Continued progress on the General Plan and its implementation will serve as a blueprint for investment and reinvestment in the community and be the basis of future City budgets. The General Plan, now two-years-old, will be shortly followed by a new City Zoning Code, Transferable Development Rights Ordinance and Design Guidelines that are all aimed at rounding out the community's economic development and cultural opportunities, and protection of natural resources. Approximately 4,000 new housing units and 1.7 million square feet of commercial and industrial development space are programmed to occur by 2025 under these plans.

Street Maintenance:

Another prominent FY 2007-08 accomplishment is the completion of the fifth phase of the five-year strategy to improve the City's eighty-six (86) mile street network. To date, the City of Goleta has invested over \$15 million in improvements to its streets and sidewalks as part of the Street Improvement and Reinvestment Program. Another \$4.1 million is budgeted in FY 2008-09.

Strategic Plan:

The City Council initiated a comprehensive Strategic Planning process which identified organizational goals and objectives, setting forth thirteen City goals and more than 150 objectives. The Strategic Plan was officially adopted by the Council on July 16, 2007, then revised on November 18, 2008 and has been utilized within the organization to establish priorities for the initiation, budgeting and completion of various programs and projects.

Internal Controls:

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

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

Budgetary Controls:

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

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

Annual Audit:

Rogers, Anderson, Malody and Scott, 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, 2008 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, 2008 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 unqualified opinion and the City's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles. The independent auditor's report is presented as the first component of the financial section of this report.

Cash Management Policies and Practices:

Cash resources of the individual funds are combined to form a pool of cash and investments. Cash temporarily idle during the year was invested in the Local Agency Investment Fund, consistent with the City's Investment Policy.

The City's Investment Policy is designed to ensure the productive use of assets entrusted to its care and to invest and manage those funds wisely and prudently. Criteria for selecting investments and the order of priority are: (1) safety, (2) liquidity, and (3) yield. The basic premise underlying the City's investment policy is to ensure that money is safe, always available, and earning the highest and best returns. Accordingly, deposits were either insured by Federal depository insurance or collateralized.

The average yield on funds invested was 4.37%. Investment income includes appreciation/depreciation in the fair value of investments. The total investment income earned for all funds for the year was \$1,071,351. As the City's reserve funds grow in future years, a higher yield in investment income is projected.

Risk Management:

The City joined the California Joint Powers Insurance Authority (the Authority) in July 2002 to provide for the transfer of risk for general liability. The Authority is a pool of cities, which has formed an insurance group. Each member city pays into the pool an annual deposit. In addition, various risk control techniques, including annual safety audits and employee accident prevention training, have been implemented to minimize loss. The aggregate deposit paid for all insurance coverage was \$254,412.

The limit of general liability insurance provided on June 30, 2006 was \$50 million (combined single limit occurrence). The City has all-risk property insurance as indicated on a list of scheduled property. The City also has environmental liability insurance and a fidelity blanket bond.

The City enrolled in the Authority's Worker's Compensation Insurance Program in February 2002. The coverage provides statutory benefits for all City employees and volunteers.

All claims are investigated, valued, reserved, defended and/or settled in accordance with generally accepted insurance industry practices. There are no known existing claims that would exceed the City's applicable coverage.

Pension and Other Post-Employment Benefits:

The City is a member of the California Public Employees Retirement System under the CalPERS 2% @ 55 Plan. CalPERS is a multiple-employer public employee defined benefit pension plan. Each year an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. The City's annual contribution rate is 10.097% of base wages. The City also pays the employees' portion of the retirement contribution of 7% of base wages.

ACKNOWLEDGEMENTS

The preparation of this comprehensive annual financial report could not have been accomplished without the hard work and team effort of the Finance Department. We also wish to express appreciation to the other City departments that provided assistance.

Respectfully submitted,

Reviewed by,

Approved by,

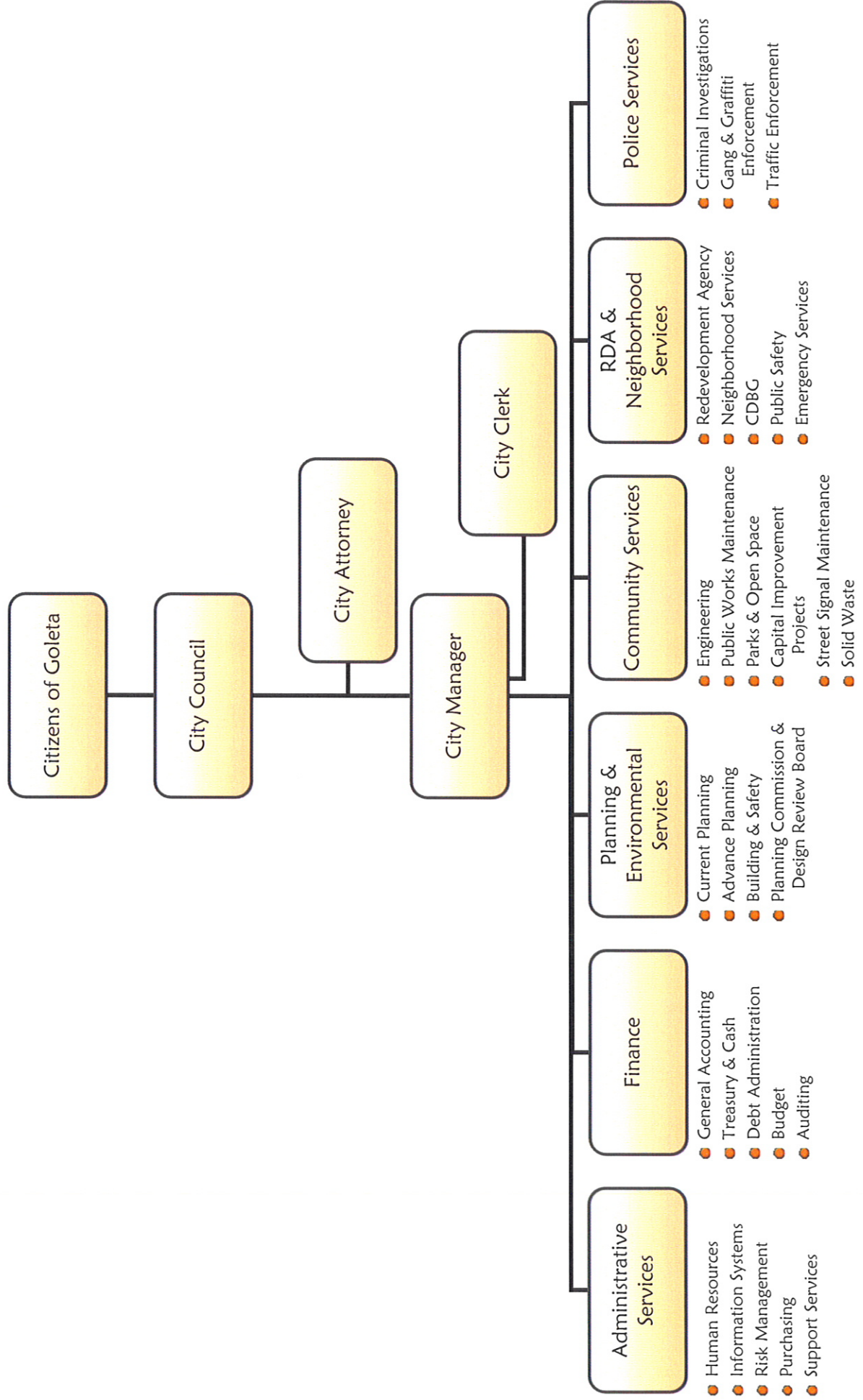
Alvertina Rivera
Finance Director

Michelle Greene
Administrative
Services Director

Daniel Singer
City Manager

ORGANIZATIONAL CHART

By Function



CITY OF GOLETA

LIST OF PRINCIPAL OFFICIALS
FOR
FISCAL YEAR ENDED JUNE 30, 2008

CITY COUNCIL

MICHAEL T. BENNETT
Mayor

ROGER S. ACEVES
Mayor Pro Tem

JEAN W. BLOIS, Council Member
ERIC ONNEN, Council Member
JONNY WALLIS, Council Member

CITY ADMINISTRATION

DANIEL SINGER
City Manager

Michelle Greene, Administrative Services Director
Julie Hayward Biggs, City Attorney
Deborah Constantino, City Clerk
Steven, D. Wagner, Community Services Director
Alvertina Rivera, Finance Director
Steve Chase, Planning & Environmental Services Director
Vyto Adomaitis, RDA, Neighborhood & Public Safety Services Director
Lt. Chris Pappas, Chief of Police
Martin Johnson, Santa Barbara County Fire Services

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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

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ROGERS, ANDERSON, MALODY & SCOTT, LLP

CERTIFIED PUBLIC ACCOUNTANTS

JAY H. ZERCHER, C.P.A.
ROBERT B. MEMORY, C.P.A.
PHILLIP H. WALLER, C.P.A.
BRENDA L. ODLE, C.P.A.
TERRY P. SHEA, C.P.A.
KIRK A. FRANKS, C.P.A.
MATTHEW B. WILSON, C.P.A.
SCOTT W. MANNO, C.P.A.
LEENA SHANBHAG, C.P.A.

NANCY O'RAFFERTY, C.P.A.
BRAD A. WELEBIR, C.P.A.
MARION M. HABERKORN, C.P.A.
TIMOTHY P. HORN, C.P.A.
KATIE L. MILLSOM, C.P.A.
JOHN J. BADIA, C.P.A.

Honorable Mayor and City Council
City of Goleta
Goleta, California

Independent Auditors' Report

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, California, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the City of Goleta. Our responsibility is to express opinions on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the 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, California, as of June 30, 2008, and the respective changes in financial position of the City of Goleta, California for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The information identified in the accompanying table of contents as *management's discussion and analysis* and *required supplementary information* are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

MEMBERS

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CERTIFIED PUBLIC ACCOUNTANTS

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CALIFORNIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

VANIR TOWER • 290 NORTH "D" STREET • SUITE 300
SAN BERNARDINO, CA 92401
(909) 889-0871 • (909) 824-6736 • FAX (909) 889-5361
Website: www.ramscpa.net

Honorable Mayor and City Council
City of Goleta
Goleta, California
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Goleta's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budget schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining, individual nonmajor fund financial statements and budget schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2008 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, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Rogers, Anderson, Malady & Scott LLP

November 26, 2008

Management's Discussion and Analysis Fiscal Year Ended June 30, 2008

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, 2008. The City welcomes everyone to read the information in this document in conjunction with the accompanying transmittal letter found on pages i - vi, and the accompanying basic financial statements found on pages 12 - 21 of this report.

FINANCIAL HIGHLIGHTS

- At the end of the fiscal year 2008, the City's net assets totaled \$192,748,749, an increase of approximately .85 % from the prior year. Of the total net assets, \$8.8 million is unrestricted and thus may be used to meet the City's ongoing obligations.
- As of June 30, 2008, the City's taxes and other revenues exceeded expenses by \$1,619,772.
- The total revenue from all sources equaled \$26,926,760.
- The General Fund reported excess revenues over expenditures of \$720,980.
- The General Fund had an ending fund balance of \$10,085,065 of which \$5,153,000 is designated to meet the City's Contingency Reserve policy.

USING THIS ANNUAL FINANCIAL REPORT

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

Reporting the City as a Whole: The Statement of Net Assets 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 Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. The City's net assets, the difference between assets and liabilities, are one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net assets 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 Assets and the Statement of Activities present information about these Governmental activities, including General Government, Community Development, Public Safety, and Public Works. Property Tax, Sales Tax, Transient Occupancy Tax and Motor Vehicle-in-Lieu Fees finance approximately 48% 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, Environmental Programs Fund, Library Services Fund, RDA Housing Fund and RDA Debt Service Fund, as well as lesser funds reported collectively as Non-Major 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 Assets 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 developers, property owners, and others. The City's fiduciary activities are reported in separate Agency Fund Statements. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

THE CITY AS A WHOLE

Statement of Net Assets and Changes in Net Assets

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

Table 1
Statement of Net Assets
As of June 30, 2008 and 2007

	Governmental Activities	
	2008	2007
Current and other assets	\$ 26,727,951	\$ 24,283,197
Capital Assets	168,943,862	172,305,797
Total Assets	\$ 195,671,813	\$ 196,588,994
Other Liabilities	2,013,039	2,634,330
Long Term Liabilities		
Due in one year	238,951	705,315
Due in more than one year	671,074	2,120,372
Total Liabilities	2,923,064	5,460,017
Net Assets:		
Invested in Capital Assets, net of accumulated depreciation and related debt	168,561,463	171,497,745
Restricted	15,401,523	10,792,609
Unrestricted	8,785,763	8,838,623
Total Net Assets	\$ 192,748,749	\$ 191,128,977

- Current and other assets increased \$2,444,754 primarily as a result of RDA Housing and Debt Service Fund activity for the year.
- Capital assets totaled \$238,076,065 at year-end before accumulated depreciation of \$69,132,203 resulting in net assets of \$168,943,862.

Asset Type	
Land	\$ 23,977,933
Building and improvements	3,391,045
Furniture and equipment	464,611
Vehicles	329,445
Infrastructure	206,384,247
Construction in progress	3,528,784
Total fixed assets	238,076,065
Less depreciation	69,132,203
Capital Assets net of Depreciation	<u>\$ 168,943,862</u>

- Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by legal requirements are \$8,785,763. This represents a \$52,860 decrease from prior year due primarily to Non-Major Governmental Funds activity for the year.

**Fiscal year 2008 Governmental Activities
(See Table2)**

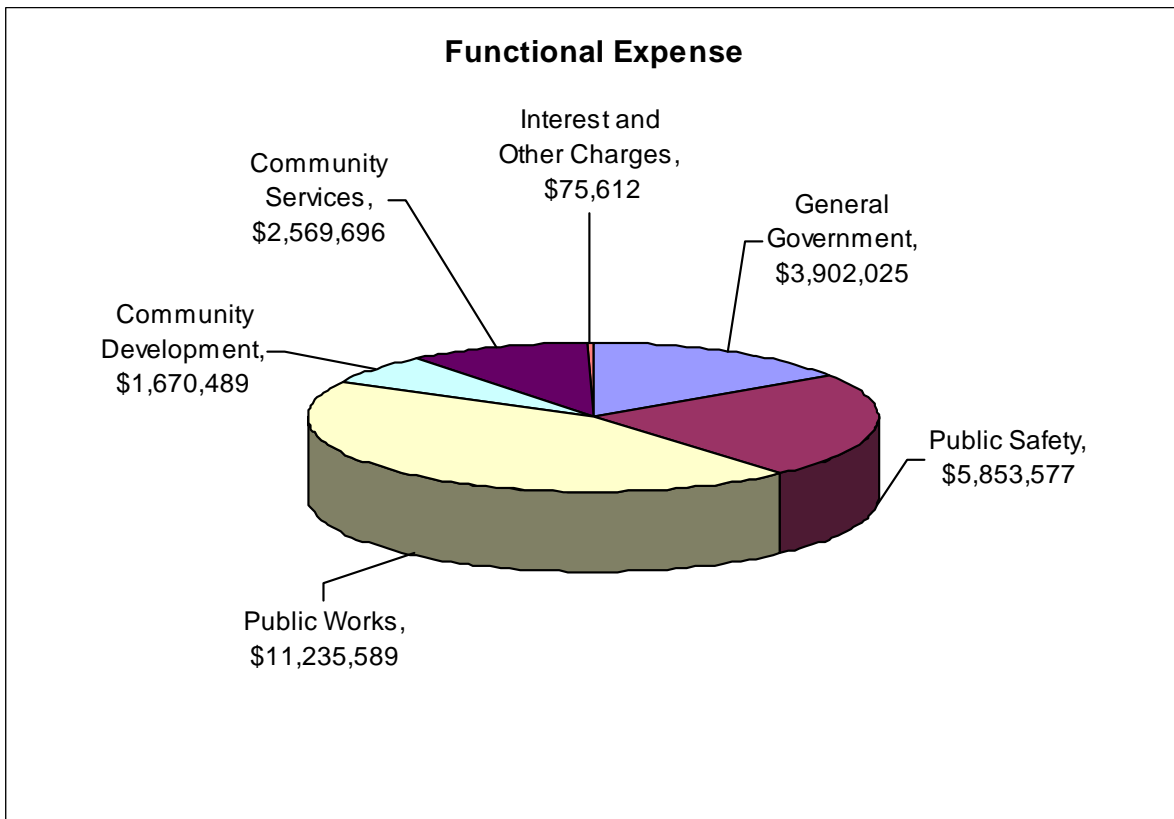
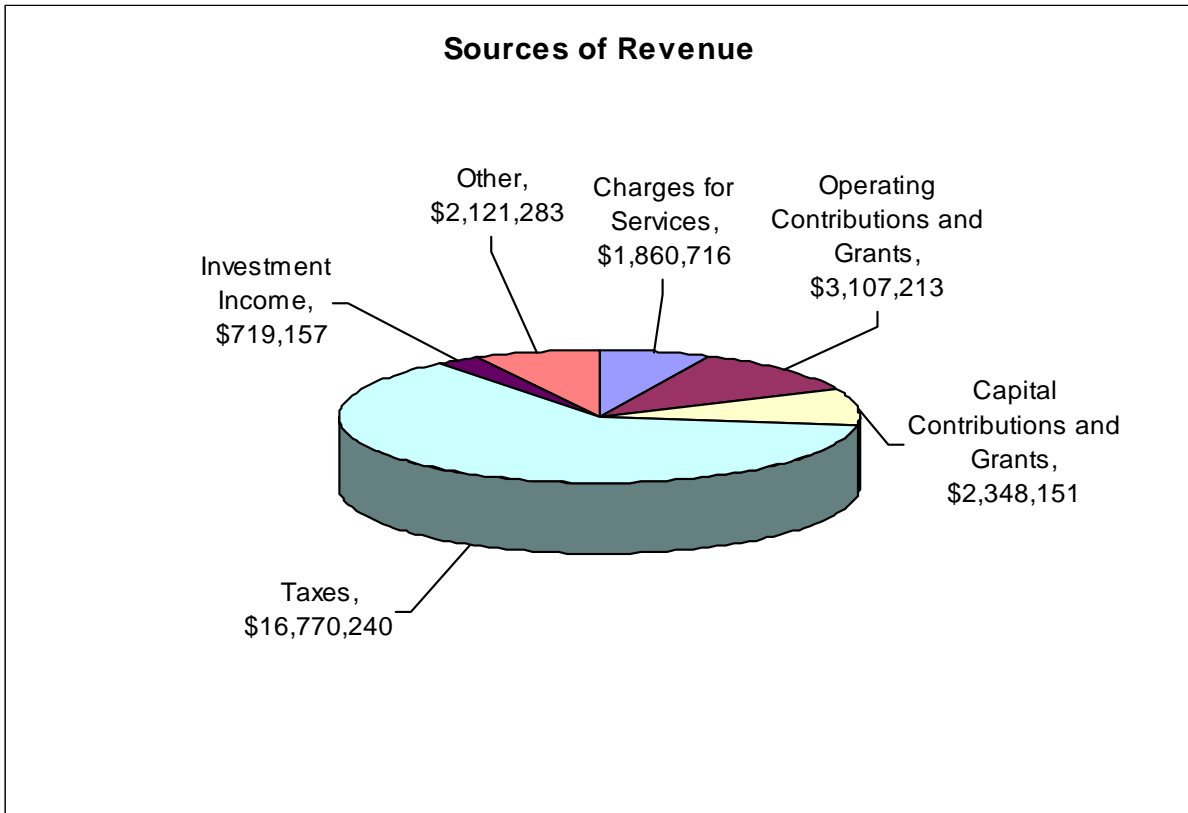


Table 2
Changes in Net Assets
As of June 30, 2008 and 2007

	Governmental Activities	
	2008	2007
Revenues		
Program Revenues:		
Charges for services	\$ 1,860,716	\$ 2,045,066
Operating contributions and grants	3,107,213	4,393,776
Capital contributions and grants	2,348,151	1,034,384
General revenues:		
Taxes:		
Sales taxes	4,160,113	4,116,748
Property taxes levied for general purposes	4,609,491	4,359,151
Redevelopment Agency Tax Increment	2,754,708	2,252,723
Motor Vehicle in lieu tax, unrestricted	1,106,524	1,139,903
Transient occupancy tax	2,783,144	2,571,528
Franchise taxes	938,208	1,116,446
Other taxes	418,052	-
Investment Income	719,157	1,152,334
Other	621,283	-
Total revenues	25,426,760	24,182,059
Expenses		
General Government	3,902,025	3,372,878
Public Safety	5,853,577	5,617,168
Public Works	11,235,589	10,581,153
Community Development	1,670,489	1,177,266
Community Services	2,569,696	2,584,997
Interest and other charges	75,612	130,839
Total expenses	25,306,988	23,464,301
Excess before special items	119,772	717,758
Special item - forgiveness of debt	1,500,000	-
Change in Net Assets	\$ 1,619,772	\$ 717,758
Ending Net Assets	\$ 192,748,749	\$ 191,128,977

The City's total revenues were \$26,926,760 while the total cost of all programs and services was \$25,306,988. Property Tax of \$4,609,491 is the City's largest revenue source at approximately 17%, while Sales Tax of \$4,160,113 is the City's second largest revenue source at 15%. Transient Occupancy Tax of \$2,783,144 is the City's third largest revenue source at approximately 10%. These revenues fund a significant portion of the City's basic services, however, it should be noted that population-based subventions, such as Motor Vehicle-in-Lieu Fees are currently based on a formula of three times the number of registered voters for the seven years following incorporation. Beginning the eighth year, population-based subventions will be formulated using actual population, and revenues from these sources are anticipated to decline.

Government Activities

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

Table 3
Net Cost of Governmental Activities
Year Ended June 30, 2008

	Total Cost of Services	Net Cost of Services
General Government	\$ 3,902,025	\$ (3,893,435)
Public Safety	5,853,577	(5,456,069)
Public Works	11,235,589	(5,370,648)
Community Development	1,670,489	(679,548)
Community Services	2,569,696	(2,515,596)
Interest and other charges	75,612	(75,612)
Totals	\$ 25,306,988	\$ (17,990,908)

- General Government expenses comprise approximately 15% of the governmental expenses and include City Council, City Manager, City Clerk, City Attorney, Administrative Services, Support Services, Finance and Risk Management. Charges for services and other fees partially offset the cost of this program.
- Public Safety expenses comprise 23% of the governmental expenses. Revenue from fines and capital grants partially offset the cost of this program.
- Public Works expenses comprise approximately 44% of the governmental expenses. Revenues from charges for services, operating and capital contributions and grants offset the cost of this program.
- Community Development expenses comprise approximately 7% of the governmental expenses. Various building and planning fee revenues partially offset the cost of this program.
- Community Services expenses comprise 10% of the governmental expenses. Related fees and charges for services offset the cost of this program.

Interest expense comprises less than 1% of the governmental expenses. This interest expense is to pay for the Santa Barbara Shores Debt Service and Goleta Valley Community Center.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At fiscal year-end the City's Governmental Funds reported a combined fund balance of \$24,718,143, an increase of \$3,484,461 over prior year. The General Fund activity accounts for 21% of that increase, the RDA Housing Fund accounts for 55% and the RDA Debt Service Fund accounts for 20%.

General Fund Budgetary Highlights

Revenues: Actual revenues received were over budget by \$283,496, primarily as a result of higher than projected revenues from taxes, investment earnings and other income.

Expenditures: Actual expenditures were less than budgeted in most areas for an overall savings of \$998,181. Significant reductions were recognized in the City Attorney, Planning, Advance Planning and Street Maintenance departments. All unexpended allocations will be carried-over into the next fiscal year in accordance with the two-year budget cycle.

Appropriations: The final appropriations for the General Fund at year end were \$998,181 less than the final budget for the reasons noted above.

Ending Fund Balance: The General Fund Ending Balance was \$10,085,065 as of June 30, 2008. This amount was more than the final budget projection by \$1,261,860 as a result of the revenue and expenditure activity noted above.

Fund balances:	
Reserved for:	
Compensated leave	\$ 97,972
Debt service	900,000
Unreserved:	
Cash Flows	1,616,212
Designated for Continuing appropriations	998,181
Contingencies	5,153,000
Risk management	200,000
Equipment	69,700
Building Maintenance	50,000
City Hall acquisition	1,000,000
	<hr/>
Total fund balances	<u>\$ 10,085,065</u>

The City Council specified that each year an additional \$150,000 be set aside for the repayment of the \$1.5 million advance from Santa Barbara County. Based upon completion of the sixth full fiscal year of incorporation, the set aside for the County Advance Reserve totals \$900,000. The County of Santa Barbara forgave the \$1,500,000 advance at June 30, 2008. The Council has also established fiscal policies for funding Compensated Leave, Risk Management, Equipment Acquisition and Replacement, Building Maintenance reserves. These fiscal policies also specify that a minimum of 33.33% (four months) of total budgeted operating expenditures plus transfers would be maintained as a Contingency Reserve. Based upon final budgeted General Fund expenditures and transfers, the Contingency Reserve is \$5,153,000. Additionally, Council has approved the Continuing Designation of unexpended funds for special project into the next fiscal year. This amount is \$998,181 in the current year. Per Council direction, all remaining fund balance is to be placed in a Cash Flow reserve.

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 \$238,076,065. At the end of fiscal year 2008, the City had \$168,943,862 invested in a broad range of capital assets, including land, buildings, equipment, furniture, vehicles and infrastructure. (See Table 4 below.)

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

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

Governmental Activities

Land	\$ 23,977,933
Buildings and improvements	3,391,045
Furniture and equipment	464,611
Vehicles	329,445
Infrastructure	206,384,247
Construction in progress	3,528,784
Depreciation	(69,132,203)
Total fixed assets	<u>\$ 168,943,862</u>

Long-Term Debt

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

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

Table 5
Long-Term Debt

Governmental Activities

Loans Payable:	
Capital Lease Payment - Goleta Valley Community Center	\$ 382,399
Claims and judgments payable	311,114
Compensated absences	216,512
Total	<u>\$ 910,025</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's primary revenue sources are all potentially affected by economic factors or legislative action. Sales taxes are currently performing at a level to meet current year expectations but may change due to consumer economic uncertainty. Property Tax is projected to slightly exceed initial budget projections. The City's Transient Occupancy Tax is not heavily reliant on tourism, thus it continues to be a relatively stable source of revenue.

Expenditures are projected to increase in future years as service levels are defined and revenues to support these service levels are confirmed.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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CITY OF GOLETA
STATEMENT OF NET ASSETS
June 30, 2008

	Governmental Activities
Assets:	
Cash and investments (note 2)	\$ 24,087,625
Receivables:	
Accounts	1,171,655
Interest	181,898
Due from other governments	1,089,195
Deposits	4,400
Prepaid assets	193,178
Capital assets (note 5):	
Non-depreciable	38,902,030
Depreciable	199,174,035
Less: accumulated depreciation	(69,132,203)
Total assets	195,671,813
Liabilities:	
Accounts payable	1,299,897
Accrued salaries and benefits	62,321
Accrued interest payable	3,231
Deposits payable	647,590
Non-current liabilities (note 6):	
Due within one year	238,951
Due in more than one year	671,074
Total liabilities	2,923,064
Net assets:	
Invested in capital assets, net of related debt	168,561,463
Restricted for:	
Public safety	107,946
Public works	7,423,262
Community development	5,472,550
Debt service	2,397,765
Unrestricted	8,785,763
Total net assets	\$ 192,748,749

The accompanying notes are an integral part of these financial statements.

CITY OF GOLETA
STATEMENT OF ACTIVITIES
Year ended June 30, 2008

	Expenses	Program Revenues	
		Charges for Services	Operating Contributions and Grants
Governmental activities:			
General government	\$ 3,902,025	\$ 8,590	\$ -
Public safety	5,853,577	217,652	-
Public works	11,235,589	686,705	3,056,038
Community development	1,670,489	931,359	51,175
Community services	2,569,696	16,410	-
Interest and other charges	75,612	-	-
 Total governmental activities	 \$ 25,306,988	 \$ 1,860,716	 \$ 3,107,213

General revenues:

Taxes:

Sales taxes

Property taxes, levied for general purpose

Property taxes, Redevelopment Agency tax increment, restricted

Motor vehicle in lieu tax, unrestricted

Transient occupancy tax

Franchise taxes

Other taxes

Investment income

Other

Special Item - Forgiveness of debt

Total general revenues and special item

Change in net assets

Net assets, beginning of year

Net assets, end of year

The accompanying notes are an integral part of these financial statements.

Program Revenues	Net (expense) revenue and changes in net assets
Capital Contributions and Grants	Governmental Activities
\$ -	\$ (3,893,435)
179,856	(5,456,069)
2,122,198	(5,370,648)
8,407	(679,548)
37,690	(2,515,596)
-	(75,612)
<u>\$ 2,348,151</u>	<u>(17,990,908)</u>

4,160,113
4,609,491
2,754,708
1,106,524
2,783,144
938,208
418,052
719,157
621,283
<u>1,500,000</u>
<u>19,610,680</u>
1,619,772
<u>191,128,977</u>
<u>\$ 192,748,749</u>

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GOVERNMENTAL FUNDS

Major 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 not required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues (other than trusts or major capital projects) that are legally restricted to expenditures for a particular purpose. The following funds have been classified as major funds:

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

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.

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for financial resources used for the construction of specific capital projects. The following fund has been classified as a major fund.

RDA Housing - This fund is used to account for Redevelopment Agency housing set-aside funds.

DEBT SERVICE FUND

Debt Service Funds are used to accumulate resources for, and the payment of, general long-term debt principal, interest and related costs. The following fund has been classified as a major fund.

RDA Debt Service - This fund is used to account for the accumulation of resources for and the payment of long-term debt principal and interest issued by the Redevelopment Agency.

NON-MAJOR 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, liabilities, revenues or expenditures for the governmental funds. These funds consist of other Special Revenue Funds, Debt Service Funds and Capital Projects Funds of the City for the year ended.

CITY OF GOLETA
Governmental Funds
Balance Sheet
June 30, 2008

	General	Special Revenue Funds	
		Environmental Programs	Library Services
Assets			
Cash and investments (note 2)	\$ 8,889,516	\$ 765,014	\$ 214,419
Receivables:			
Accounts	1,127,873	-	-
Interest	51,076	5,663	1,560
Due from other governments	-	-	-
Due from other funds (note 3)	374,529	-	-
Deposits	4,400	-	-
Prepaid items	140,716	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 10,588,110</u>	<u>\$ 770,677</u>	<u>\$ 215,979</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 411,932	\$ -	\$ 217,340
Accrued salaries and benefits	58,613	-	-
Due to other funds (note 3)	-	-	-
Deposits payable	32,500	465,493	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>503,045</u>	<u>465,493</u>	<u>217,340</u>
Fund balances:			
Reserved for:			
Compensated leave	97,972	-	-
Debt service	900,000	-	-
Low mod housing	-	-	-
Unreserved:			
Designated for General Fund:			
Cash flows	1,616,212	-	-
Continuing appropriations	998,181	-	-
Contingencies	5,153,000	-	-
Risk management	200,000	-	-
Equipment	69,700	-	-
Building maintenance	50,000	-	-
City hall acquisition	1,000,000	-	-
Undesignated, reported in:			
Special revenue funds	-	305,184	(1,361)
Capital projects funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>10,085,065</u>	<u>305,184</u>	<u>(1,361)</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 10,588,110</u>	<u>\$ 770,677</u>	<u>\$ 215,979</u>

The accompanying notes are an integral part of these financial statements.

Capital Projects Fund RDA Housing	Debt Service Fund RDA Debt Service	Non-Major Governmental Funds	Totals
\$ 3,777,497	\$ 2,364,853	\$ 8,076,326	\$ 24,087,625
-	-	43,782	1,171,655
28,044	40,042	55,513	181,898
-	-	1,089,195	1,089,195
-	-	324,532	699,061
-	-	-	4,400
13	-	52,449	193,178
<u>\$ 3,805,554</u>	<u>\$ 2,404,895</u>	<u>\$ 9,641,797</u>	<u>\$ 27,427,012</u>
\$ 5,441	\$ 3,899	\$ 661,285	\$ 1,299,897
307	-	3,401	62,321
-	-	699,061	699,061
-	-	149,597	647,590
<u>5,748</u>	<u>3,899</u>	<u>1,513,344</u>	<u>2,708,869</u>
-	-	-	97,972
-	2,400,996	-	3,300,996
3,799,806	-	-	3,799,806
-	-	-	1,616,212
-	-	-	998,181
-	-	-	5,153,000
-	-	-	200,000
-	-	-	69,700
-	-	-	50,000
-	-	-	1,000,000
-	-	7,318,453	7,622,276
-	-	810,000	810,000
<u>3,799,806</u>	<u>2,400,996</u>	<u>8,128,453</u>	<u>24,718,143</u>
<u>\$ 3,805,554</u>	<u>\$ 2,404,895</u>	<u>\$ 9,641,797</u>	<u>\$ 27,427,012</u>

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CITY OF GOLETA
Governmental Funds
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Assets
June 30, 2008

Fund balances of governmental funds	\$ 24,718,143
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of depreciation have not been included in governmental fund activity:	
Capital assets	238,076,065
Accumulated depreciation	(69,132,203)
Long term debt has not been included in the governmental fund activity:	
Capital leases payable	(382,399)
Claims payable	(311,114)
Compensated absences	(216,512)
Accrued interest payable for the current portion of interest due of debt service has not been reported in the governmental funds.	(3,231)
Net assets of governmental activities	\$ 192,748,749

The accompanying notes are an integral part of these financial statements.

CITY OF GOLETA
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2008

	Special Revenue Funds		
	General	Environmental Programs	Library Services
Revenues:			
Taxes	\$ 12,647,456	\$ -	\$ 222,789
Intergovernmental	1,115,250	-	-
Charges for services	995,251	-	-
Fines and forfeitures	217,653	-	-
Investment income	393,964	32,630	4,823
Developer fees	-	-	-
Other	621,282	20	-
Total revenues	15,990,856	32,650	227,612
Expenditures:			
Current:			
General government	3,768,660	-	-
Public safety	5,694,410	-	-
Public works	2,804,443	2,731	-
Community development	-	-	-
Community services	2,413,024	-	228,974
Pass-through to other agencies	-	-	-
Capital outlay	156,186	-	-
Debt service:			
Principal	425,653	-	-
Interest	7,500	-	-
Total expenditures	15,269,876	2,731	228,974
Excess (deficiency) of revenues over (under) expenditures	720,980	29,919	(1,362)
Other financing sources (uses):			
Transfers in (note 4)	-	-	-
Transfers out (note 4)	-	-	-
Total other financing sources and (uses)	-	-	-
Net change in fund balances	720,980	29,919	(1,362)
Fund balances, beginning of year	9,364,085	275,265	1
Fund balances, end of year	\$ 10,085,065	\$ 305,184	\$ (1,361)

The accompanying notes are an integral part of these financial statements.

Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Totals
RDA Housing	RDA Debt Service		
\$ -	\$ 2,754,708	\$ 1,716,836	\$ 17,341,789
-	-	3,302,191	4,417,441
-	-	548,588	1,543,839
-	-	-	217,653
138,532	175,587	325,815	1,071,351
-	-	532,347	532,347
-	-	-	621,302
<u>138,532</u>	<u>2,930,295</u>	<u>6,425,777</u>	<u>25,745,722</u>
-	-	-	3,768,660
-	-	152,444	5,846,854
-	-	3,484,117	6,291,291
237,990	29,156	852,399	1,119,545
-	-	84,270	2,726,268
-	550,944	-	550,944
-	-	1,295,599	1,451,785
-	-	-	425,653
-	72,761	-	80,261
<u>237,990</u>	<u>652,861</u>	<u>5,868,829</u>	<u>22,261,261</u>
<u>(99,458)</u>	<u>2,277,434</u>	<u>556,948</u>	<u>3,484,461</u>
2,010,758	-	1,028,200	3,038,958
-	(1,579,142)	(1,459,816)	(3,038,958)
<u>2,010,758</u>	<u>(1,579,142)</u>	<u>(431,616)</u>	<u>-</u>
1,911,300	698,292	125,332	3,484,461
<u>1,888,506</u>	<u>1,702,704</u>	<u>8,003,121</u>	<u>21,233,682</u>
<u>\$ 3,799,806</u>	<u>\$ 2,400,996</u>	<u>\$ 8,128,453</u>	<u>\$ 24,718,143</u>

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CITY OF GOLETA
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 Year ended June 30, 2008

Net change in fund balances - total governmental funds \$ 3,484,461

Amounts reported for governmental activities in the statement of activities
 differs from the amounts reported in the statement of activities because:

Governmental funds report capital outlays as expenditures. However, in
 the statement of activities, the costs of those assets is allocated over
 their estimated useful lives as depreciation expense. This is the amount
 by which capital outlays exceeded depreciation in the current period.

Capital outlays, net of disposals	1,725,614
Depreciation, net of disposals	(5,087,549)

Repayment of debt service principal and capital lease liabilities are expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net assets.	1,925,653
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Accrued interest for debt service. This is the net change in accrued interest for the current period.	4,649
--	-------

Compensated absences and claims payable expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(114,094)
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Some of the revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures, and therefore is reported as deferred revenue in the governmental funds.	(318,962)
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Change in net assets of governmental activities	<u>\$ 1,619,772</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF GOLETA
Statement of Fiduciary Assets and Liabilities
June 30, 2008

	<u>Agency Funds</u> <u>Developer</u> <u>Deposits</u>
Assets	
Cash and investments	\$ 278,444
Total assets	<u>\$ 278,444</u>
Liabilities	
Accounts payable	\$ 38,809
Deposits payable	<u>239,635</u>
Total liabilities	<u>\$ 278,444</u>

The accompanying notes are an integral part of these financial statements.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(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.

Generally Accepted Accounting Principles require that basic financial statements present the City and all its component units, entities for which the City is considered to be financially accountable. These basic financial statements of the City of Goleta include the financial activities of the City and the Goleta Old-Town Redevelopment Agency (the Agency).

The Goleta Old Town Redevelopment Project Area was adopted under the Redevelopment Agency of the County of Santa Barbara's (County RDA) Ordinance No. 4326 on July 7, 1998 pursuant to the State of California Health and Safety Code, Section 33200. As a result of the City's incorporation, the County RDA transferred all related assets, liabilities and net assets of the Goleta Old Town Redevelopment Project Area over to the Goleta Old Town Redevelopment Agency on July 1, 2002. The Agency's purpose is to prepare and carry out plans for improvement, rehabilitation and revitalization of blighted areas within the territorial limits of the City of Goleta. Even though the Agency is a legally separate entity, it is reported as if it were part of the City since the Goleta City Council acts as the Board of Directors and is able to impose its will on the Agency. The City is considered to be the primary government and the Agency is a component unit. Additionally, since the City Council and Board of Directors are the same, the basic financial statements of the City and the component unit are blended. Separate financial statements for the Goleta Redevelopment Agency for the fiscal year ended June 30, 2008 are available at the Goleta City Hall, 130 Cremona Dr, Suite B, Goleta, California 93117 upon their completion.

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

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Financial reporting is based upon all GASB pronouncements.

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CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(1) Summary of Significant Accounting Policies, (Continued)

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

Government-Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole. These statements include a single column for the governmental activities of the primary government and its blended component unit. The City of Goleta 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.

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.

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 an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as 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 equity, revenues and expenditures or expenses, as appropriate. 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 spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental funds.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(1) Summary of Significant Accounting Policies, (Continued)

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

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their 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.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available where 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 non-exchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated* and *voluntary non-exchange transactions* are recognized as revenues when all applicable eligibility requirements have been met. Revenues, expenditures, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 which requires that local governments defer grant revenue that is not received within their availability period of 60 days after the fiscal year ends to meet the "available" criteria of revenue recognition.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their 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.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(1) Summary of Significant Accounting Policies, (Continued)

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

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

Recognition of governmental fund type revenue represented by noncurrent receivables are deferred until they become current receivables. Non-current portions of other long-term receivables are offset by fund balance reserve accounts.

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 an *other 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:

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 not required to be accounted for in another fund.

Environmental Programs Special Revenue Fund

The Environmental Programs Fund is used to account for the City's receipts and expenditures relating to environmental mitigation programs.

Library Services Special Revenue Fund

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

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(1) Summary of Significant Accounting Policies, (Continued)

(c) Fund Classifications, (Continued)

RDA Housing Capital Projects Fund

The RDA Housing Fund is used to account for Redevelopment Agency housing set-aside funds.

RDA Debt Service

The RDA Debt Service Fund is used to account for the accumulation of resources for and the payment of long-term debt principle and interest issued by the Redevelopment Agency.

Additionally, the City reports the following fund type:

The Agency funds are used to account for the receipt of deposits received from individuals, private organizations or other governments. These resources are held by the City in a fiduciary capacity and remittances are made to pay for services and supplies and other administrative expenditures. The Agency funds are omitted from the government-wide financial statements.

(d) Explanation of Differences between Governmental Funds Balance Sheet and the Statement of Net Assets

The "total fund balances" of the City's governmental funds of \$24,718,143 differ from net assets" of governmental activities of \$192,748,749 as reported in the statement of net assets as of June 30, 2008. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$ 238,076,065
Accumulated depreciation	(69,132,203)

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(1) Summary of Significant Accounting Policies, (Continued)

(d) Explanation of Differences between Governmental Funds Balance Sheet and the Statement of Net Assets, (Continued)

Long-term Debt Transactions

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net assets. Balances at June 30, 2008 were:

Long-term debt	\$	382,399
Compensated absences		216,512
Claims payable		<u>311,114</u>
Net long-term debt	\$	<u>910,025</u>

Accrued Interest

Accrued liabilities in the statement of net assets differs from the amount reported in governmental funds due to accrued interest on outstanding debt payable (see note 6).

Accrued interest added	\$	3,231
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Reclassifications and Eliminations

Interfund balances must generally be eliminated in the government-wide statements, except for net residual amounts due between governmental activities. Any allocations must reduce the expenses of the function from which the expenses are being allocated, so that expenses are reported only once - in the function in which they are allocated.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(1) Summary of Significant Accounting Policies, (Continued)

(d) Explanation of Differences between Governmental Funds Balance Sheet and the Statement of Net Assets, (Continued)

	Total Governmental Funds	Capital Related Items	Accumulated Depreciation
Assets			
Cash and investments	\$ 24,087,625	\$ -	\$ -
Receivables:			
Accounts	1,171,655	-	-
Interest	181,898	-	-
Due from other governments	1,089,195	-	-
Due from other funds	699,061	-	-
Deposits	4,400	-	-
Prepaid expenses	193,178	-	-
Capital assets	-	238,076,065	-
Less: Accumulated depreciation	-	-	(69,132,203)
Total assets	\$ 27,427,012	\$ 238,076,065	\$ (69,132,203)
Liabilities and Fund Balances / Net Assets			
Liabilities:			
Accounts payable	\$ 1,299,897	\$ -	\$ -
Accrued salaries and benefits	62,321	-	-
Accrued interest payable	-	-	-
Due to other funds	699,061	-	-
Deposits payable	647,590	-	-
Claims payable	-	-	-
Long-term liabilities	-	-	-
Total liabilities	2,708,869	-	-
Fund balances / net assets	24,718,143	238,076,065	(69,132,203)
Total liabilities and fund balances / net assets	\$ 27,427,012	\$ 238,076,065	\$ (69,132,203)

Long-term Debt Transactions	Interest Payable	Compensated Absences	Certain Deferred Revenue	Reclassifications and Eliminations	Statement of Net Assets
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,087,625
-	-	-	-	-	1,171,655
-	-	-	-	-	181,898
-	-	-	-	-	1,089,195
-	-	-	-	(699,061)	-
-	-	-	-	-	4,400
-	-	-	-	-	193,178
-	-	-	-	-	238,076,065
-	-	-	-	-	(69,132,203)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (699,061)</u>	<u>\$ 195,671,813</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,299,897
-	-	-	-	-	62,321
-	3,231	-	-	-	3,231
-	-	-	-	(699,061)	-
-	-	-	-	-	647,590
311,114	-	-	-	-	311,114
382,399	-	216,512	-	-	598,911
<u>693,513</u>	<u>3,231</u>	<u>216,512</u>	<u>-</u>	<u>(699,061)</u>	<u>2,923,064</u>
<u>(693,513)</u>	<u>(3,231)</u>	<u>(216,512)</u>	<u>-</u>	<u>-</u>	<u>192,748,749</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (699,061)</u>	<u>\$ 195,671,813</u>

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(1) Summary of Significant Accounting Policies, (Continued)

(e) Explanation of Differences between Governmental Funds Operating Statements and the Statement of Activities

The "net change in fund balances" for governmental funds of \$3,484,461 differs from the "change in net assets" for governmental activities of \$1,619,772 reported in the statement of activities, during the fiscal year ended June 30, 2008. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital Related Items

When capital assets that are to be used in governmental activities are purchases or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year. Capital contributions are not recorded in the governmental funds, but are recorded as program revenues in the Statement of Activities.

Capital outlay	\$	2,013,136
Disposition of capital assets		(287,522)
Depreciation expense		(5,087,549)

Long-Term Debt Transactions

Repayments of debt service principal and capital lease liabilities are reported as expenditures in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. For the City as a whole, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.

Principal payments on long-term debt	\$	425,653
Forgiveness of debt		1,500,000
	\$	<u>1,925,653</u>

Compensated Absences and Claims Payable

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 governmental funds.

Net change in compensated absences and claims payable	\$	(114,094)
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CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(1) Summary of Significant Accounting Policies, (Continued)

(c) Explanation of Differences between Governmental Funds Operating Statements and the Statement of Activities, (Continued)

Accrued Interest

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 governmental funds.

Decrease in accrued interest	\$	4,649
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Certain Revenue

Some of the revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures, and therefore, is reported as deferred revenue in the governmental funds.

Certain revenue	\$	(318,962)
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Reclassifications and Eliminations

Interfund balances must generally be eliminated in the government-wide statements, except for net residual amounts due between governmental activities. Amounts involving fiduciary funds should be reported as external transactions. Any allocations must reduce the expenses of the function from which the expenses are being allocated, so that expenses are reported only once - in the function in which they are allocated.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(1) Summary of Significant Accounting Policies, (Continued)

(d) Explanation of Differences between Governmental Funds Balance Sheet and the Statement of Net Assets, (Continued)

	Total Governmental Funds	Capital Related Items	Accumulated Depreciation
Revenues:			
Taxes and assessments	\$ 17,341,789	\$ -	\$ -
Intergovernmental	4,417,441	-	-
Charges for services	1,543,839	-	-
Fines and forfeitures	217,653	-	-
Investment income	1,071,371	-	-
Development fees	532,347	-	-
Other	621,282	-	-
Total revenues	25,745,722	-	-
Expenditures:			
Current:			
General government	3,768,660	(11,412)	30,683
Public safety	5,846,854	-	6,723
Public works	6,291,291	(55,801)	5,000,099
Community development	1,119,545	-	-
Community services	2,726,268	(206,616)	50,044
Pass-through to other agencies	550,944	-	-
Capital outlay	1,451,785	(1,451,785)	-
Debt service:			
Principal retirement	425,653	-	-
Interest	80,261	-	-
Total expenses	22,261,261	(1,725,614)	5,087,549
Other financing sources (uses):			
Forgiveness of debt	-	-	-
Transfers in	3,038,958	-	-
Transfers out	(3,038,958)	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance / net assets	3,484,461	1,725,614	(5,087,549)
Fund balances / net assets beginning of year	21,233,682	236,350,451	(64,044,654)
Fund balances / net assets, end of year	<u>\$ 24,718,143</u>	<u>\$ 238,076,065</u>	<u>\$ (69,132,203)</u>

<u>Long-term Debt Transactions</u>	<u>Accrued Interest</u>	<u>Compensated Absences</u>	<u>Certain Deferred Revenue</u>	<u>Reclassifications and Eliminations</u>	<u>Statement of Activities</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,341,789
-	-	-	-	-	4,417,441
-	-	-	(318,962)	-	1,224,877
-	-	-	-	-	217,653
-	-	-	-	-	1,071,371
-	-	-	-	-	532,347
-	-	-	-	-	621,282
-	-	\$ -	(318,962)	-	25,426,760
92,649	-	21,445	-	-	3,902,025
-	-	-	-	-	5,853,577
-	-	-	-	-	11,235,589
-	-	-	-	550,944	1,670,489
-	-	-	-	-	2,569,696
-	-	-	-	(550,944)	-
-	-	-	-	-	-
(425,653)	-	-	-	-	-
-	(4,649)	-	-	-	75,612
(333,004)	(4,649)	21,445	-	-	25,306,988
1,500,000	-	-	-	-	1,500,000
-	-	-	-	(3,038,958)	-
-	-	-	-	3,038,958	-
1,500,000	-	-	-	-	1,500,000
1,833,004	4,649	(21,445)	(318,962)	-	1,619,772
(2,526,517)	(7,880)	(195,067)	318,962	-	191,128,977
<u>\$ (693,513)</u>	<u>\$ (3,231)</u>	<u>\$ (216,512)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,748,749</u>

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CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(1) Summary of Significant Accounting Policies, (Continued)

(f) Cash and Investments

Investments are reported in the accompanying statement of net assets at fair value. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings and changes in fair value. The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the general fund, as provided by California Government Code Section 53647.

(g) Capital Assets

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

Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains. The City completed their implementation GASB Statement No. 34 during the previous fiscal year.

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 assets. 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 - 50 years
Vehicles	5 years
Equipment and furniture	5 - 15 years
Infrastructure:	
Pavement	40 years
Sidewalks	50 years
Curb and gutters	50 years
Bridges	65 years
Hardscape	50 years
Medians	50 years
Parking lots	40 years
Traffic control devices	10 years

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(1) Summary of Significant Accounting Policies, (Continued)

(h) Compensated Absences

In accordance with GASB Statement No. 16, 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.

(i) 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

(j) Use of Estimates

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

(2) Cash and Investments

Cash and investments as of June 30, 2008 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 24,087,625
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	<u>278,444</u>
	<u>\$ 24,366,069</u>

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(2) Cash and Investments, (Continued)

Cash and investments held by the City at June 30, 2008 consisted of the following:

Petty cash	\$	500
Demand deposits		(4,441)
Local Agency Investment Fund (LAIF)		<u>24,370,040</u>
Total cash and investments	\$	<u><u>24,366,099</u></u>

Investments Authorized by the California Government Code and the City of Goleta'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 by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Investment Types Authorized by state Law</u>	<u>Authorized By Investment Policy</u>	<u>*Maximum Maturity</u>	<u>* Maximum Percentage of Portfolio</u>	<u>* Maximum Investment In One Issuer</u>
Local Agency Bonds	No	5 years	None	5%
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	No	180 days	40%	5%
Commercial Paper	Yes	180 days	15%	5%
Negotiable Certificates of Deposit	Yes	5 years	30%	5%
Repurchase Agreements	No	1 year	None	5%
Reverse Repurchase Agreements	No	92 days	20% of base value	5%
Medium-Term Notes	No	5 years	30%	5%
Mutual Funds	No	N/A	20%	5%
Money Market Mutual Funds	Yes	N/A	20%	5%
Mortgage Pass-Through Securities	No	5 years	20%	5%
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

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

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(2) Cash and Investments, (Continued)

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

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

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

A policy of laddered maturities will be followed for pooled investments. At least fifty percent (50%) 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 maturity 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. The average portfolio investment maturity shall be three (3) years or less. The dollar-weighted average will be used in computing the average maturity of the portfolio.

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 5% of the City's portfolio will be placed with any single issuer.

Certain investments are prohibited under Government Code Sections 53601.6 and 53631.5. Security types which are prohibited include, but are not limited to:

- "Complex" derivative structures such as range notes, dual index notes, inverse floaters, leveraged or de-leveraged floating rate notes, or any other complex variable rate or structured note.
- Interest only strips that are derived from a pool of mortgages or any security that could result in zero interest accrual if held to maturity.
- Futures, options, or any leveraged purchases, reverse repurchase agreements and speculations on interest rates.

Purchasing these types of instruments does not coincide with the Investment Policy's objectives and would require a thorough review and monitoring of the underlying security. Although some of these transactions are legal under Government Code, they do not meet the objectives contained herein.

The investment policy shall allow for investment in the prohibitions noted above, to the extent that such investments are made by the State LAIF pool, which is subject to policies adopted by the Local Agency Investment Fund.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(2) Cash and Investments, (Continued)

Investments Authorized by Debt Agreements

As of June 30, 2008, the City of Goleta had no investments from debt proceeds held by bond trustees.

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 (in Months)</u>				<u>Total</u>
	<u>12 months or less</u>	<u>13 to 24 months</u>	<u>25 to 60 months</u>	<u>More than 60 months</u>	
Local Agency Investment Fund	\$ 24,370,040	\$ -	\$ -	\$ -	\$ 24,370,040
Total	\$ 24,370,040	\$ -	\$ -	\$ -	\$ 24,370,040

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

During the fiscal year ended June 30, 2008, the City of Goleta did not hold any investments that were highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

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 of Goleta's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(2) Cash and Investments, (Continued)

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
State investment pool	\$ 24,370,040	N/A	N/A	\$ -	\$ -	\$ 24,370,040*
Total	\$ 24,370,040	N/A		\$ -	\$ -	\$ 24,370,040

* 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, 2008, the City of Goleta did not hold any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City of Goleta deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2008 the City of Goleta did not have any deposits with financial institutions in excess of federal depository insurance limits that were held in uncollateralized accounts.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(2) Cash and Investments, (Continued)

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 of Goleta's investment in this pool is reported in the accompanying financial statements at amounts based upon the City of Goleta'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.

(3) Interfund Balances

Current interfund balances at June 30, 2008 consisted of the following:

<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Amount</u>
General Fund	Non-Major governmental funds	\$ 374,529 (A)
Non-Major governmental funds	Non-Major governmental funds	<u>324,532 (B)</u>
		<u>\$ 699,061</u>

- (A) Short-term borrowing from the General Fund for temporary cash shortfalls recorded in the State Park Grant, Local Surface Transportation, Federal Transportation, CDBG, TCSP, EPA - Brownfield Grant, OTS Public Safety Grant, STE Grant, FEMA Grant Non-Major Special Revenue Funds.
- (B) Short-Term borrowing from the RDA Projects Fund for temporary cash shortfalls recorded in the RDA Bond proceeds funds.

(4) Interfund Transfers

Interfund transfers at June 30, 2008 consisted of the following:

<u>Fund receiving transfers</u>	<u>Fund making transfers</u>	<u>Amount</u>
Non-Major governmental funds	RDA Debt Service	\$ 1,028,200 (1)
RDA Housing	RDA Debt Service	550,942 (2)
RDA Housing	Non Major governmental funds	<u>1,459,816 (3)</u>
		<u>\$ 3,038,958</u>

- (1) = This transfer was made to fund eligible capital projects.
- (2) = This transfer was made for the 20% set-aside.
- (3) = This transfer was made to irrevocably transfer certain funds from the Housing In-lieu Fund to the Low and Moderate Income Housing Fund of the Agency.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(5) Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning balance	Additions	Deletions	Ending balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 23,950,933	\$ 27,000	\$ -	\$ 23,977,933
Rights of way	11,395,313	-	-	11,395,313
Construction in progress	2,552,278	1,264,028	(287,522)	3,528,784
Total capital assets, not being depreciated	<u>37,898,524</u>	<u>1,291,028</u>	<u>(287,522)</u>	<u>38,902,030</u>
Capital assets, being depreciated:				
Infrastructure	194,679,006	309,928	-	194,988,934
Vehicles	303,139	26,306	-	329,445
Furniture and equipment	285,353	179,258	-	464,611
Building and improvements	3,184,429	206,616	-	3,391,045
Total capital assets, being depreciated	<u>198,451,927</u>	<u>722,108</u>	<u>-</u>	<u>199,174,035</u>
Less accumulated depreciation for:				
Infrastructure	(63,348,043)	(4,998,120)	-	(68,346,163)
Vehicles	(88,399)	(50,668)	-	(139,067)
Furniture and equipment	(81,180)	(5,332)	-	(86,512)
Building and improvements	(527,032)	(33,429)	-	(560,461)
Total accumulated depreciation	<u>(64,044,654)</u>	<u>(5,087,549)</u>	<u>-</u>	<u>(69,132,203)</u>
Total capital assets, being depreciated, net	<u>134,407,273</u>	<u>(4,365,441)</u>	<u>-</u>	<u>130,041,832</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 172,305,797</u>	<u>\$ (3,074,413)</u>	<u>\$ (287,522)</u>	<u>\$ 168,943,862</u>

Depreciation expense was charged to functions as follows:

General government	\$ 30,683
Public safety	6,723
Public works	5,000,099
Community services	39,454
RDA/Neighborhood	10,590
	<u>\$ 5,087,549</u>

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(6) Long-term Liabilities

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2008 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due Within One Year
Governmental activities:					
Loans payable:					
County of Santa Barbara Start-Up Loan	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ -
Certificates of Participation - Santa Barbara Shores	375,000	-	375,000	-	-
Capital lease payment - Goleta Valley Community Center	433,052	-	50,653	382,399	55,652
Claims and judgments payable	322,568	224,828	236,282	311,114	129,171
Compensated absences	195,067	351,184	329,739	216,512	54,128
Total governmental activities long-term liabilities	<u>\$ 2,825,687</u>	<u>\$ 576,012</u>	<u>\$ 2,491,674</u>	<u>\$ 910,025</u>	<u>\$ 238,951</u>

County of Santa Barbara Loan Payable

On February 1, 2002, as part of the Revenue Neutrality agreement (see note 7), the County of Santa Barbara advanced the City \$1,500,000 for start-up purposes. This loan was forgiven by the County at June 30, 2008, and is reported as a special item on the statement of activities.

Santa Barbara Shores Certificates of Participation Payable

On February 1, 2002, the City assumed an installment certificates of participation agreement from the County of Santa Barbara for the area known as Santa Barbara Shores. The certificates, originally issued on March 1, 1994, in the amount of \$4,050,000, carry an adjusting interest rate ranging from 5.10% to 5.70% and are payable semi-annually on March 1 and September 1. Principal amounts range from \$375,000 to \$425,000 and are payable on March 1. The entire balance was paid in full in 2008.

Goleta Valley Community Center Lease Payable

On February 1, 2002, the City assumed a capital lease agreement with the Goleta Union School District for the Goleta Valley Community Center. The lease, originally issued on January 1, 1984, in the amount of \$1,300,000 which was equal to the gross amount of the building, carries a variable interest rate that is equal to the average quarterly interest rate earned by the County of Santa Barbara Treasurer's Pool, Principal payments range from \$4,300 to \$14,700 and are due quarterly on July 1, October 1, January 1 and April 1. The lease is payable until the balance is paid in full in 2014. The amount outstanding as of June 30, 2008 was \$382,399.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(6) Long-term Liabilities, (Continued)

Claims and Judgments Payable

The City accounts for material claims and judgments in accordance with GASB Code Section C50. 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 9). Claims and judgments payable are typically liquidated from the General Fund. The amount outstanding as of June 30, 2008 was \$311,114.

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 9). Claims payable are typically liquidated from the General Fund.

Compensated Absences

The City's policies relating to compensated absences are described in Note 1. The liability in the amount of \$216,512 at June 30, 2008 is expected to be paid in future years from future resources. Compensated absences have typically been liquidated from the General Fund.

The annual requirements to amortize certain long-term debt as of June 30, 2008 is as follows:

Goleta Valley Community Center - Lease Payable:

<u>Fiscal Year</u>	<u>Payment Due July 1 *</u>	<u>Payment Due October 1 *</u>	<u>Payment Due January 1 *</u>	<u>Payment Due April 1 *</u>	<u>Total Annual Debt Service *</u>
2009	\$ 13,425	\$ 13,745	\$ 14,072	\$ 14,408	\$ 55,650
2010	14,751	15,103	15,462	15,830	61,146
2011	16,207	16,593	16,989	17,393	67,182
2012	17,807	18,231	18,666	19,110	73,814
2013	19,565	20,033	20,508	20,997	81,103
2014	21,497	22,007	-	-	43,504
	<u>\$ 103,252</u>	<u>\$ 105,712</u>	<u>\$ 85,697</u>	<u>\$ 87,738</u>	<u>\$ 382,399</u>

* Payment amounts represent principal only. Interest varies depending on average quarterly interest rate earned by the County of Santa Barbara.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(7) Commitments

Revenue Neutrality Commitment to County of Santa Barbara - Mitigation Obligation

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

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

During the Mitigation Period (July 1, 2002 to June 30, 2012) tax revenues will be allocated as follows:

- An additional 20% of the 1% retail sales tax revenues allocable to the City shall be allocated to the County.
- 40% of the transient occupancy tax ("TOT") generated by TOT taxpayers which exist within the City and were in existence on February 1, 2002 (date of incorporation) at the TOT rate then in effect shall be allocated to the County. All TOT revenues generated by any TOT taxpaying entities whose facilities are constructed after the February 1, 2002 or that are derived from any increase in the TOT rate on existing and future taxpayers shall be allocated 100% to the City.

(8) Retirement Plan

Plan Description

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

Funding Policy

Participants are required to contribute 7% of their annual covered salary. The City makes the contributions required of the employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate 10.097% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(8) Retirement Plan, (Continued)

Annual Pension Cost

For 2008, the City's annual pension cost of \$360,001 for PERS was equal to the City's required contributions. The required contribution was determined as part of the June 30, 2005, actuarial valuation using the entry age normal actuarial cost method.

THREE YEAR TREND INFORMATION FOR PERS

Fiscal year	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
06/30/06	\$ 470,357	100%	\$ -
06/30/07	\$ 528,533	100%	\$ -
06/30/08	\$ 360,001	100%	\$ -

(9) Risk Management

The City is a member of the California Joint Power Insurance Authority (Authority). The Authority is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages. The Authority's pool 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 9-member Executive Committee.

General Liability. Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Costs are spread to members as follows: the first \$30,000 of each occurrence is charged directly to the member's primary deposit; costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000. Losses from \$750,000 to \$5,000,000 and the associated loss development reserves are pooled based on payroll. Costs of covered claims from \$5,000,000 to \$50,000,000 are currently paid by excess insurance. Costs of covered claims for subsidence losses from \$15,000,000 to \$25,000,000 are paid by excess insurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate. Administrative expenses are paid from the Authority's investment earnings.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(9) Risk Management, (Continued)

Workers Compensation. The City also participates in the workers compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety. Each member has a retention level of \$50,000 for each loss and this is charged directly to the member's primary deposit. Losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000. Losses from \$100,000 to \$2,000,000 and employer's liability losses from \$5,000,000 to \$10,000,000 and loss development reserves associated with those losses are pooled based on payroll. Losses from \$2,000,000 to \$5,000,000 are pooled with California State Association of Counties - Excess Insurance Authority members. Costs from \$2,000,000 to \$300,000,000 are transferred to reinsurance carriers. Costs in excess of \$300,000,000 are pooled among the Members based on payroll. Protection is provided per statutory liability under California Workers' Compensation law. Administrative expenses are paid from the Authority's investment earnings.

Environmental insurance. The City participates in the pollution legal liability and remediation legal liability insurance which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50,000,000 for the 3-year period from July 1, 2005 through June 30, 2008. Each member of the Authority has a \$10,000,000 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. The City property is currently insured according to a schedule of covered property submitted by the City to the Authority. Total all-risk property insurance coverage is \$12,043,832. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

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

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2005 - 2006	\$ 143,600	\$ 101,587	\$ (28,393)	\$ 216,794
2006 - 2007	\$ 216,794	\$ 165,705	\$ (59,931)	\$ 322,568
2007 - 2008	\$ 322,568	\$ 224,828	\$ (236,282)	\$ 311,114

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(9) Risk Management, (Continued)

For the past three years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

(10) 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 provides for monthly rent of \$27,843 in addition to common area maintenance costs and terminates on November 30, 2011. The City will have the option to renew the lease upon termination. Rental costs for the year ended June 30, 2008 were \$339,965.

Minimum future rental payments under the operating leases as of June 30, 2008 are as follows (amounts do not include common area maintenance costs):

	<u>Office Suite</u>
2009	\$ 350,165
2010	360,670
2011	<u>371,490</u>
	<u>\$ 1,082,325</u>

(11) 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.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(12) Other Required Disclosures

Expenditures in Excess of Appropriations

The following departments reported expenditures in excess of appropriations:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
General Fund Department:			
General Government:			
Risk management	\$ 235,072	\$ 276,420	\$ (41,348)
Community Services:			
Street Lighting	\$ 133,064	\$ 152,551	\$ (19,487)

The following funds reported expenditures in excess of appropriations:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Major Governmental:			
Library Services Special			
Revenue Fund	\$ 222,742	\$ 228,974	\$ (6,232)
RDA Debt Service Fund	\$ 550,067	\$ 652,861	\$ (102,794)

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2008

(12) Other Required Disclosures, (Continued)

Deficit Fund Balances

The following funds reported deficit fund balances at June 30, 2008:

Major Funds

Special Revenue:

Library Services \$ 1,361

Non-Major Funds:

Special Revenue:

State Park Grant \$ 182,116

Local STIP 3,728

Federal Transportation Program 40,866

CDBG 43,104

TCSP 4,903

EPA Brownfield Grant 17,371

OTS Public Safety 23,444

STE Grant 7,279

FEMA Grant 3,835

Street Lighting 2,310

Capital Projects:

RDA Bond Proceeds 445,988

(13) Subsequent Event

Effective July 1, 2008, the City of Goleta loaned \$2.5 million from the General Fund to the Agency. The note will bear simple interest at a variable rate equal to the Surplus Money Investment Fund Apportionment Yield Rate established by the California Controller's Office. The note matures June 2010.

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 not required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose. The following funds have been classified as major funds. The budget-actual comparisons for these funds have been presented in the accompanying financial statements as Required Supplementary Information:

Environmental Program Funds

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

Library Services Fund

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

Required Supplementary Information
CITY OF GOLETA
General Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 12,550,780	\$ 12,479,640	\$ 12,647,456	\$ 167,816
Intergovernmental	1,160,500	1,160,500	1,115,250	(45,250)
Charges for services	770,200	1,021,200	995,251	(25,949)
Fines and forfeitures	219,500	219,500	217,653	(1,847)
Investment income	299,000	349,000	393,964	44,964
Other	426,963	477,520	621,282	143,762
Total revenues	<u>15,426,943</u>	<u>15,707,360</u>	<u>15,990,856</u>	<u>283,496</u>
Expenditures:				
Current:				
General government	3,860,221	4,002,488	3,768,660	233,828
Public safety	5,696,919	5,718,296	5,694,410	23,886
Public works	2,773,899	2,998,005	2,804,443	193,562
Community services	2,399,311	2,871,434	2,413,024	458,410
Capital outlay	15,000	227,069	156,186	70,883
Debt service:				
Principal	443,265	443,265	425,653	17,612
Interest	7,500	7,500	7,500	-
Total expenditures	<u>15,196,115</u>	<u>16,268,057</u>	<u>15,269,876</u>	<u>998,181</u>
Net change in fund balance	230,828	(560,697)	720,980	1,281,677
Fund balance, beginning	<u>9,364,085</u>	<u>9,364,085</u>	<u>9,364,085</u>	<u>-</u>
Fund balance, ending	<u>\$ 9,594,913</u>	<u>\$ 8,803,388</u>	<u>\$ 10,085,065</u>	<u>\$ 1,281,677</u>

Required Supplementary Information
CITY OF GOLETA
Environmental Programs Fund
Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Final Budget	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 12,000	\$ 12,000	\$ 32,630	\$ 20,630
Other	-	-	20	20
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>32,650</u>	<u>20,650</u>
Expenditures:				
Public works	<u>344,400</u>	<u>344,400</u>	<u>2,731</u>	<u>341,669</u>
Total expenditures	<u>344,400</u>	<u>344,400</u>	<u>2,731</u>	<u>341,669</u>
Net change in fund balance	(332,400)	(332,400)	29,919	362,319
Fund balance, beginning	<u>275,265</u>	<u>275,265</u>	<u>275,265</u>	<u>-</u>
Fund balance, ending	<u><u>\$ (57,135)</u></u>	<u><u>\$ (57,135)</u></u>	<u><u>\$ 305,184</u></u>	<u><u>\$ 362,319</u></u>

Required Supplementary Information
CITY OF GOLETA
Library Services Fund
Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 212,843	\$ 222,742	\$ 222,789	\$ 47
Investment income	500	500	4,823	4,323
Total revenues	<u>213,343</u>	<u>223,242</u>	<u>227,612</u>	<u>4,370</u>
Expenditures:				
Community service	<u>212,843</u>	<u>222,742</u>	<u>228,974</u>	<u>(6,232)</u>
Total expenditures	<u>212,843</u>	<u>222,742</u>	<u>228,974</u>	<u>(6,232)</u>
Net change in fund balance	500	500	(1,362)	(1,862)
Fund balance, beginning	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ 501</u>	<u>\$ 501</u>	<u>\$ (1,361)</u>	<u>\$ (1,862)</u>

CITY OF GOLETA

Notes to Required Supplementary Information

Year ended June 30, 2008

(1) Budgetary Accounting

The City Manager shall prepare and submit the proposed annual 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 year.

Expenditures will be controlled at the department level. Transfers between funds require City Council authorization. Transfers between funds and which do not exceed \$20,000 are to be authorized by the City Manager; transfers above that amount require City Council approval.

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 re-appropriated through the formal budget process. Open encumbrances are recorded as reservations of fund balance since the commitments will be paid by subsequent year's budget appropriations. Encumbrances do not constitute expenditures or liabilities of the City.

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

(2) Expenditures in Excess of Appropriations

Expenditures exceeded appropriations in the following departments and major funds:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
General Fund Department:			
General Government:			
Risk Management	\$ 235,072	\$ 276,420	\$ (41,348)
Community Services:			
Street Lighting	133,064	152,551	(19,487)
Major Funds:			
Library Services Special			
Revenue Fund	222,742	228,974	(6,232)
RDA Debt Service Fund	550,067	652,861	(102,794)

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CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for financial resources used for the construction of specific capital projects. The following fund has been classified as a major fund.

RDA Housing - This fund is used to account for Redevelopment Agency housing set-aside funds.

DEBT SERVICE FUND

Debt Service Funds are used to accumulate resources for, and the payment of, general long-term debt principal, interest and related costs. The following fund has been classified as a major fund.

RDA Debt Service - This fund is used to account for the accumulation of resources for and the payment of long-term debt principal and interest issued by the Redevelopment Agency.

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CITY OF GOLETA
 RDA Housing Fund
 Budgetary Comparison Schedule
 Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 78,775	\$ 78,775	\$ 138,532	\$ 59,757
Total revenues	78,775	78,775	138,532	59,757
Expenditures:				
Community development	243,844	3,187,990	237,990	2,950,000
Total expenditures	243,844	3,187,990	237,990	2,950,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(165,069)	(3,109,215)	(99,458)	3,009,757
Other financing sources (uses):				
Transfers in	-	1,981,558	2,010,758	29,200
Total other financing sources (uses)	-	1,981,558	2,010,758	29,200
Net change in fund balance	(165,069)	(1,127,657)	1,911,300	3,038,957
Fund balance, beginning	1,888,506	1,888,506	1,888,506	-
Fund balance, ending	\$ 1,723,437	\$ 760,849	\$ 3,799,806	\$ 3,038,957

CITY OF GOLETA
 RDA Debt Service Fund
 Budgetary Comparison Schedule
 Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 2,000,000	\$ 2,608,710	\$ 2,754,708	\$ 145,998
Investment income	32,500	32,500	175,587	143,087
Total revenues	<u>2,032,500</u>	<u>2,641,210</u>	<u>2,930,295</u>	<u>289,085</u>
Expenditures:				
Current:				
Community development	33,000	28,325	29,156	(831)
Pass-through to other agencies	400,000	521,742	550,944	(29,202)
Debt service:				
Principal	925,000	-	-	-
Interest	-	-	72,761	(72,761)
Total expenditures	<u>1,358,000</u>	<u>550,067</u>	<u>652,861</u>	<u>(102,794)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>674,500</u>	<u>2,091,143</u>	<u>2,277,434</u>	<u>186,291</u>
Other financing sources (uses):				
Transfers out	<u>(400,000)</u>	<u>(1,141,642)</u>	<u>(1,579,142)</u>	<u>(437,500)</u>
Total other financing sources (uses)	<u>(400,000)</u>	<u>(1,141,642)</u>	<u>(1,579,142)</u>	<u>(437,500)</u>
Net change in fund balance	274,500	949,501	698,292	(251,209)
Fund balance, beginning	<u>1,702,704</u>	<u>1,702,704</u>	<u>1,702,704</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,977,204</u>	<u>\$ 2,652,205</u>	<u>\$ 2,400,996</u>	<u>\$ (251,209)</u>

NON-MAJOR SPECIAL REVENUE FUNDS, NON-MAJOR DEBT SERVICE FUNDS AND NON-MAJOR CAPITAL PROJECTS FUNDS

NON-MAJOR SPECIAL REVENUE FUNDS

Gas Tax - The Gas Tax 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 D - The Measure D 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 D was approved by the voters of Santa Barbara County by an election held on November 7, 1989. The tax became effective on April 1, 1990.

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

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

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

Public Admin 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.

State Park Grant - This fund is used to account for state grant funds for park purposes.

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

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

**NON-MAJOR SPECIAL REVENUE FUNDS, NON-MAJOR DEBT SERVICE FUNDS
AND NON-MAJOR CAPITAL PROJECTS FUNDS, (CONTINUED)**

Environmental Justice - 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.

STIP - This fund is used to account for federal funds to local governments for use in transit and highway projects, including streets and roads projects.

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

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.

TCSP - This fund is used to account for federal grant funds to local governments for transportation projects.

EPA Brownfield Grant - This fund is used to account for federal grant fund to local governments for use in environmental projects.

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

STE Grant - This fund is used to account for state grants for the State Transportation Enhancement Program.

FEMA Grant - This fund is used to account for federal grants from the Federal Emergency Management Agency.

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

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

DEBT SERVICE FUND

City Debt Service - This non-major fund is used to account for the accumulation of resources for and the payment of long-term debt principle and interest issued by the City.

**NON-MAJOR SPECIAL REVENUE FUNDS, NON-MAJOR DEBT SERVICE FUNDS
AND NON-MAJOR CAPITAL PROJECTS FUNDS, (CONTINUED)**

NON-MAJOR CAPITAL PROJECTS FUNDS

RDA Project - This fund is used to account for Redevelopment Agency administration and projects.

RDA Bond Proceeds - The fund is used to account for the proceeds of Tax Allocation Bonds to be used for RDA Capital Projects.

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2008

	SPECIAL REVENUE FUNDS		
	Gas Tax	Transportation	Measure D
<u>Assets:</u>			
Cash and investments	\$ 751,545	\$ 130,094	\$ 552,335
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	729,597	-	112,840
Prepaid items	-	-	-
Interest receivable	5,675	991	3,374
	<u>\$ 1,486,817</u>	<u>\$ 131,085</u>	<u>\$ 668,549</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 135,786	\$ -	\$ 149,402
Accrued salaries and benefits	-	-	-
Due to other funds	-	-	-
Deposits payable	-	-	-
	<u>135,786</u>	<u>-</u>	<u>149,402</u>
<u>Fund balances:</u>			
<u>Unreserved:</u>			
<u>Undesignated, reported in:</u>			
Special revenue funds	1,351,031	131,085	519,147
Capital projects funds	-	-	-
	<u>1,351,031</u>	<u>131,085</u>	<u>519,147</u>
Total fund balances (deficit)	<u>1,351,031</u>	<u>131,085</u>	<u>519,147</u>
Total liabilities and fund balances	<u>\$ 1,486,817</u>	<u>\$ 131,085</u>	<u>\$ 668,549</u>

continued

SPECIAL REVENUE FUNDS					
Solid Waste Program	GTIP	Park Development Fees	Public Admin. Facilities DIF	Library Facilities DIF	Sheriff Facilities DIF
\$ 279,967	\$ 1,953,180	\$ 2,009,781	\$ 552,268	\$ 212,501	\$ 237,234
43,782	-	-	-	-	-
-	-	-	-	-	-
-	50,000	-	-	-	-
2,239	15,013	14,400	4,153	1,571	1,755
<u>\$ 325,988</u>	<u>\$ 2,018,193</u>	<u>\$ 2,024,181</u>	<u>\$ 556,421</u>	<u>\$ 214,072</u>	<u>\$ 238,989</u>
\$ 15,948	\$ 149	\$ -	\$ 1,850	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,948</u>	<u>149</u>	<u>-</u>	<u>1,850</u>	<u>-</u>	<u>-</u>
310,040	2,018,044	2,024,181	554,571	214,072	238,989
-	-	-	-	-	-
<u>310,040</u>	<u>2,018,044</u>	<u>2,024,181</u>	<u>554,571</u>	<u>214,072</u>	<u>238,989</u>
<u>\$ 325,988</u>	<u>\$ 2,018,193</u>	<u>\$ 2,024,181</u>	<u>\$ 556,421</u>	<u>\$ 214,072</u>	<u>\$ 238,989</u>

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2008

	SPECIAL REVENUE FUNDS		
	Housing In-Lieu	State Park Grant	Public Safety
<u>Assets:</u>			
Cash and investments	\$ 105,846	\$ -	\$ 111,629
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Prepaid items	-	-	-
Interest receivable	870	-	951
	\$ 106,716	\$ -	\$ 112,580
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ -	\$ 124,836	\$ 4,634
Accrued salaries and benefits	-	-	-
Due to other funds	-	57,280	-
Deposits payable	-	-	-
	-	182,116	4,634
<u>Fund balances:</u>			
<u>Unreserved:</u>			
<u>Undesignated, reported in:</u>			
Special revenue funds	106,716	(182,116)	107,946
Capital projects funds	-	-	-
	106,716	(182,116)	107,946
Total fund balances (deficit)	106,716	(182,116)	107,946
Total liabilities and fund balances	\$ 106,716	\$ -	\$ 112,580

SPECIAL REVENUE FUNDS

Solid Waste Recycling	RSTP	Local STIP	Environmental Justice	STIP	Federal Transportation Program
\$ 4,580	\$ 85,122	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	118,000	-	-	-
-	-	-	-	-	-
49	677	-	-	-	-
<u>\$ 4,629</u>	<u>\$ 85,799</u>	<u>\$ 118,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 25,234	\$ -	\$ -	\$ -	\$ 1,234
-	-	-	-	-	-
-	-	121,728	-	-	39,632
-	-	-	-	-	-
-	25,234	121,728	-	-	40,866
4,629	60,565	(3,728)	-	-	(40,866)
-	-	-	-	-	-
<u>4,629</u>	<u>60,565</u>	<u>(3,728)</u>	<u>-</u>	<u>-</u>	<u>(40,866)</u>
<u>\$ 4,629</u>	<u>\$ 85,799</u>	<u>\$ 118,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2008

	SPECIAL REVENUE FUNDS		
	CDBG	TCSP	EPA Brownfield Grant
<u>Assets:</u>			
Cash and investments	\$ -	\$ -	\$ -
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	128,758	-	-
Prepaid items	-	-	-
Interest receivable	-	-	-
	-	-	-
Total assets	\$ 128,758	\$ -	\$ -
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 51,004	\$ 1,223	\$ 6,828
Accrued salaries and benefits	-	-	-
Due to other funds	120,858	3,680	10,543
Deposits payable	-	-	-
	-	-	-
Total liabilities	171,862	4,903	17,371
<u>Fund balances:</u>			
<u>Unreserved:</u>			
<u>Undesignated, reported in:</u>			
Special revenue funds	(43,104)	(4,903)	(17,371)
Capital projects funds	-	-	-
	-	-	-
Total fund balances (deficit)	(43,104)	(4,903)	(17,371)
Total liabilities and fund balances	\$ 128,758	\$ -	\$ -

continued

SPECIAL REVENUE FUNDS					DEBT SERVICE FUND
OTS Public Safety	STE Grant	FEMA Grant	Street Lighting	Comstock Plover Endowment	City Debt Service
\$ -	\$ -	\$ -	\$ 235	\$ 154,844	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,146	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235</u>	<u>\$ 155,990</u>	<u>\$ -</u>
\$ 13,750	\$ -	\$ -	\$ 2,545	\$ -	\$ -
-	-	-	-	-	-
9,694	7,279	3,835	-	-	-
-	-	-	-	149,597	-
<u>23,444</u>	<u>7,279</u>	<u>3,835</u>	<u>2,545</u>	<u>149,597</u>	<u>-</u>
(23,444)	(7,279)	(3,835)	(2,310)	6,393	-
-	-	-	-	-	-
<u>(23,444)</u>	<u>(7,279)</u>	<u>(3,835)</u>	<u>(2,310)</u>	<u>6,393</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235</u>	<u>\$ 155,990</u>	<u>\$ -</u>

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2008

	CAPITAL PROJECTS FUNDS		
	RDA Project	RDA Bond Proceeds	Totals
<u>Assets:</u>			
Cash and investments	\$ 935,165	\$ -	\$ 8,076,326
Accounts receivable	-	-	43,782
Due from other funds	324,532	-	324,532
Due from other governments	-	-	1,089,195
Prepaid items	2,449	-	52,449
Interest receivable	2,649	-	55,513
	<u>\$ 1,264,795</u>	<u>\$ -</u>	<u>\$ 9,641,797</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 5,406	\$ 121,456	\$ 661,285
Accrued salaries and benefits	3,401	-	3,401
Due to other funds	-	324,532	699,061
Deposits payable	-	-	149,597
	<u>8,807</u>	<u>445,988</u>	<u>1,513,344</u>
<u>Fund balances:</u>			
<u>Unreserved:</u>			
<u>Undesignated, reported in:</u>			
Special revenue funds	-	-	7,318,453
Capital projects funds	1,255,988	(445,988)	810,000
	<u>1,255,988</u>	<u>(445,988)</u>	<u>8,128,453</u>
Total fund balances (deficit)	<u>1,255,988</u>	<u>(445,988)</u>	<u>8,128,453</u>
Total liabilities and fund balances	<u>\$ 1,264,795</u>	<u>\$ -</u>	<u>\$ 9,641,797</u>

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CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 June 30, 2008

	SPECIAL REVENUE FUNDS		
	Gas Tax	Transportation	Measure D
Revenues:			
Taxes	\$ -	\$ -	\$ 1,618,821
Intergovernmental	1,267,816	20,539	-
Charges for services	-	-	-
Developer fees	-	-	-
Investment income	33,054	5,080	14,216
Total revenues	1,300,870	25,619	1,633,037
Expenditures:			
Current:			
Public safety	-	-	-
Public works	702,970	-	1,453,729
Community development	-	-	-
Community service	-	-	-
Capital outlay	-	-	-
Total expenditures	702,970	-	1,453,729
Excess (deficiency) of revenues over (under) expenditures	597,900	25,619	179,308
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	597,900	25,619	179,308
Fund balances (deficit), beginning of year	753,131	105,466	339,839
Fund balances (deficit), end of year	\$ 1,351,031	\$ 131,085	\$ 519,147

SPECIAL REVENUE FUNDS					
Solid Waste Program	GTIP	Park Development Fees	Public Admin. Facilities DIF	Library Facilities DIF	Sheriff Facilities DIF
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
548,588	-	-	-	-	-
-	22,055	309,631	127,764	28,795	44,102
8,837	88,673	78,681	24,492	8,895	9,950
<u>557,425</u>	<u>110,728</u>	<u>388,312</u>	<u>152,256</u>	<u>37,690</u>	<u>54,052</u>
-	-	-	-	-	635
335,316	91,089	6,765	63,146	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	44,941	27,000	-	-	-
<u>335,316</u>	<u>136,030</u>	<u>33,765</u>	<u>63,146</u>	<u>-</u>	<u>635</u>
<u>222,109</u>	<u>(25,302)</u>	<u>354,547</u>	<u>89,110</u>	<u>37,690</u>	<u>53,417</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>222,109</u>	<u>(25,302)</u>	<u>354,547</u>	<u>89,110</u>	<u>37,690</u>	<u>53,417</u>
<u>87,931</u>	<u>2,043,346</u>	<u>1,669,634</u>	<u>465,461</u>	<u>176,382</u>	<u>185,572</u>
<u>\$ 310,040</u>	<u>\$ 2,018,044</u>	<u>\$ 2,024,181</u>	<u>\$ 554,571</u>	<u>\$ 214,072</u>	<u>\$ 238,989</u>

CITY OF GOLETA
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
June 30, 2008

	SPECIAL REVENUE FUNDS		
	Housing In-Lieu	State Park Grant	Public Safety
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	100,000
Charges for services	-	-	-
Developer fees	-	-	-
Investment income	18,525	-	4,698
	18,525	-	104,698
Total revenues	18,525	-	104,698
Expenditures:			
Current:			
Public safety	-	-	88,245
Public works	-	-	-
Community development	-	-	-
Community service	-	-	-
Capital outlay	-	182,116	-
	-	182,116	88,245
Total expenditures	-	182,116	88,245
Excess (deficiency) of revenues over (under) expenditures	18,525	(182,116)	16,453
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(1,459,816)	-	-
	(1,459,816)	-	-
Total other financing sources (uses)	(1,459,816)	-	-
Net change in fund balances	(1,441,291)	(182,116)	16,453
Fund balances (deficit), beginning of year	1,548,007	-	91,493
Fund balances (deficit), end of year	\$ 106,716	\$ (182,116)	\$ 107,946

continued

SPECIAL REVENUE FUNDS

Solid Waste Recycling	RSTP	Local STIP	Environmental Justice	STIP	Federal Transportation Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,050	1,042,648	236,000	10,428	-	33,088
-	-	-	-	-	-
-	-	-	-	-	-
357	1,696	-	-	-	-
<u>8,407</u>	<u>1,044,344</u>	<u>236,000</u>	<u>10,428</u>	<u>-</u>	<u>33,088</u>
-	-	-	-	-	-
6,380	705,465	118,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	114,244	-	-	-	62,369
<u>6,380</u>	<u>819,709</u>	<u>118,000</u>	<u>-</u>	<u>-</u>	<u>62,369</u>
-	-	-	-	-	-
2,027	224,635	118,000	10,428	-	(29,281)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,027	224,635	118,000	10,428	-	(29,281)
2,602	(164,070)	(121,728)	(10,428)	-	(11,585)
<u>\$ 4,629</u>	<u>\$ 60,565</u>	<u>\$ (3,728)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,866)</u>

CITY OF GOLETA
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
June 30, 2008

	SPECIAL REVENUE FUNDS		
	CDBG	TCSP	EPA Brownfield Grant
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	433,517	11,230	74,517
Charges for services	-	-	-
Developer fees	-	-	-
Investment income	1,367	-	-
Total revenues	<u>434,884</u>	<u>11,230</u>	<u>74,517</u>
Expenditures:			
Current:			
Public safety	-	-	-
Public works	-	-	-
Community development	192,678	-	-
Community service	-	-	-
Capital outlay	194,851	9,106	88,197
Total expenditures	<u>387,529</u>	<u>9,106</u>	<u>88,197</u>
Excess (deficiency) of revenues over (under) expenditures	<u>47,355</u>	<u>2,124</u>	<u>(13,680)</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	47,355	2,124	(13,680)
Fund balances (deficit), beginning of year	<u>(90,459)</u>	<u>(7,027)</u>	<u>(3,691)</u>
Fund balances (deficit), end of year	<u>\$ (43,104)</u>	<u>\$ (4,903)</u>	<u>\$ (17,371)</u>

continued

SPECIAL REVENUE FUNDS					DEBT SERVICE FUND
OTS Public Safety	STE Grant	FEMA Grant	Street Lighting	Comstock Plover Endowment	City Debt Service
\$ -	\$ -	\$ -	\$ 98,015	\$ -	\$ -
21,106	43,252	-	-	-	-
-	-	-	-	-	-
-	-	-	238	6,393	-
<u>21,106</u>	<u>43,252</u>	<u>-</u>	<u>98,253</u>	<u>6,393</u>	<u>-</u>
63,564	-	-	-	-	-
-	-	-	-	1,257	-
-	-	-	-	-	-
-	-	-	84,270	-	-
-	50,531	3,835	-	-	-
<u>63,564</u>	<u>50,531</u>	<u>3,835</u>	<u>84,270</u>	<u>1,257</u>	<u>-</u>
(42,458)	(7,279)	(3,835)	13,983	5,136	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(42,458)	(7,279)	(3,835)	13,983	5,136	-
19,014	-	-	(16,293)	1,257	-
<u>\$ (23,444)</u>	<u>\$ (7,279)</u>	<u>\$ (3,835)</u>	<u>\$ (2,310)</u>	<u>\$ 6,393</u>	<u>\$ -</u>

CITY OF GOLETA
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
June 30, 2008

	<u>CAPITAL PROJECTS FUNDS</u>		
	<u>RDA Project</u>	<u>RDA Bond Proceeds</u>	<u>Totals</u>
Revenues:			
Taxes	\$ -	\$ -	\$ 1,716,836
Intergovernmental	-	-	3,302,191
Charges for services	-	-	548,588
Developer fees	-	-	532,347
Investment income	20,663	-	325,815
Total revenues	<u>20,663</u>	<u>-</u>	<u>6,425,777</u>
Expenditures:			
Current:			
Public safety	-	-	152,444
Public works	-	-	3,484,117
Community development	625,181	34,540	852,399
Community service	-	-	84,270
Capital outlay	106,961	411,448	1,295,599
Total expenditures	<u>732,142</u>	<u>445,988</u>	<u>5,868,829</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(711,479)</u>	<u>(445,988)</u>	<u>556,948</u>
Other financing sources (uses):			
Transfers in	1,028,200	-	1,028,200
Transfers out	-	-	(1,459,816)
Total other financing sources (uses)	<u>1,028,200</u>	<u>-</u>	<u>(431,616)</u>
Net change in fund balances	316,721	(445,988)	125,332
Fund balances (deficit), beginning of year	<u>939,267</u>	<u>-</u>	<u>8,003,121</u>
Fund balances (deficit), end of year	<u>\$ 1,255,988</u>	<u>\$ (445,988)</u>	<u>\$ 8,128,453</u>

CITY OF GOLETA
Gas Tax Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 831,000	\$ 1,316,250	\$ 1,267,816	\$ (48,434)
Investment income	20,000	20,000	33,054	13,054
Total revenues	<u>851,000</u>	<u>1,336,250</u>	<u>1,300,870</u>	<u>(35,380)</u>
Expenditures:				
Public works	<u>800,000</u>	<u>973,609</u>	<u>702,970</u>	<u>270,639</u>
Total expenditures	<u>800,000</u>	<u>973,609</u>	<u>702,970</u>	<u>270,639</u>
Net change in fund balance	51,000	362,641	597,900	235,259
Fund balance, beginning	<u>753,131</u>	<u>753,131</u>	<u>753,131</u>	-
Fund balance, ending	<u><u>\$ 804,131</u></u>	<u><u>\$ 1,115,772</u></u>	<u><u>\$ 1,351,031</u></u>	<u><u>\$ 235,259</u></u>

CITY OF GOLETA
Transportation Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 24,500	\$ 24,500	\$ 20,539	\$ (3,961)
Investment income	5,000	5,000	5,080	80
Total revenues	<u>29,500</u>	<u>29,500</u>	<u>25,619</u>	<u>(3,881)</u>
Net change in fund balance	29,500	29,500	25,619	(3,881)
Fund balance, beginning	<u>105,466</u>	<u>105,466</u>	<u>105,466</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 134,966</u></u>	<u><u>\$ 134,966</u></u>	<u><u>\$ 131,085</u></u>	<u><u>\$ (3,881)</u></u>

CITY OF GOLETA
Measure D Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,650,000	\$ 1,650,000	\$ 1,618,821	\$ (31,179)
Investment income	8,000	8,000	14,216	6,216
Total revenues	<u>1,658,000</u>	<u>1,658,000</u>	<u>1,633,037</u>	<u>(24,963)</u>
Expenditures:				
Public works	<u>1,635,000</u>	<u>1,635,000</u>	<u>1,453,729</u>	<u>181,271</u>
Total expenditures	<u>1,635,000</u>	<u>1,635,000</u>	<u>1,453,729</u>	<u>181,271</u>
Net change in fund balance	23,000	23,000	179,308	156,308
Fund balance, beginning	<u>339,839</u>	<u>339,839</u>	<u>339,839</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 362,839</u></u>	<u><u>\$ 362,839</u></u>	<u><u>\$ 519,147</u></u>	<u><u>\$ 156,308</u></u>

CITY OF GOLETA
Solid Waste Program Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 464,000	\$ 551,665	\$ 548,588	\$ (3,077)
Investment income	6,500	6,500	8,837	2,337
Total revenues	<u>470,500</u>	<u>558,165</u>	<u>557,425</u>	<u>(740)</u>
Expenditures:				
Public works	<u>458,000</u>	<u>458,000</u>	<u>335,316</u>	<u>122,684</u>
Total expenditures	<u>458,000</u>	<u>458,000</u>	<u>335,316</u>	<u>122,684</u>
Net change in fund balance	12,500	100,165	222,109	121,944
Fund balance, beginning	<u>87,931</u>	<u>87,931</u>	<u>87,931</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 100,431</u></u>	<u><u>\$ 188,096</u></u>	<u><u>\$ 310,040</u></u>	<u><u>\$ 121,944</u></u>

CITY OF GOLETA
 GTIP Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Developer fees	\$ 450,000	\$ 22,000	\$ 22,055	\$ 55
Investment income	90,000	90,000	88,673	(1,327)
Total revenues	<u>540,000</u>	<u>112,000</u>	<u>110,728</u>	<u>(1,272)</u>
Expenditures:				
Public works	30,000	65,370	91,089	(25,719)
Capital outlay	196,000	607,937	44,941	562,996
Total expenditures	<u>226,000</u>	<u>673,307</u>	<u>136,030</u>	<u>537,277</u>
Net change in fund balance	314,000	(561,307)	(25,302)	536,005
Fund balance, beginning	<u>2,043,346</u>	<u>2,043,346</u>	<u>2,043,346</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 2,357,346</u></u>	<u><u>\$ 1,482,039</u></u>	<u><u>\$ 2,018,044</u></u>	<u><u>\$ 536,005</u></u>

CITY OF GOLETA
 Park Development Fees Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Developer fees	\$ 50,000	\$ 310,000	\$ 309,631	\$ (369)
Investment income	75,000	75,000	78,681	3,681
Total revenues	<u>125,000</u>	<u>385,000</u>	<u>388,312</u>	<u>3,312</u>
Expenditures:				
Public works	-	6,766	6,765	1
Capital outlay	-	281,000	27,000	254,000
Total expenditures	<u>-</u>	<u>287,766</u>	<u>33,765</u>	<u>254,001</u>
Net change in fund balance	125,000	97,234	354,547	257,313
Fund balance, beginning	<u>1,669,634</u>	<u>1,669,634</u>	<u>1,669,634</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 1,794,634</u></u>	<u><u>\$ 1,766,868</u></u>	<u><u>\$ 2,024,181</u></u>	<u><u>\$ 257,313</u></u>

CITY OF GOLETA
Public Administration Facilities DIF Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Developer fees	\$ 10,000	\$ 128,000	\$ 127,764	\$ (236)
Investment income	23,000	23,000	24,492	1,492
Total revenues	<u>33,000</u>	<u>151,000</u>	<u>152,256</u>	<u>1,256</u>
Expenditures:				
Public works	-	68,120	63,146	4,974
Capital outlay	85,000	85,000	-	85,000
Total expenditures	<u>85,000</u>	<u>153,120</u>	<u>63,146</u>	<u>89,974</u>
Net change in fund balance	(52,000)	(2,120)	89,110	91,230
Fund balance, beginning	<u>465,461</u>	<u>465,461</u>	<u>465,461</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 413,461</u></u>	<u><u>\$ 463,341</u></u>	<u><u>\$ 554,571</u></u>	<u><u>\$ 91,230</u></u>

CITY OF GOLETA
 Library Facilities DIF Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Developer fees	\$ -	\$ 28,000	\$ 28,795	\$ 795
Investment income	7,500	7,500	8,895	1,395
Total revenues	<u>7,500</u>	<u>35,500</u>	<u>37,690</u>	<u>2,190</u>
Fund balance, beginning	<u>176,382</u>	<u>176,382</u>	<u>176,382</u>	-
Fund balance, ending	<u>\$ 183,882</u>	<u>\$ 211,882</u>	<u>\$ 214,072</u>	<u>\$ 2,190</u>

CITY OF GOLETA
 Sheriff Facilities DIF Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Developer fees	\$ -	\$ 44,000	\$ 44,102	\$ 102
Investment income	7,500	7,500	9,950	2,450
Total revenues	<u>7,500</u>	<u>51,500</u>	<u>54,052</u>	<u>2,552</u>
Expenditures:				
Public safety	-	8,120	635	7,485
Total expenditures	<u>-</u>	<u>8,120</u>	<u>635</u>	<u>7,485</u>
Net change in fund balance	7,500	43,380	53,417	10,037
Fund balance, beginning	<u>185,572</u>	<u>185,572</u>	<u>185,572</u>	<u>-</u>
Fund balance, ending	<u>\$ 193,072</u>	<u>\$ 228,952</u>	<u>\$ 238,989</u>	<u>\$ 10,037</u>

CITY OF GOLETA
Housing In-Lieu Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 65,000	\$ 65,000	\$ 18,525	\$ (46,475)
Total revenues	65,000	65,000	18,525	(46,475)
Expenditures:				
Community services	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	65,000	65,000	18,525	(46,475)
Other financing sources (uses):				
Transfers out	-	(1,459,816)	(1,459,816)	-
Total other financing sources (uses)	-	(1,459,816)	(1,459,816)	-
Net change in fund balance	65,000	(1,394,816)	(1,441,291)	(46,475)
Fund balance, beginning	1,548,007	1,548,007	1,548,007	-
Fund balance, ending	<u>\$ 1,613,007</u>	<u>\$ 153,191</u>	<u>\$ 106,716</u>	<u>\$ (46,475)</u>

CITY OF GOLETA
State Park Grant Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 177,500	\$ 280,000	\$ -	\$ (280,000)
Total revenues	177,500	280,000	-	(280,000)
Expenditures:				
Capital outlay	177,500	280,000	182,116	97,884
Total expenditures	177,500	280,000	182,116	97,884
Net change in fund balance	-	-	(182,116)	(182,116)
Fund balance, beginning	-	-	-	-
Fund balance (deficit), ending	\$ -	\$ -	\$ (182,116)	\$ (182,116)

CITY OF GOLETA
Public Safety Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Investment income	4,500	4,500	4,698	198
Total revenues	<u>104,500</u>	<u>104,500</u>	<u>104,698</u>	<u>198</u>
Expenditures:				
Public safety	<u>100,000</u>	<u>100,000</u>	<u>88,245</u>	<u>11,755</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>88,245</u>	<u>11,755</u>
Net change in fund balance	4,500	4,500	16,453	11,953
Fund balance, beginning	<u>91,493</u>	<u>91,493</u>	<u>91,493</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 95,993</u></u>	<u><u>\$ 95,993</u></u>	<u><u>\$ 107,946</u></u>	<u><u>\$ 11,953</u></u>

CITY OF GOLETA
Solid Waste Recycling Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,500	\$ 8,500	\$ 8,050	\$ (450)
Investment income	-	-	357	357
Total revenues	<u>8,500</u>	<u>8,500</u>	<u>8,407</u>	<u>(93)</u>
Expenditures:				
Public works	<u>8,000</u>	<u>8,000</u>	<u>6,380</u>	<u>1,620</u>
Total expenditures	<u>8,000</u>	<u>8,000</u>	<u>6,380</u>	<u>1,620</u>
Net change in fund balance	500	500	2,027	1,527
Fund balance, beginning	<u>2,602</u>	<u>2,602</u>	<u>2,602</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 3,102</u></u>	<u><u>\$ 3,102</u></u>	<u><u>\$ 4,629</u></u>	<u><u>\$ 1,527</u></u>

CITY OF GOLETA
RSTP Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 843,000	\$ 1,010,120	\$ 1,042,648	\$ 32,528
Investment income	-	-	1,696	1,696
Total revenues	<u>843,000</u>	<u>1,010,120</u>	<u>1,044,344</u>	<u>34,224</u>
Expenditures:				
Public works	826,000	826,000	705,465	120,535
Capital outlay	17,000	428,800	114,244	314,556
Total expenditures	<u>843,000</u>	<u>1,254,800</u>	<u>819,709</u>	<u>435,091</u>
Net change in fund balance	-	(244,680)	224,635	469,315
Fund balance (deficit), beginning	<u>(164,070)</u>	<u>(164,070)</u>	<u>(164,070)</u>	<u>-</u>
Fund balance (deficit), ending	<u><u>\$ (164,070)</u></u>	<u><u>\$ (408,750)</u></u>	<u><u>\$ 60,565</u></u>	<u><u>\$ 469,315</u></u>

CITY OF GOLETA
Local STIP Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 121,000	\$ 121,000	\$ 236,000	\$ 115,000
Total revenues	121,000	121,000	236,000	115,000
Expenditures:				
Public works	118,000	118,000	118,000	-
Total expenditures	118,000	118,000	118,000	-
Net change in fund balance	3,000	3,000	118,000	115,000
Fund balance (deficit), beginning	(121,728)	(121,728)	(121,728)	-
Fund balance (deficit), ending	\$ (118,728)	\$ (118,728)	\$ (3,728)	\$ 115,000

CITY OF GOLETA
Environmental Justice Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 70,000	\$ 83,499	\$ 10,428	\$ (73,071)
Total revenues	70,000	83,499	10,428	(73,071)
Expenditures:				
Capital outlay	51,600	54,670	-	54,670
Total expenditures	51,600	54,670	-	54,670
Excess (deficiency) of revenues over expenditures	18,400	28,829	10,428	(18,401)
Other financing sources (uses):				
Transfers out	(240,420)	-	-	-
Total other financing sources (uses)	(240,420)	-	-	-
Net change in fund balance	(222,020)	28,829	10,428	(18,401)
Fund balance (deficit), beginning	(10,428)	(10,428)	(10,428)	-
Fund balance (deficit), ending	<u>\$ (232,448)</u>	<u>\$ 18,401</u>	<u>\$ -</u>	<u>\$ (18,401)</u>

CITY OF GOLETA
 STIP Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 147,336	\$ -	\$ (147,336)
Total revenues	-	147,336	-	(147,336)
Expenditures:				
Capital outlay	-	147,336	-	147,336
Total expenditures	-	147,336	-	147,336
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

CITY OF GOLETA
Federal Transportation Program Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 395,000	\$ 488,023	\$ 33,088	\$ (454,935)
Total revenues	395,000	488,023	33,088	(454,935)
Expenditures:				
Capital outlay	395,000	513,423	62,369	451,054
Total expenditures	395,000	513,423	62,369	451,054
Net change in fund balance	-	(25,400)	(29,281)	(3,881)
Fund balance (deficit), beginning	(11,585)	(11,585)	(11,585)	-
Fund balance (deficit), ending	\$ (11,585)	\$ (36,985)	\$ (40,866)	\$ (3,881)

CITY OF GOLETA
Community Development Block Grant Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 276,874	\$ 311,725	\$ 433,517	\$ 121,792
Investment income	-	-	1,367	1,367
Total revenues	<u>276,874</u>	<u>311,725</u>	<u>434,884</u>	<u>123,159</u>
Expenditures:				
Community development	91,139	193,696	192,678	1,018
Capital outlay	<u>160,000</u>	<u>194,851</u>	<u>194,851</u>	<u>-</u>
Total expenditures	<u>251,139</u>	<u>388,547</u>	<u>387,529</u>	<u>1,018</u>
Net change in fund balance	25,735	(76,822)	47,355	124,177
Fund balance (deficit), beginning	<u>(90,459)</u>	<u>(90,459)</u>	<u>(90,459)</u>	<u>-</u>
Fund balance (deficit), ending	<u><u>\$ (64,724)</u></u>	<u><u>\$ (167,281)</u></u>	<u><u>\$ (43,104)</u></u>	<u><u>\$ 124,177</u></u>

CITY OF GOLETA
 TCSP Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 37,000	\$ 107,500	\$ 11,230	\$ (96,270)
Total revenues	37,000	107,500	11,230	(96,270)
Expenditures:				
Capital outlay	37,000	100,473	9,106	91,367
Total expenditures	37,000	100,473	9,106	91,367
Net change in fund balance	-	7,027	2,124	(4,903)
Fund balance (deficit), beginning	(7,027)	(7,027)	(7,027)	-
Fund balance (deficit), ending	\$ (7,027)	\$ -	\$ (4,903)	\$ (4,903)

CITY OF GOLETA
EPA Brownfield Grant Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 104,800	\$ 104,800	\$ 74,517	\$ (30,283)
Total revenues	104,800	104,800	74,517	(30,283)
Expenditures:				
Capital outlay	104,800	104,800	88,197	16,603
Total expenditures	104,800	104,800	88,197	16,603
Net change in fund balance	-	-	(13,680)	(13,680)
Fund balance (deficit), beginning	(3,691)	(3,691)	(3,691)	-
Fund balance (deficit), ending	\$ (3,691)	\$ (3,691)	\$ (17,371)	\$ (13,680)

CITY OF GOLETA
 OTS Public Safety Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 21,106	\$ (18,894)
Total revenues	40,000	40,000	21,106	(18,894)
Expenditures:				
Public safety	40,000	64,737	63,564	1,173
Total expenditures	40,000	64,737	63,564	1,173
Net change in fund balance	-	(24,737)	(42,458)	(17,721)
Fund balance, beginning	19,014	19,014	19,014	-
Fund balance (deficit), ending	\$ 19,014	\$ (5,723)	\$ (23,444)	\$ (17,721)

CITY OF GOLETA
STE Grant Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 135,000	\$ 135,000	\$ 43,252	\$ (91,748)
Total revenues	135,000	135,000	43,252	(91,748)
Expenditures:				
Capital outlay	135,000	135,000	50,531	84,469
Total expenditures	135,000	135,000	50,531	84,469
Net change in fund balance	-	-	(7,279)	(7,279)
Fund balance, beginning	-	-	-	-
Fund balance (deficit), ending	\$ -	\$ -	\$ (7,279)	\$ (7,279)

CITY OF GOLETA
 FEMA Grant Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 176,447	\$ 176,447	\$ -	\$ (176,447)
Total revenues	176,447	176,447	-	(176,447)
Expenditures:				
Capital outlay	176,447	176,447	3,835	172,612
Total expenditures	176,447	176,447	3,835	172,612
Net change in fund balance	-	-	(3,835)	(3,835)
Fund balance, beginning	-	-	-	-
Fund balance (deficit), ending	\$ -	\$ -	\$ (3,835)	\$ (3,835)

CITY OF GOLETA
Street Lighting Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 102,000	\$ 97,991	\$ 98,015	\$ 24
Investment income	1,000	1,000	238	(762)
Total revenues	<u>103,000</u>	<u>98,991</u>	<u>98,253</u>	<u>(738)</u>
Expenditures:				
Community services	<u>102,900</u>	<u>84,836</u>	<u>84,270</u>	<u>566</u>
Total expenditures	<u>102,900</u>	<u>84,836</u>	<u>84,270</u>	<u>566</u>
Net change in fund balance	100	14,155	13,983	(172)
Fund balance (deficit), beginning	<u>(16,293)</u>	<u>(16,293)</u>	<u>(16,293)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ (16,193)</u>	<u>\$ (2,138)</u>	<u>\$ (2,310)</u>	<u>\$ (172)</u>

CITY OF GOLETA
 Comstock Plover Endowment Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 7,000	\$ 7,000	\$ 6,393	\$ (607)
Total revenues	7,000	7,000	6,393	(607)
Expenditures:				
Public works	7,000	7,000	1,257	5,743
Total expenditures	7,000	7,000	1,257	5,743
Net change in fund balance	-	-	5,136	5,136
Fund balance, beginning	1,257	1,257	1,257	-
Fund balance, ending	\$ 1,257	\$ 1,257	\$ 6,393	\$ 5,136

CITY OF GOLETA
RDA Project Fund
Non-Major Capital Projects Fund
Budgetary Comparison Schedule
Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 126,750	\$ 126,750	\$ 20,663	\$ (106,087)
Total revenues	126,750	126,750	20,663	(106,087)
Expenditures:				
Community development	454,730	715,033	625,181	89,852
Capital outlay	150,000	378,521	106,961	271,560
Total expenditures	604,730	1,093,554	732,142	361,412
Excess (deficiency) of revenues over (under) expenditures	(477,980)	(966,804)	(711,479)	255,325
Other financing sources (uses):				
Transfers in	250,000	619,900	1,028,200	408,300
Total other financing sources (uses)	250,000	619,900	1,028,200	408,300
Net change in fund balance	(227,980)	(346,904)	316,721	663,625
Fund balance, beginning	939,267	939,267	939,267	-
Fund balance, ending	\$ 711,287	\$ 592,363	\$ 1,255,988	\$ 663,625

CITY OF GOLETA
 RDA Bond Proceeds Fund
 Non-Major Capital Projects Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 390,000	\$ -	\$ -	\$ -
Total revenues	390,000	-	-	-
Expenditures:				
Community development	-	-	34,540	(34,540)
Capital outlay	10,829,500	10,877,002	411,448	10,465,554
Total expenditures	10,829,500	10,877,002	445,988	10,431,014
Excess (deficiency) of revenues over (under) expenditures	(10,439,500)	(10,877,002)	(445,988)	10,431,014
Other financing sources:				
Proceeds from bonds	13,000,000	13,000,000	-	(13,000,000)
Total other financing sources	13,000,000	13,000,000	-	(13,000,000)
Net change in fund balance	2,560,500	2,122,998	(445,988)	(2,568,986)
Fund balance, beginning	-	-	-	-
Fund balance (deficit), ending	<u>\$ 2,560,500</u>	<u>\$ 2,122,998</u>	<u>\$ (445,988)</u>	<u>\$ (2,568,986)</u>

CITY OF GOLETA
Statement of Changes in Fiduciary Assets and Liabilities
Year ended June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Developer Deposits				
Assets				
Cash and investments	\$ 207,924	\$ 599,030	\$ 528,510	\$ 278,444
Total assets	<u>\$ 207,924</u>	<u>\$ 599,030</u>	<u>\$ 528,510</u>	<u>\$ 278,444</u>
Liabilities				
Accounts payable	\$ 10,850	\$ 38,809	\$ 10,850	\$ 38,809
Deposits payable	197,074	560,221	517,660	239,635
Total liabilities	<u>\$ 207,924</u>	<u>\$ 599,030</u>	<u>\$ 528,510</u>	<u>\$ 278,444</u>

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STATISTICAL SECTION

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	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	100
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	108
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	114
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	118
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	120

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 Assets by Component
 Last Six Fiscal Years*
 (accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
Primary Government:			
Governmental activities			
Invested in capital assets, net of related debt	\$ 15,264,168	\$ 16,284,140	\$ 24,991,474
Restricted	5,895,207	5,738,058	5,932,908
Unrestricted	3,040,219	4,284,637	5,729,507
Total governmental activities, net assets	<u>\$ 24,199,594</u>	<u>\$ 26,306,835</u>	<u>\$ 36,653,889</u>

* Reflects data compiled by the City of Goleta since incorporation.

Fiscal Year		
2006	2007	2008
\$ 27,093,022	\$ 171,497,745	\$ 168,561,463
10,787,824	10,792,609	15,401,523
6,839,388	8,838,623	8,785,763
<u>\$ 44,720,234</u>	<u>\$ 191,128,977</u>	<u>\$ 192,748,749</u>

City of Goleta
Changes in Net Assets
Last Six Fiscal Years *
(accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
Primary Government- Governmental activities:			
Expenses			
General government	\$ 2,256,472	\$ 3,100,654	\$ 3,415,277
Public safety	4,539,280	4,751,782	5,273,087
Public works	231,951	4,404,746	5,538,722
Community development	2,558,958	2,723,339	2,036,243
Community services	2,266,229	774,233	727,856
Interest and other charges	78,523	114,431	39,416
Total expenses	\$ 11,931,413	\$ 15,869,185	\$ 17,030,601
Program Revenues			
Charges for services:			
General government	\$ 34,346	\$ 64,255	\$ 31,974
Public safety	134,066	126,037	206,399
Public works	144,984	702,404	141,814
Community development	1,793,692	1,693,003	959,273
Community services	-	13,656	193,710
Operating contributions and grants:			
Public safety	-	-	142,166
Public works	926,210	1,096,350	2,313,742
Community development	612,954	32,260	19,615
Community services	-	-	-
Capital contributions and grants:			
Public safety	100,744	101,735	19,200
Public works	1,700,013	1,390,379	902,820
Community development	-	-	8,521,192
Community services	-	-	-
Total program revenues	\$ 5,447,009	\$ 5,220,079	\$ 13,451,905
Net (expense)/revenue	\$ (6,484,404)	\$ (10,649,106)	\$ (3,578,696)
General Revenues and Other Changes in Net Assets			
Taxes:			
Sales taxes	\$ 3,485,996	\$ 3,623,036	\$ 3,864,389
Property taxes, levied for general purpose	2,630,417	3,040,880	4,893,131
Redevelopment Agency Tax Increment, restricted	-	-	-
Motor vehicle in lieu of taxes unrestricted	2,674,050	2,542,364	1,502,920
Transient occupancy tax	2,141,810	2,142,802	2,282,932
Franchise taxes	346,426	1,061,334	946,066
Other taxes	193,140	185,017	-
Investment income	146,909	97,278	280,398
Other	4,089	62,258	155,914
Special item - forgiveness of debt	-	-	-
Total general revenues	\$ 11,622,837	\$ 12,754,969	\$ 13,925,750
Change in Net Assets	\$ 5,138,433	\$ 2,105,863	\$ 10,347,054

* Reflects data compiled by the City of Goleta since incorporation.

Fiscal Year		
2006	2007	2008
\$ 3,550,258	\$ 3,372,878	\$ 3,902,025
5,539,496	5,617,168	5,853,577
4,595,206	10,581,153	11,235,589
3,667,575	1,177,266	1,670,489
1,133,688	2,584,997	2,569,696
33,320	130,839	75,612
<u>\$ 18,519,543</u>	<u>\$ 23,464,301</u>	<u>\$ 25,306,988</u>

\$ 37,456	\$ 416,758	\$ 8,590
201,787	225,986	217,652
2,304,882	711,443	686,705
-	-	931,359
734,277	690,879	16,410
130,616	242,339	-
4,338,565	3,432,130	3,056,038
1,389,033	711,075	51,175
8,428	8,232	-
-	-	179,856
232,141	989,205	2,122,198
1,689,883	21,203	8,407
542,413	23,976	37,690
<u>\$ 11,609,481</u>	<u>\$ 7,473,226</u>	<u>\$ 7,316,080</u>

<u>\$ (6,910,062)</u>	<u>\$ (15,991,075)</u>	<u>\$ (17,990,908)</u>
-----------------------	------------------------	------------------------

\$ 4,039,979	\$ 4,116,748	\$ 4,160,113
4,867,360	4,359,151	4,609,491
-	2,252,723	2,754,708
1,125,865	1,139,903	1,106,524
2,601,475	2,571,528	2,783,144
952,856	1,116,446	938,208
-	-	418,052
646,378	1,152,334	719,157
245,579	-	621,283
-	-	1,500,000
<u>\$ 14,479,492</u>	<u>\$ 16,708,833</u>	<u>\$ 19,610,680</u>

<u>\$ 7,569,430</u>	<u>\$ 717,758</u>	<u>\$ 1,619,772</u>
---------------------	-------------------	---------------------

City of Goleta
Fund Balances of Governmental Funds
Last Six Fiscal Years *
(modified accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
General Fund			
Reserved	\$ -	\$ 2,936,065	\$ 4,429,850
Unreserved	4,894,108	2,100,000	1,653,495
Total general fund	<u>\$ 4,894,108</u>	<u>\$ 5,036,065</u>	<u>\$ 6,083,345</u>
All other governmental funds			
Reserved	\$ -	\$ 3,841,795	\$ 3,652,802
Unreserved, reported in:			
Special revenue funds	4,300,743	3,095,160	3,961,067
Capital projects funds	1,234,464	-	-
Total all other governmental funds	<u>\$ 5,535,207</u>	<u>\$ 6,936,955</u>	<u>\$ 7,613,869</u>

* Reflects data compiled by the City of Goleta since incorporation.

Fiscal Year		
2006	2007	2008
\$ 6,600,000	\$ 819,500	\$ 997,972
950,433	8,544,585	9,087,093
<u>\$ 7,550,433</u>	<u>\$ 9,364,085</u>	<u>\$ 10,085,065</u>
\$ 5,434,747	\$ 3,591,210	\$ 6,200,802
5,759,397	5,450,614	7,622,276
(4,237)	2,827,773	810,000
<u>\$ 11,189,907</u>	<u>\$ 11,869,597</u>	<u>\$ 14,633,078</u>

City of Goleta
Changes in Fund Balances of Governmental Funds
Last Six Fiscal Years *
(modified accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
Revenues			
Taxes	\$ 11,829,133	\$ 11,835,023	\$ 14,124,469
Intergovernmental	4,044,354	3,627,332	4,285,249
Charges for services	1,139,034	1,263,348	1,040,105
Fines and forfeitures	124,867	145,273	206,399
Investment income	146,908	176,405	280,398
Developer fees	-	1,069,060	466,190
Other	4,088	62,257	155,914
Total revenues	<u>17,288,384</u>	<u>18,178,698</u>	<u>20,558,724</u>
Expenditures			
Current:			
General government	2,473,793	2,941,264	3,390,716
Public safety	4,539,280	4,749,255	5,289,121
Public works	213,248	4,430,225	5,385,700
Community development	2,544,335	2,677,083	2,306,787
Community services	2,260,697	748,508	734,783
Pass-through to other agencies	218,538	324,409	401,710
Capital outlay	-	250,197	866,484
Debt service			
Principal	428,525	394,758	413,189
Interest	84,472	120,672	46,040
Total expenditures	<u>12,762,888</u>	<u>16,636,371</u>	<u>18,834,530</u>
Excess (deficiency) of revenues over expenditures	<u>4,525,496</u>	<u>1,542,327</u>	<u>1,724,194</u>
Other financing sources (uses)			
Transfers in	546,669	1,050,478	1,213,036
Transfers out	(546,669)	(1,050,478)	(1,213,036)
Proceeds of long-term debt	300,000	-	-
Total other financing sources (uses)	<u>300,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 4,825,496</u>	<u>\$ 1,542,327</u>	<u>\$ 1,724,194</u>
Debt service as a percentage of noncapital expenditures	4.02%	3.15%	2.56%

* Reflects data compiled by the City of Goleta since incorporation.

Fiscal Year		
2006	2007	2008
\$ 16,173,369	\$ 17,181,587	\$ 17,341,789
4,585,024	4,160,756	4,417,441
1,593,377	2,138,814	1,543,839
201,787	225,986	217,653
646,378	1,152,334	1,071,351
1,798,530	271,291	532,347
245,579	189,602	621,302
25,244,044	25,320,370	25,745,722
3,520,719	3,603,156	3,768,660
5,579,362	5,725,768	5,846,854
5,395,431	7,066,796	6,291,291
3,791,902	1,177,266	1,119,545
1,136,769	3,295,355	2,726,268
103,384	450,545	550,944
197,500	597,627	1,451,785
436,959	771,101	425,653
38,892	139,414	80,261
20,200,918	22,827,028	22,261,261
5,043,126	2,493,342	3,484,461
1,204,752	2,829,956	3,038,958
(1,204,752)	(2,829,956)	(3,038,958)
-	-	-
-	-	-
\$ 5,043,126	\$ 2,493,342	\$ 3,484,461

2.38%

4.68%

2.50%

City of Goleta
Assessed Value and Actual Value of Taxable Property
Last Six Fiscal Years *

Fiscal Year Ended June 30,	City		Taxable Assessed Value
	Secured and Unsecured Value	Less Exemptions	
2003	\$ 3,188,570,394	\$ 103,187,550	\$ 3,085,382,844
2004	3,318,088,859	107,535,229	3,210,553,630
2005	3,526,555,537	109,735,138	3,416,820,399
2006	3,667,247,789	127,367,000	3,539,880,789
2007	4,609,243,631	144,341,549	4,464,902,082
2008	4,846,111,226	155,221,614	4,690,889,612

* Reflects data compiled by the City of Goleta since incorporation.

Source: Santa Barbara County Auditor-Controller

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 for the payment of Goleta Unified School District Debt Service and the Santa Barbara High School District.

RDA

<u>Secured and Unsecured Value</u>	<u>Less Exemptions</u>	<u>Taxable Assessed Value</u>	<u>Total Direct Rate</u>
\$ 583,066,842	\$ 33,015,511	\$ 550,051,331	\$ 1.03235
819,650,382	39,474,146	780,176,236	1.02709
823,942,992	39,791,239	784,151,753	1.02935
855,566,776	48,145,605	807,421,171	1.02977
916,338,045	49,175,662	867,162,383	1.02925
972,697,831	59,156,174	913,541,657	1.02875

City of Goleta
Property Tax Rates
Direct and Overlapping Governmental
Per \$100 of Assessed Value
Last Six Fiscal Years*

	Fiscal Year		
	2003	2004	2005
City Direct Rates:			
City of Goleta Basic Rate	1.00000	1.00000	1.00000
Overlapping Rates:			
Goleta Unified School District	0.02280	0.01754	0.01746
Santa Barbara High School District	0.00955	0.00955	0.01189
Total Direct Rate	1.03235	1.02709	1.02935

* Reflects data compiled by the City of Goleta since incorporation.

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

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 for the payment of Goleta Unified School District Debt Service and the Santa Barbara High School District.

Fiscal Year		
2006	2007	2008
1.00000	1.00000	1.00000
0.01729	0.01677	0.01627
0.01248	0.01248	0.01248
1.02977	1.02925	1.02875

City of Goleta, California
Principal Property Taxpayers
Current Year

<u>Taxpayer</u>	<u>Primary Use</u>	<u>2008 *</u>	
		<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>
HT Santa Barbara, Inc.	Commercial	\$ 130,000,000	2.32%
SP Maravilla, LLC	Institutional	104,291,400	1.86%
IV Investments, LP	Commercial	53,754,000	0.96%
Camino Real II LTD	Commercial	51,190,443	0.91%
Raytheon Co	Commercial	49,417,919	0.88%
Nassau Land Co, LLP	Commercial	39,043,605	0.70%
IRE SB INC	Commercial	38,045,675	0.68%
University Business Center Assoc.	Commercial	36,303,372	0.65%
Goleta Investment Partners, LLC	Commercial	34,643,740	0.62%
Pacific Oaks LP	Commercial	<u>33,251,284</u>	<u>0.59%</u>
Top Ten Totals		<u><u>\$ 569,941,438</u></u>	<u><u>10.17%</u></u>

Source: Santa Barbara Auditor-Controller

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

* The City has not presented data for the period nine years prior to the current period because the City has only been incorporated for six years.

City of Goleta
Property Tax Levies and Collections
Last Six Fiscal Years*

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	Percent of Levy	Collections in Subsequent Years	Total Collections to Date (1)	
		Amount			Amount	Percentage of Levy
2003	\$1,523,587	\$1,523,587	100%	-	\$1,523,587	100%
2004	1,680,689	1,680,689	100%	-	1,680,689	100%
2005	1,775,867	1,775,867	100%	-	1,775,867	100%
2006	1,901,688	1,901,688	100%	-	1,901,686	100%
2007	2,076,982	2,076,982	100%	-	2,076,982	100%
2008	1,984,793	1,984,793	100%	-	1,984,793	100%

* Reflects data compiled by the City of Goleta since incorporation.

Source: City of Goleta, Finance Department

(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 receive 95% of the property taxes in advance from the County and the remaining 5% after the County reconciles the City's balance at June 30.

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

City of Goleta
Ratios of Outstanding Debt by Type
Last Six Fiscal Years *

Fiscal Year	Certificates of Participation	Capital Leases	Loan Payable	Total Government	Percentage of Personal Income	Debt Per Capita
2003	\$ 1,930,000	\$ 594,058	\$ 1,800,000	\$ 4,324,058	0.41%	\$ 141
2004	1,570,000	559,301	1,800,000	3,929,301	0.33%	128
2005	1,195,000	521,112	1,800,000	3,516,112	0.29%	115
2006	800,000	479,153	1,800,000	3,079,153	0.24%	102
2007	375,000	433,052	1,500,000	2,308,052	0.18%	77
2008	-	382,399	-	382,399	0.03%	13

* Reflects data compiled by the City of Goleta since incorporation

Source: City of Goleta, Finance Department

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
as of June 30, 2008

2007-2008 Assessed Valuations:

2007-2008 Assessed Valuation:	\$4,846,111,226
Redevelopment Incremental Valuation:	972,697,831
Adjusted Assessed Valuation:	<u>\$3,873,413,395</u>

	<u>Total Debt</u> 6/30/2008	<u>%</u> <u>Applicable</u>	<u>District's</u> <u>Share of Debt</u> 6/30/08
<u>Overlapping General Fund Obligation Debt:</u>			
Goleta Unified School District	\$ 22,120,000	100.00%	\$ 22,120,000
Santa Barbara High School District	63,144,730	100.00%	<u>63,144,730</u>
Total direct and overlapping tax and assessment debt			<u>85,264,730</u>
<u>Direct and Overlapping General Fund Obligation Debt:</u>			
Santa Barbara County General Fund Obligations	\$ 56,460,000	7.092% (1)	<u>4,004,115</u>
Total overlapping general fund debt			<u>4,004,115</u>
 Total direct and overlapping debt			 <u><u>\$ 89,268,845</u></u> (2)

Ratios to 2007-08 Assessed Valuations:

Total Direct and Overlapping Tax and Assessment Debt 1.76%

Ratios to Adjusted Assessed Valuations:

Combined Total Debt 2.30%

Notes:

(1) Population estimates for the City and County were used to calculate the estimated percentage applicable of the overlapping debt. Of the County's 424,425 population, 7.108% reside within the City's boundaries.

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

Source: County of Santa Barbara

Fiscal Year		
2006	2007	2008
\$3,667,247,789	\$4,609,243,631	\$4,846,111,226
25%	25%	25%
\$ 916,811,947	\$1,152,310,908	\$1,211,527,807
15%	15%	15%
\$ 137,521,792	\$ 172,846,636	\$ 181,729,171
-	-	-
<u>\$ 137,521,792</u>	<u>\$ 172,846,636</u>	<u>\$ 181,729,171</u>
0%	0%	0%

City of Goleta
Demographic and Economic Statistics
Last Six Years*

Calendar Year	Population (1) City of Goleta	Santa Barbara County			
		Population (1) (in thousands)	Personal Income (2) (in thousands)	Per Capita Personal Income (2) (in thousands)	Unemployment Rate (3)
2003	30,761	410	\$ 13,677,000	33.9	3.50%
2004	30,691	415	15,382,000	38.1	3.40%
2005	30,471	419	16,500,000	41.0	4.00%
2006	30,135	422	17,490,000	43.5	3.50%
2007	30,169	424	18,642,000	46.1	4.30%
2008	30,400	429	19,201,000	47.5 (4)	5.60%

* Reflects data compiled by the City since incorporation.

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.
4. Projected Amounts (with a 3% increase).

City of Goleta
Principal Employers
Current Year

<u>Employer</u>	2008 *	
	<u>Number of Employees</u>	<u>Employment % to Total Population</u>
Raytheon	1,875	6.17%
Barcara Resorts	651	2.14%
Citrix Online	540	1.78%
Goleta Unified School District	478	1.57%
Flir	350	1.15%
Allergan (Inamed)	325	1.07%
Yardi Systems	320	1.05%
Goleta Cottage Hospital	310	1.02%
Karl Storz Imaging	285	0.94%
ATK	200	0.66%
Jordanos	194	0.64%
Costco	170	0.56%

“Percentage of Total Employment” as used above represents the total population of Goleta at Current Year into the Number of Employees.

Source: Santa Barbara Chamber of Commerce

* The City has not presented data for the period nine years prior to the current period because the City has only been incorporated for six years.

City of Goleta
 Full-time and Part-time City Employees
 by Function
 Last Five Fiscal Years

Function	FY 2003-04 Authorized Positions	FY 2004-05 Authorized Positions	FY 2005-06 Authorized Positions
General government	4.0	6.5	6.0
Administrative Services	5.0	4.5	2.5
Finance Department	-	-	3.5
Planning and Environmental Services	13.5	14.0	14.0
RDA & Neighborhood Services	-	1.0	4.0
Community Services	6.5	13.0	14.5
Total	29.0	39.0	44.5

Source: City of Goleta, Finance Department

<u>FY 2006-07 Authorized Positions</u>	<u>FY 2007-08 Authorized Positions</u>
6.25	4.75
2.50	4.00
3.50	4.00
14.00	13.50
4.50	4.00
<u>14.50</u>	<u>15.00</u>
45.25	45.25

City of Goleta
 Operating Indicators
 by Function
 Last Six Fiscal Years

Function:	Fiscal Year		
	2003	2004	2005
Public Safety:			
Police (1)			
Calls for Service	14,811	15,943	16,458
Citations	1,309	1,719	2,028
Reports Taken	3,437	3,458	3,884
Fire (2)			
Calls for Service	N/A	2,205	2,334
Public Works (3)			
Miles of street resurfacing	16.1	11.3	9.7

(1) Source: Santa Barbara County Sheriff Department

(2) Source: Santa Barbara County Fire Department. Figures based on calendar year.

(3) Source: City of Goleta's Community Services Department

Fiscal Year		
2006	2007	2008
14,788	15,200	16,117
1,577	1,798	1,421
3,927	3,748	3,186
2,150	2,066	2,314
8.5	10.8	24.6

City of Goleta
Capital Asset Statistics
by Function

Last Six Fiscal Years

	Fiscal Year		
	2003	2004	2005
Public Safety:			
Police Stations *	-	-	-
Fire Stations *	3	3	3
Community Development & Community Services:			
Parks and Open Space - Acreage	373	373	296
Community Center	1	1	1
Library	1	1	1
Elementary Schools (K-6)	5	5	4
Middle Schools (6-8)	1	1	1
High Schools (9-12)	1	1	1
Private Schools	3	3	3
Special Needs Schools	-	-	-
Public Works:			
Area of City (square miles)	7.9	7.9	7.9
Miles of streets	172.3	172.3	172.3
Number of Street lights (1)	71	71	71
Number of vehicles (city wide)	1	3	9

Source: Various City of Goleta Departments

* City contracts with County of Santa Barbara for Law Enforcement Services. Fire Department related services are provided by the County Fire District.

(1) There are fifteen hundred fifty (1550) street lights owned and maintained by SCE in addition to those owned and maintained by the City.

Fiscal Year		
2006	2007	2008
-	-	-
3	3	3
436	437	438
1	1	1
1	1	1
5	5	5
1	1	1
1	1	1
3	3	3
-	-	-
7.9	7.9	7.9
172.3	172.3	172.3
71	73	85
9	13	15

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