

CITY OF GOLETA
Goleta, California

Comprehensive Annual Financial Report

Year ended June 30, 2011

Prepared by

FINANCE DEPARTMENT

Alvertina Rivera

Finance Director

CITY OF GOLETA
Comprehensive Annual Financial Report
Year ended June 30, 2011

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November 22, 2011

To the Citizens of the City of Goleta:

CITY COUNCIL

Margaret
Connell
Mayor

It is with great pleasure that we present to you the City of Goleta Comprehensive Annual Financial Report (CAFR). This report fully complies with the fund balance classification model developed by the Governmental Accounting Standards Board (GASB) Statement 54.

Edward Easton
Mayor Pro Tempore

Roger S. Aceves
Councilmember

Michael T. Bennett
Councilmember

Paula Perotte
Councilmember

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.

CITY MANAGER

Daniel Singer

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.

CITY MANAGER

Daniel Singer

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

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

GOVERNMENT PROFILE

The City of Goleta incorporated on February 1, 2002 as a General Law City under the laws of the State of California. The City of Goleta encompasses approximately 8 square miles in southern Santa Barbara County and has a population of approximately 31,099. The City is adjacent to the City of Santa Barbara and is approximately 90 miles from Los Angeles.

The City operates under the Council-Manager form of government. The City Council is comprised of five members elected at large for staggered four year terms of office. The Mayor and Mayor Pro Tem are selected by the Council from among its members to serve one-year terms. The City Council serves as the legislative and policy-making body of the City, enacting all laws and directing such actions as are required to provide for the general welfare of the community. The City provides municipal services through contracts for such things as street, park, and landscape maintenance. The City of Goleta also contracts with the Santa Barbara County Sheriff's Department for law enforcement services. Fire protection services are provided by Santa Barbara County Fire Department. There are 440 acres of parks and open space within City limits. The City owns the Goleta Public Library and contracts with the City of Santa Barbara for library services.

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

ECONOMIC CONDITION AND OUTLOOK

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

The City 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. The City has seen evidence of an economic recovery resulting in double digit increases in Transient Occupancy and Sales Tax revenues collected. While the economic improvement provides much optimism for a brighter financial outlook, a full recovery continues to be a long-range vision. There has also been some turn-over of retail outlets, which has generated opportunities for viable contenders to join the City of Goleta retail market.

The City's General Fund revenues exceeded operating expenditures by \$371,600, thereby allowing for the replenishment of reserves.

As part of the incorporation process, the City of Goleta and the County of Santa Barbara entered into a Revenue Neutrality Agreement. This agreement requires that 50% percent of the City's portion of Property Tax and 30% of the City's portion of retail Sales Tax, be allocated to the County in perpetuity. The County shall also receive, for the mitigation period of ten years, an additional 20% of the City's portion of retail Sales Tax and 40% of the Transient Occupancy Tax generated by TOT taxpayers, staying in facilities that were in existence at City incorporation. The mitigation provisions are set to expire in June 2012. Taken as a whole, the City generated \$7,474,257 in revenues that were paid to the County of Santa Barbara in FY 2010-11 in accordance with the Revenue Neutrality Agreement.

The State of California continues to struggle to solve a multi-billion dollar deficit, resulting in another attempt to strip local governments of revenues to alleviate the State's financial crisis. The latest attempt has targeted Redevelopment Agencies, leaving their future uncertain at this time. Court proceedings are underway to determine, first, if the State legislature has the authority to dissolve Redevelopment Agencies, and secondly, if it can require monetary contributions from agencies wishing to preserve their existence. A ruling in favor of the State will have significant impacts on the financial resources available to the City of Goleta and consequently the quality of life services provided to its residents. A ruling on the Redevelopment issue is expected by January 15, 2012.

MAJOR INITIATIVES

Management:

The City continues to maintain a strong and effective workforce of approximately 46 full-time equivalent positions. To meet growing demand for development applications, the City Council supported the expansion of the workforce by adding an additional full-time position in the City Attorney's office, as well as expanding part-time positions in the Planning & Environmental Services and General Government Departments. Additional staffing has been added through consulting service contracts as well.

Redevelopment Agency:

The State's fiscal imbalance, which remains largely unaddressed, has resulted in various modifications to local funding. Chief among these changes is the threat of losing all of the City's Redevelopment Agency funding, as previously discussed. Such a shift will have financial impacts on the City as well as the Agency and will necessitate a restructuring plan depending on the court's ruling on the subject. The City's General Fund, Redevelopment Agency Fund, Low-Moderate Income Housing Fund, Capital Improvement Fund, and corresponding staffing levels may all experience some level of change.

Capital Improvement Plans

Moving toward the City's tenth year of incorporation, the City is now seeing the initiation of numerous significant Capital Improvement Projects around the City. Chief among these is the San Jose Creek Floodwater Capacity and Fish Passage Improvement Project; a \$22 million flood improvement project for Old Town Goleta. A highway bridge overcrossing is being completed on the west end of town. Meanwhile, in the center of the City, a new roundabout is being designed and planned. In Old Town Goleta, environmental work is concluding on two major arterial street extensions, including new roundabouts along the City's primary corridor, Hollister Avenue, in addition to a new bridge in the same vicinity.

The City and Redevelopment Agency recently completed the purchase of a 4-acre vacant property with the intention of designing and building an active-use community park. The City is also working with the County Fire Department on the design and eventual construction of a new fire station on a property purchased by the City for the intended use.

In addition, the City continues to place a high importance on the maintenance of the City's infrastructure, committing funds to road maintenance, sidewalk improvements and streetscapes.

Strategic Plan:

The City Council established a comprehensive Strategic Plan on July 16, 2007 and updates the Plan two times a year. The Strategic Plan identifies organizational goals and objectives, setting forth thirteen City goals and more than 110 objectives. The Strategic Plan is utilized within the organization to establish priorities for the initiation, budgeting and completion of various programs and projects. In May, the Council identified 16 high priority projects from the Strategic Plan that the City has budgeted for and will be working to complete over the next few fiscal years.

Furthermore, the City Council adopted an Economic Development Strategic Plan which focuses on economic conditions and future programs that might enhance Goleta's economic environment.

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.

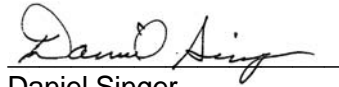
Annual Audit:

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, 2011 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, 2011 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 that the City's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles. The independent auditor's report is presented as the first component of the financial section of this report.

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,

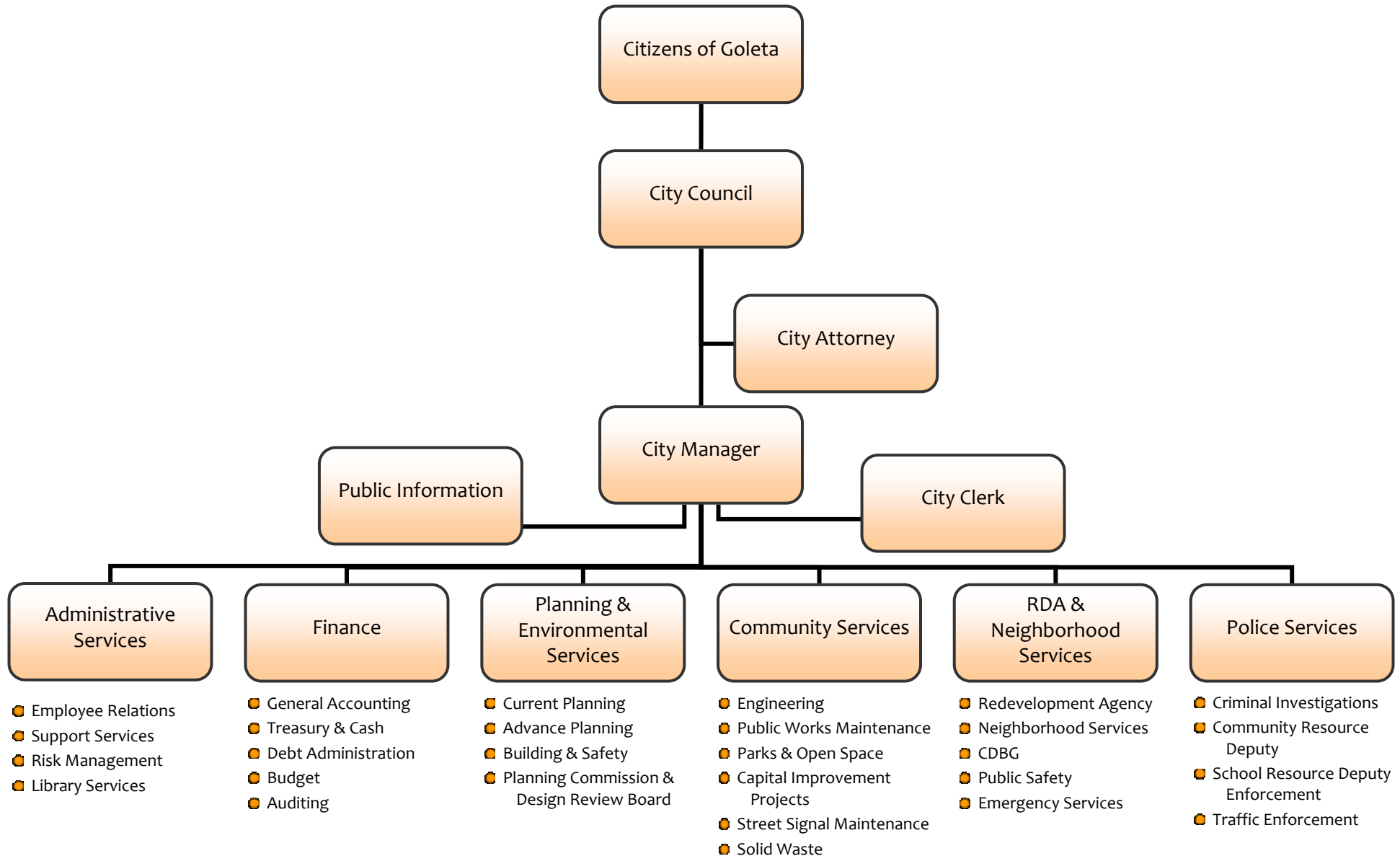
A handwritten signature in cursive script, reading "Daniel Singer", written over a horizontal line.

Daniel Singer
City Manager



ORGANIZATIONAL CHART

By Function



CITY OF GOLETA

**LIST OF PRINCIPAL OFFICIALS
FOR
FISCAL YEAR ENDED JUNE 30, 2011**

CITY COUNCIL

MARGARET CONNELL
Mayor

EDWARD EASTON
Mayor Pro Tempore

ROGER S. ACEVES, Council Member
MICHAEL T. BENNETT, Council Member
PAULA PEROTTE, Council Member

CITY ADMINISTRATION

DANIEL A. SINGER
City Manager

Michelle Greene, Administrative Services Director
Tim W. Giles, 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. Butch Arnoldi, Chief of Police

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Goleta
California

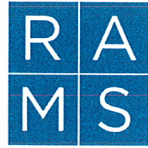
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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.



President

Executive Director



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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San Bernardino, CA 92408
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Honorable Mayor and City Council
City of Goleta
Goleta, California

PARTNERS

Phillip H. Waller, CPA
Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Matthew B. Wilson, CPA, MSA
Scott W. Manno, CPA
Leena Shanbhag, CPA, MST
Jay H. Zercher, CPA (Retired)

MANAGERS / STAFF

Nancy O'Rafferty, CPA, MBA
Bradferd A. Welebir, CPA, MBA
Jenny Liu, CPA
Katie L. Millsom, CPA
Papa Matar Thiaw, CPA, MBA
Maya S. Ivanova, CPA, MBA
Danielle E. Odgers, CPA
William C. Clayton, CPA
Scott Millsom, CPA
Peter Murray, CPA
Genivive Schwarzkopf, CPA
Megan Hackney, CPA

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Goleta, California (the City), as of and for the year ended June 30, 2011, 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. 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, as of June 30, 2011, and the respective changes in financial position of the City for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in the notes of these financial statements, the City adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the fiscal year ended June 30, 2011.

As explained in Note 14 of these financial statements, it is uncertain as to the future continuation of redevelopment agencies (a material component unit in the City's financial statements) in the State of California as a result of certain legislative actions enacted by the California State Legislature.

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

Honorable Mayor and City Council
City of Goleta
Goleta, California

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2011 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express opinions or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express opinions or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Goleta, California's financial statements as a whole. The introductory section, combining nonmajor fund financial statements, nonmajor individual budgetary comparison information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements and the nonmajor individual budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Rogers, Anderson, Maloy & Scott, LLP

November 30, 2011

Management's Discussion and Analysis Fiscal Year Ended June 30, 2011

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, 2011. The City welcomes everyone to read the information in this document in conjunction with the accompanying transmittal letter found on pages i - v, and the accompanying basic financial statements found on pages 12 - 21 of this report.

FINANCIAL HIGHLIGHTS

- At the end of the fiscal year 2011, the City's net assets totaled \$185,519,792 a decrease of approximately 1.04% from the prior year. Of the total net assets, close to \$7.3 million is unrestricted and thus may be used to meet the City's ongoing obligations.
- As of June 30, 2011, the City's taxes and other revenues were exceeded by expenses by \$(1,937,085).
- The total revenue from all sources equaled \$22,637,033.
- The General Fund reported excess revenues over expenditures of \$16,373,510, of which \$16,001,911 is designated for capital projects in the Old Town Redevelopment area.
- The General Fund had an ending fund balance of \$24,369,804 of which \$22,176,727 is assigned to meet the City's Reserve policies. The Old Town CIP reserve accounts for \$16,001,911 of the \$22,176,727 assigned fund balance. The unassigned fund balance of \$1,873,276 consists of continuing appropriations of \$504,384 and \$1,368,892 of unassigned reserves.

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, Community Services, Public Safety, and Public Works. Property Tax, Sales Tax, Transient Occupancy Tax and Franchise Tax finance approximately 64% 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, RDA Debt Service Fund, RDA Project Fund, and ARRA Federal Stimulus 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, 2011 and 2010

	Governmental Activities	
	2011	2010
Current and other assets	\$ 40,797,489	\$ 24,928,272
Capital Assets	<u>164,624,323</u>	<u>166,000,677</u>
Total Assets	<u>\$ 205,421,812</u>	<u>\$ 190,928,949</u>
Other Liabilities	3,058,010	1,908,815
Long Term Liabilities		
Due in one year	606,465	132,517
Due in more than one year	<u>16,237,545</u>	<u>1,430,740</u>
Total Liabilities	<u>19,902,020</u>	<u>3,472,072</u>
Net Assets:		
Invested in Capital Assets, net of accumulated depreciation and related debt	164,443,711	165,751,283
Restricted	13,773,387	15,707,269
Unrestricted	<u>7,302,694</u>	<u>5,998,325</u>
Total Net Assets	<u>\$ 185,519,792</u>	<u>\$ 187,456,877</u>

- Current and other assets increased \$15,869,217 primarily as a result of the RDA bond issuance, while liabilities had a corresponding increase of \$16,429,948 also as a result of the RDA bond issuance.
- Capital assets totaled \$250,286,820 at year-end before accumulated depreciation of \$85,662,497 resulting in net assets of \$164,624,323.

Asset Type	
Land	\$ 25,403,837
Building and improvements	1,954,418
Furniture and equipment	658,378
Vehicles	306,032
Infrastructure	211,229,903
Construction in progress	<u>10,734,252</u>
Total fixed assets	250,286,820
Less depreciation	<u>85,662,497</u>
Capital Assets net of Depreciation	<u>\$ 164,624,323</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 \$7,302,694. This represents a \$1,304,369 increase from prior year due to Non-Major Governmental Funds activity for the year.

**Fiscal year 2011 Governmental Activities
(See Table 2)**

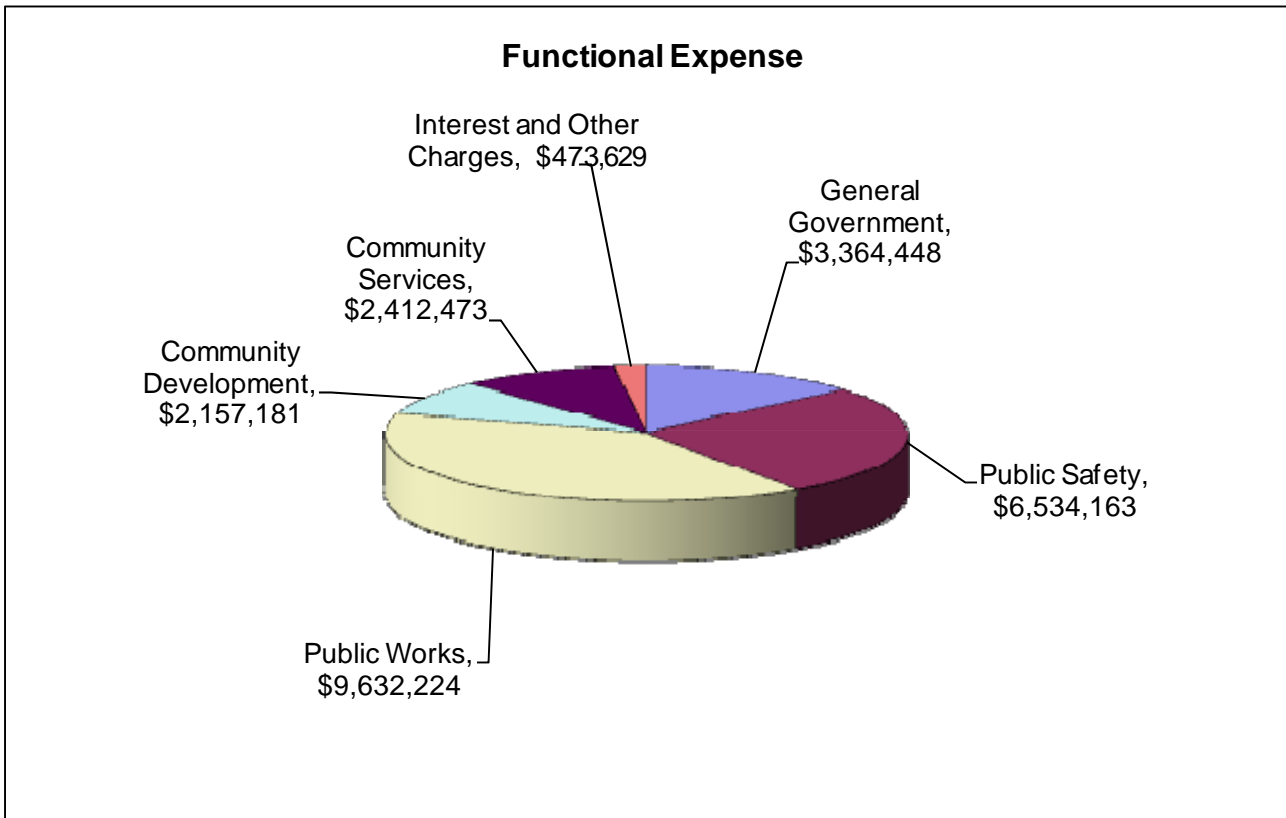
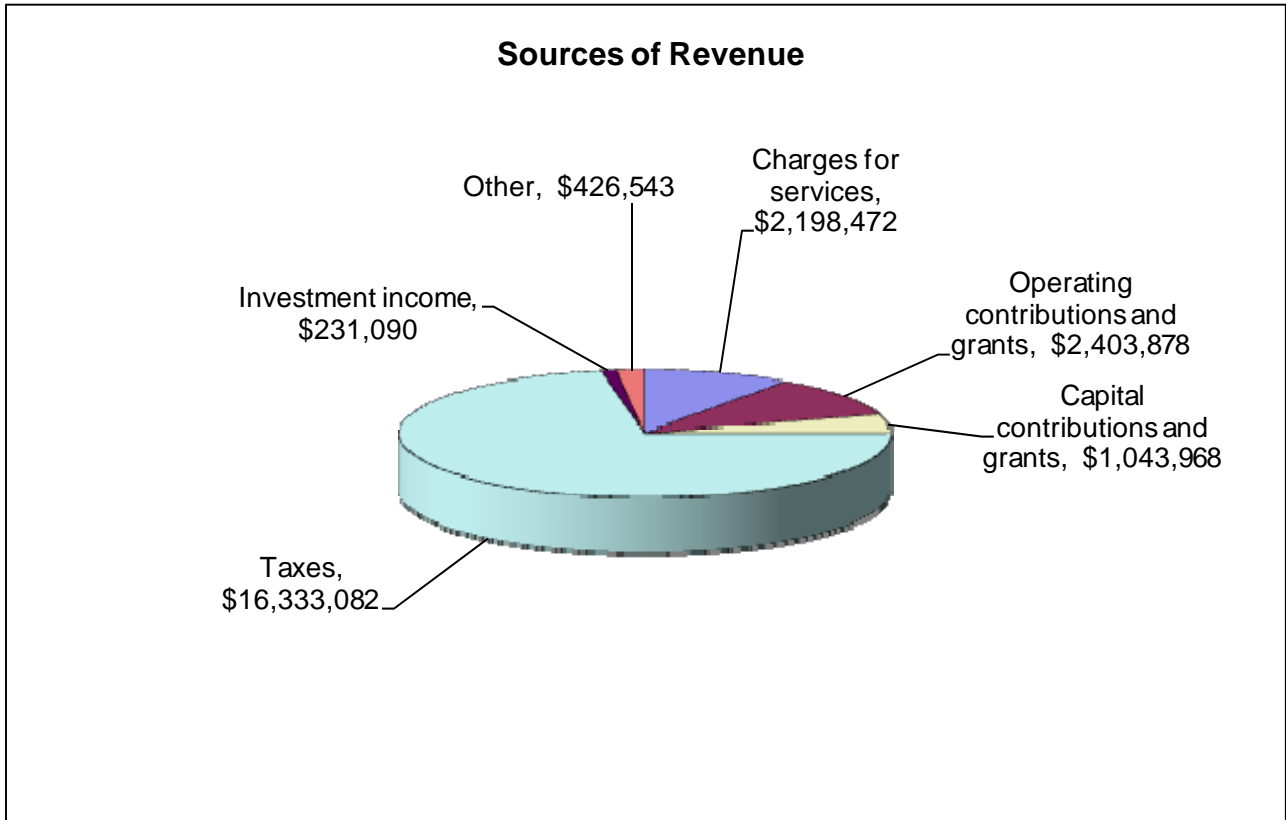


Table 2
Changes in Net Assets
Year Ended June 30, 2011 and 2010

	Governmental Activities	
	2011	2010
Revenues		
Program Revenues:		
Charges for services	\$ 2,198,472	\$ 1,835,553
Operating contributions and grants	2,403,878	3,365,937
Capital contributions and grants	1,043,968	2,626,673
General revenues:		
Taxes:		
Sales taxes	3,905,548	3,310,542
Property taxes levied for general purposes	4,790,367	4,781,106
Redevelopment Agency Tax Increment	3,644,069	3,903,872
Transient occupancy tax	2,417,169	2,143,120
Franchise taxes	1,031,099	1,002,546
Other taxes	544,830	585,546
Investment Income	231,090	282,431
Other	426,543	435,079
Total revenues	22,637,033	24,272,405
Expenses		
General Government	3,364,448	4,504,965
Public Safety	6,534,163	6,443,432
Public Works	9,632,224	11,131,852
Community Development	2,157,181	3,006,793
Community Services	2,412,473	2,662,570
Interest and other charges	473,629	38,756
Total expenses	24,574,118	27,788,368
Change in Net Assets	\$ (1,937,085)	\$ (3,515,963)
Ending Net Assets	\$ 185,519,792	\$ 187,456,877

The City's total revenues were \$22,637,033 while the total cost of all programs and services was \$24,574,118. Property Tax of \$4,790,367 is the City's largest revenue source at approximately 21%, while Sales Tax of \$3,905,548 is the City's second largest revenue source at 17%. Redevelopment Agency Tax Increment of \$3,644,069 is the City's third largest revenue source at approximately 16%. These revenues fund a significant portion of the City's basic services.

Government Activities

Table 3 presents the cost of each of the City's programs, General Government, 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, 2011

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General Government	\$ 3,364,448	\$ (3,357,923)
Public Safety	6,534,163	(6,119,791)
Public Works	9,632,224	(5,724,685)
Community Development	2,157,181	(861,968)
Community Services	2,412,473	(2,389,804)
Interest and other charges	473,629	(473,629)
Totals	<u>\$ 24,574,118</u>	<u>\$ (18,927,800)</u>

- General Government expenses comprise approximately 14% of the governmental expenses and include City Council, City Manager, City Clerk, City Attorney, Public Outreach, Administrative Services, Support Services, Finance and Risk Management. Charges for services and other fees partially offset the cost of this program.
- Public Safety expenses comprise 27% of the governmental expenses. Revenue from fines and capital grants partially offset the cost of this program.
- Public Works expenses comprise approximately 39% 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 9% 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 2% of the governmental expenses. This interest expense is to pay for the Goleta Valley Community Center, RDA Loan from the City, and RDA bonds.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At fiscal year-end the City's Governmental Funds reported a combined fund balance of \$37,346,231, an increase of \$14,955,323 over prior year. The General Fund activity accounts for 109% or \$16,375,510 of that increase which was the result of receiving payment from the RDA for co-op agreement obligations. That payment allowed for the establishment of a reserve to fund capital projects in the Old Town project area. The RDA Project Fund had a decrease of \$2,728,681 because all available funds were used to pay co-op agreement obligations to the General Fund. The RDA Debt Service Fund had an increase of \$1,340,401 which represents the amount required held by the fiscal agent for use in repayment of bond debt. Non-major funds had a minor increase of \$269,924. The ARRA fund, which was classified major fund with a \$240,017 negative fund balance in the prior year, is now represented in the non-major fund category.

General Fund Budgetary Highlights

Revenues: Actual revenues received were over budget by \$172,846, primarily as a result of higher than projected revenues from taxes and intergovernmental sources.

Expenditures: Actual expenditures were less than budgeted in most areas for an overall savings of \$878,756. Significant reductions were recognized in the General Government, Administrative, Planning and Environmental, and Community Services departments.

Appropriations: The final appropriations for the General Fund at year end were \$878,756 less than the final budget for the reasons noted above. Variances between the Original and the Final budgets are primarily due to the inclusion of continuing appropriations for special projects from the prior year.

Ending Fund Balance: The General Fund Ending Balance was \$24,369,804 as of June 30, 2011. This amount was more than the final budget projection by \$1,051,602 as a result of the revenue and expenditure activity noted above.

Fund balance:	
Nonspendable:	
Prepaid items	\$ 319,801
Assigned	22,176,727
Unassigned	<u>1,873,276</u>
Total fund balance	<u>\$ 24,369,804</u>

The Council has 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% 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 \$5,201,600. Additionally, the City Manager has approved the Continuing Designation of unexpended funds for special projects into the next fiscal year. This amount is \$504,385 in the current year. Per Council direction, all remaining fund balance is to be placed in the Unassigned 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 \$250,286,820. At the end of fiscal year 2011, the City had \$164,624,323 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	\$ 25,403,837
Buildings and improvements	1,954,418
Furniture and equipment	658,378
Vehicles	306,032
Infrastructure	211,229,903
Construction in progress	10,734,252
Depreciation	(85,662,497)
Total fixed assets	<u><u>\$ 164,624,323</u></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. Also included for the first time is the debt related to the Tax Allocation Bonds issued by the Redevelopment Agency.

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

Bonds Payable:	
Tax Allocation Bonds 2011	\$ 16,085,000
Discount on bonds issued	(251,680)
Loans Payable:	
Capital Lease Payable - Goleta Valley	
Community Center	180,612
Claims and judgments payable	473,830
Compensated absences	356,248
Total	\$ 16,844,010

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's primary revenue sources are all potentially affected by economic factors. However, current economic indicators point to a regional recovery which has manifested itself in the first quarter Transient Occupancy Tax (TOT) activity. Actual TOT receipts are surpassing projections for FY 2011-12. Sales taxes are currently performing at a level to meet current year expectations. Property Tax is projected to slightly exceed initial budget projections.

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, 2011

	<u>Governmental Activities</u>
Assets:	
Cash and investments (note 2)	\$ 36,954,730
Cash with fiscal agent	1,340,400
Receivables:	
Accounts	507,131
Interest	2,853
Due from other governments	1,208,333
Deposits	5,500
Prepaid assets	392,789
Deferred charges	385,753
Capital assets (note 5):	
Non-depreciable	47,533,402
Depreciable	202,753,418
Less: accumulated depreciation	<u>(85,662,497)</u>
Total assets	<u>205,421,812</u>
Liabilities:	
Accounts payable	1,928,840
Accrued salaries and benefits	217,480
Accrued interest payable	377,841
Deposits payable	283,849
Deferred revenue	250,000
Non-current liabilities (note 6):	
Due within one year	606,465
Due in more than one year	<u>16,237,545</u>
Total liabilities	<u>19,902,020</u>
Net assets:	
Invested in capital assets, net of related debt	164,443,711
Restricted for:	
Public safety	100,733
Public works	8,588,482
Community development	3,735,859
Debt Service	1,348,313
Unrestricted	<u>7,302,694</u>
Total net assets	<u><u>\$ 185,519,792</u></u>

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

CITY OF GOLETA
STATEMENT OF ACTIVITIES
Year ended June 30, 2011

	Expenses	Program Revenues	
		Charges for Services	Operating Contributions and Grants
Governmental activities:			
General government	\$ 3,364,448	\$ 6,525	\$ -
Public safety	6,534,163	228,485	171,280
Public works	9,632,224	680,933	2,225,067
Community development	2,157,181	1,267,026	7,531
Community services	2,412,473	15,503	-
Interest and other charges	473,629	-	-
	<hr/>	<hr/>	<hr/>
Total governmental activities	\$ 24,574,118	\$ 2,198,472	\$ 2,403,878

General revenues:

Taxes:

 Sales taxes

 Property taxes, levied for general purpose

 Property taxes, Redevelopment Agency tax increment, restricted

 Transient occupancy tax

 Franchise taxes

 Other taxes

Investment income

Other

 Total general revenues

 Change in net assets

Net assets at beginning of year

Net assets at 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
\$ -	\$ (3,357,923)
14,607	(6,119,791)
1,001,539	(5,724,685)
20,656	(861,968)
7,166	(2,389,804)
-	(473,629)
<u>\$ 1,043,968</u>	<u>(18,927,800)</u>

3,905,548
4,790,367
3,644,069
2,417,169
1,031,099
544,830
231,090
<u>426,543</u>
<u>16,990,715</u>
(1,937,085)
<u>187,456,877</u>
<u>\$ 185,519,792</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 are not accounted for and reported in another fund.

DEBT SERVICE FUND

Debt Service Funds are used to account for all financial resources that are restricted, committed, or assigned to expenditure for 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 all financial resources that are restricted, committed, or assigned to expenditure for principal, interest and related costs of long-term debt issued by the Redevelopment Agency.

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for all financial resources that are restricted, committed, or assigned to expenditure for capital outlays. The following fund has been classified as a major fund.

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

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 and Capital Projects Funds of the City for the year ended.

CITY OF GOLETA
Governmental Funds
Balance Sheet
June 30, 2011

	General	Debt Service Fund RDA Debt Service
Assets		
Cash and investments (note 2)	\$ 23,755,914	\$ 381,080
Cash with fiscal agent	-	1,340,400
Receivables:		
Accounts	449,947	-
Interest	1,688	183
Due from other governments	556,724	-
Due from other funds (note 3)	264,228	-
Deposits	-	-
Prepaid items	319,801	-
	<u>\$ 25,348,302</u>	<u>\$ 1,721,663</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 409,646	\$ 381,262
Accrued salaries and benefits	185,503	-
Due to other funds (note 3)	-	-
Deposits payable	133,349	-
Deferred revenue	250,000	-
	<u>978,498</u>	<u>381,262</u>
Fund balances:		
Nonspendable:		
Prepaid items	319,801	-
Restricted:		
Public safety	-	-
Public works	-	-
Community development	-	-
Debt service	-	1,340,401
Assigned	22,176,727	-
Unassigned	1,873,276	-
	<u>24,369,804</u>	<u>1,340,401</u>
Total fund balances	<u>24,369,804</u>	<u>1,340,401</u>
Total liabilities and fund balances	<u>\$ 25,348,302</u>	<u>\$ 1,721,663</u>

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

Capital Projects Fund RDA Project	Non-Major Governmental Funds	Totals
\$ 1,453,699	\$ 11,364,037	\$ 36,954,730
-	-	1,340,400
-	57,184	507,131
138	844	2,853
43	651,566	1,208,333
-	-	264,228
-	5,500	5,500
22,613	50,375	392,789
<u>\$ 1,476,493</u>	<u>\$ 12,129,506</u>	<u>\$ 40,675,964</u>
\$ 341,469	\$ 796,463	\$ 1,928,840
12,375	19,602	217,480
-	264,228	264,228
-	150,500	283,849
-	385,336	635,336
<u>353,844</u>	<u>1,616,129</u>	<u>3,329,733</u>
22,613	50,375	392,789
-	100,733	100,733
-	8,328,364	8,328,364
1,100,036	2,458,857	3,558,893
-	-	1,340,401
-	-	22,176,727
-	(424,952)	1,448,324
<u>1,122,649</u>	<u>10,513,377</u>	<u>37,346,231</u>
<u>\$ 1,476,493</u>	<u>\$ 12,129,506</u>	<u>\$ 40,675,964</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, 2011

Fund balances of governmental funds \$ 37,346,231

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	250,286,820
Accumulated depreciation	(85,662,497)

Long term debt has not been included in the governmental fund activity:

Bonds payable	(16,085,000)
Discount on bonds issued	251,680
Capital leases payable	(180,612)
Claims payable	(473,830)
Compensated absences	(356,248)
Accrued interest payable	(377,841)

Other long-term assets are not available to pay for current-period
 expenditures and, therefore, are deferred in the funds.

Long-term receivables	385,336
Deferred charges	385,753

Net assets of governmental activities	\$ 185,519,792
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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, 2011

	General	Debt Service Fund RDA Debt Service
Revenues:		
Taxes	\$ 12,305,973	\$ 3,644,069
Intergovernmental	16,152,888	-
Charges for services	1,287,889	-
Fines and forfeitures	228,486	-
Investment income	186,211	23,335
Developer fees	-	-
Other	426,368	-
Total revenues	<u>30,587,815</u>	<u>3,667,404</u>
Expenditures:		
Current:		
General government	3,761,490	-
Public safety	6,370,370	-
Public works	1,887,222	-
Community development	-	60,696
Community services	2,121,351	-
Pass-through to other agencies	-	1,023,921
Capital outlay	3,112	-
Debt service:		
Bond issuance costs	-	388,720
Principal	68,782	-
Interest	1,978	91,875
Total expenditures	<u>14,214,305</u>	<u>1,565,212</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,373,510</u>	<u>2,102,192</u>
Other financing sources (uses):		
Tax allocation bonds issued	-	16,085,000
Discount on bonds issued	-	(253,615)
Transfers in (note 4)	-	-
Transfers out (note 4)	-	(16,593,176)
Total other financing sources and (uses)	<u>-</u>	<u>(761,791)</u>
Net change in fund balances	16,373,510	1,340,401
Fund balances, beginning of year	<u>7,996,294</u>	<u>-</u>
Fund balances, end of year	<u>\$ 24,369,804</u>	<u>\$ 1,340,401</u>

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

Capital Projects Fund RDA Project	Non-Major Governmental Funds	Totals
\$ -	\$ 1,510,680	\$ 17,460,722
-	2,268,990	18,421,878
-	530,694	1,818,583
-	-	228,486
22,891	98,285	330,722
-	166,928	166,928
1,309	27,161	454,838
<u>24,200</u>	<u>4,602,738</u>	<u>38,882,157</u>
-	-	3,761,490
-	129,248	6,499,618
-	2,659,312	4,546,534
16,506,933	564,575	17,132,204
-	289,290	2,410,641
-	-	1,023,921
2,110,310	1,719,034	3,832,456
-	-	388,720
-	-	68,782
-	-	93,853
<u>18,617,243</u>	<u>5,361,459</u>	<u>39,758,219</u>
<u>(18,593,043)</u>	<u>(758,721)</u>	<u>(876,062)</u>
-	-	16,085,000
-	-	(253,615)
15,864,362	728,814	16,593,176
-	-	(16,593,176)
<u>15,864,362</u>	<u>728,814</u>	<u>15,831,385</u>
(2,728,681)	(29,907)	14,955,323
<u>3,851,330</u>	<u>10,543,284</u>	<u>22,390,908</u>
<u>\$ 1,122,649</u>	<u>\$ 10,513,377</u>	<u>\$ 37,346,231</u>

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CITY OF GOLETA
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year ended June 30, 2011

Net change in fund balances - total governmental funds \$ 14,955,323

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 depreciation exceeded capital outlays in the current period.

Capital outlays, net of disposals	4,662,763
Depreciation, net of disposals	(6,039,117)

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. 68,782

The issuance of long-term debt provides current financial resources to governmental funds. This transaction, however, does not have an effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Proceeds from issuance of bonds	(16,085,000)
Discount on bonds issued	253,615
Bond issuance costs	388,720

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.

Amortization of issuance costs	(2,967)
Amortization of bond discount	(1,935)
Change in claims payable	521,362
Change in compensated absences payable	(37,577)
Change in accrued interest expense	(377,841)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Grant revenues	<u>(243,213)</u>
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Change in net assets of governmental activities	<u><u>\$ (1,937,085)</u></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, 2011

	<u>Agency Funds</u> <u>Developer</u> <u>Deposits</u>
Assets	
Cash and investments	\$ 566,111
Total assets	<u>\$ 566,111</u>
Liabilities	
Accounts payable	\$ 47,716
Deposits payable	<u>518,395</u>
Total liabilities	<u>\$ 566,111</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, 2011

(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 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. 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, 2011 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.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(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 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 an expenditure.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund 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.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

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

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

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.

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 when cash is received by the government.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed 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.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

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

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

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.

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

Recognition of governmental fund type revenue represented by non-current receivables are deferred until they become current receivables.

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

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as 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 are not accounted for and reported in another fund.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

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

(c) Fund Classifications, (Continued)

RDA Debt Service

The RDA Debt Service Fund is used to account for all financial resources that are restricted, committed, or assigned to expenditure for principal, interest and related costs of long-term debt issued by the Redevelopment Agency.

RDA Project Capital Projects Fund

The RDA Project Capital Projects Fund is used to account for Redevelopment Agency administration and projects.

Additionally, the City reports the following fund type:

Agency Funds

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

(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 \$37,346,231 differ from "net assets" of governmental activities of \$185,519,792 as reported in the statement of net assets as of June 30, 2011. 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.

Deferred Revenue

Grant receivables not received within 60 days after year-end are not available to pay for current-period expenditures and, therefore, are deferred in the funds. These are reported as deferred revenue in the funds, whereas they are not reported as a liability in the statement of net assets. This amount at June 30, 2011 is \$385,336.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

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

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

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	\$ 250,286,820
Accumulated depreciation	(85,662,497)

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, 2011 were:

Long-term debt	\$ 16,013,932
Compensated absences	356,248
Claims payable	<u>473,830</u>
Net long-term debt	<u>\$ 16,844,010</u>

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.

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CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(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	Deferred Charges	Deferred Revenue	Capital Related Items
Assets				
Cash and investments	\$ 36,954,730	\$ -	\$ -	\$ -
Cash with fiscal agent	1,340,400	-	-	-
Receivables:				
Accounts	507,131	-	-	-
Interest	2,853	-	-	-
Due from other governments	1,208,333	-	-	-
Due from other funds	264,228	-	-	-
Deposits	5,500	-	-	-
Prepaid expenses	392,789	-	-	-
Deferred charges	-	385,753	-	-
Capital assets	-	-	-	250,286,820
Less: Accumulated depreciation	-	-	-	-
Total assets	\$ 40,675,964	\$ 385,753	\$ -	\$ 250,286,820
Liabilities and Fund Balances / Net Assets				
Liabilities:				
Accounts payable	\$ 1,928,840	\$ -	\$ -	\$ -
Accrued salaries and benefits	217,480	-	-	-
Due to other funds	264,228	-	-	-
Deposits payable	283,849	-	-	-
Deferred revenue	635,336	-	(385,336)	-
Accrued interest payable	-	-	-	-
Claims payable	-	-	-	-
Long-term liabilities	-	-	-	-
Total liabilities	3,329,733	-	(385,336)	-
Fund balances / net assets	37,346,231	385,753	385,336	250,286,820
Total liabilities and fund balances / net assets	\$ 40,675,964	\$ 385,753	\$ -	\$ 250,286,820

<u>Accumulated Depreciation</u>	<u>Long-term Debt Transactions</u>	<u>Compensated Absences</u>	<u>Reclassifications and Eliminations</u>	<u>Statement of Net Assets</u>
\$ -	\$ -	\$ -	\$ -	\$ 36,954,730
-	-	-	-	1,340,400
-	-	-	-	507,131
-	-	-	-	2,853
-	-	-	-	1,208,333
-	-	-	(264,228)	-
-	-	-	-	5,500
-	-	-	-	392,789
-	-	-	-	385,753
-	-	-	-	250,286,820
<u>(85,662,497)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(85,662,497)</u>
<u>\$ (85,662,497)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (264,228)</u>	<u>\$ 205,421,812</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,928,840
-	-	-	-	217,480
-	-	-	(264,228)	-
-	-	-	-	283,849
-	-	-	-	250,000
-	377,841	-	-	377,841
-	473,830	-	-	473,830
-	16,013,932	356,248	-	16,370,180
<u>-</u>	<u>16,865,603</u>	<u>356,248</u>	<u>(264,228)</u>	<u>19,902,020</u>
<u>(85,662,497)</u>	<u>(16,865,603)</u>	<u>(356,248)</u>	<u>-</u>	<u>185,519,792</u>
<u>\$ (85,662,497)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (264,228)</u>	<u>\$ 205,421,812</u>

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(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 \$14,955,323 differs from the "change in net assets" for governmental activities of \$(1,937,085) reported in the statement of activities, during the fiscal year ended June 30, 2011. 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.

Grant Revenues

Grant revenues not received within 60 days after year-end do not provide current financial resources and are therefore not reported as revenue in the funds. These are reported as deferred revenue in the funds, whereas they are reported as revenue in the statement of activities. This amount at June 30, 2011 is \$385,336.

Capital Related Items

When capital assets that are to be used in governmental activities are purchased 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	\$	5,715,409
Disposition of capital assets		(1,052,646)
Depreciation expense, net of disposals		(6,039,117)

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	\$	68,782
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CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

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

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

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	\$ 483,785
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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, 2011

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

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

	Total Governmental Funds	Grant Revenues	Capital Related Items
Revenues:			
Taxes	\$ 17,460,722	\$ -	\$ -
Intergovernmental	18,421,878	(243,213)	-
Charges for services	1,818,583	-	-
Fines and forfeitures	228,486	-	-
Investment income	330,722	-	-
Developer fees	166,928	-	-
Other	454,838	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	38,882,157	(243,213)	-
Expenditures:			
Current:			
General government	3,761,490	-	37,034
Public safety	6,499,618	-	-
Public works	4,546,534	-	(867,341)
Community development	17,132,204	-	-
Community services	2,410,641	-	-
Pass-through to other agencies	1,023,921	-	-
Capital outlay	3,832,456	-	(3,832,456)
Debt service:			
Bond issuance costs	388,720	-	-
Principal	68,782	-	-
Interest	93,853	-	-
	<hr/>	<hr/>	<hr/>
Total expenses	39,758,219	-	(4,662,763)
Other financing sources (uses):			
Tax allocation bonds issued	16,085,000	-	-
Discount on bonds issued	(253,615)	-	-
Transfers in	16,593,176	-	-
Transfers out	(16,593,176)	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	15,831,385	-	-
Net change in fund balance / net assets	14,955,323	(243,213)	4,662,763
Fund balances / net assets beginning of year	22,390,908	628,549	245,624,057
Fund balances / net assets, end of year	<u>\$ 37,346,231</u>	<u>\$ 385,336</u>	<u>\$ 250,286,820</u>

<u>Accumulated Depreciation</u>	<u>Long-term Debt Transactions</u>	<u>Compensated Absences</u>	<u>Reclassifications and Eliminations</u>	<u>Statement of Activities</u>
\$ -	\$ -	\$ -	\$ -	\$ 17,460,722
-	-	-	(16,001,911)	2,176,754
-	-	-	-	1,818,583
-	-	-	-	228,486
-	-	-	-	330,722
-	-	-	-	166,928
-	-	-	-	454,838
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	(16,001,911)	22,637,033
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
49,709	(521,362)	37,577	-	3,364,448
34,545	-	-	-	6,534,163
5,953,031	-	-	-	9,632,224
-	2,967	-	(14,977,990)	2,157,181
1,832	-	-	-	2,412,473
-	-	-	(1,023,921)	-
-	-	-	-	-
-	(388,720)	-	-	-
-	(68,782)	-	-	-
-	379,776	-	-	473,629
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
6,039,117	(596,121)	37,577	(16,001,911)	24,574,118
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	(16,085,000)	-	-	-
-	253,615	-	-	-
-	-	-	(16,593,176)	-
-	-	-	16,593,176	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	(15,831,385)	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(6,039,117)	(15,235,264)	(37,577)	-	(1,937,085)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(79,623,380)	(1,244,586)	(318,671)	-	187,456,877
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ (85,662,497)	\$ (16,479,850)	\$ (356,248)	\$ -	\$ 185,519,792

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(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 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
Curbs 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, 2011

(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) Prepaid Items

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

(k) Use of Estimates

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

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

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

(I) Fund Equity

Beginning with the current fiscal year, the Agency implemented GASBS No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned – amounts that are for any purpose; positive amounts are reported only in a general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution.

When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(2) Cash and Investments

Cash and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 36,954,730
Cash with fiscal agent	1,340,400
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	<u>566,111</u>
	<u>\$ 38,861,241</u>

Cash and investments held by the City at June 30, 2011 consisted of the following:

Petty cash	\$ 500
Demand deposits	128,718
Investments	<u>38,732,023</u>
Total cash and investments	<u>\$ 38,861,241</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.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(2) Cash and Investments, (Continued)

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.

Investment Types Authorized by State Law	Authorized By Investment Policy	* Maximum Maturity	* Maximum Percentage of Portfolio	* Maximum Investment In One Issuer
Local Agency Bonds	No	5 years	None	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
Passbook Accounts	Yes	N/A	None	None

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

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

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

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled 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.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(2) Cash and Investments, (Continued)

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, 2011

(2) Cash and Investments, (Continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Agency's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

<u>Authorized investments</u>	<u>Maximum maturity</u>	<u>Maximum percentage of portfolio</u>	<u>Maximum investment in issuer</u>
U.S. Treasury obligations	None	None	None
U.S. Treasury securities	None	None	None
Commercial paper	None	None	None
Bankers' acceptances	1 year	None	None
Municipal bonds or notes	None	None	None
Pre-funded municipal bonds	None	None	None
Investment agreements	None	None	None
Interest-bearing deposit accounts	None	None	None
Corporate obligations	None	None	None
Money market funds	None	None	None
Certificates of deposit secured by collateral	1 year	None	None
Repurchase agreements	30 days	None	None
Local Agency Investment Fund (LAIF)	None	None	None

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.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(2) Cash and Investments, (Continued)

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

Investment Type	Remaining Maturity (in months)				Total
	12 months or less	13 to 24 months	25 to 60 months	More than 60 months	
Local Agency					
Investment Fund	\$ 2,402,782	\$ -	\$ -	\$ -	\$ 2,402,782
Passbook savings	34,988,841	-	-	-	34,988,841
Cash with trustee:					
Mutual funds	1,340,400	-	-	-	1,340,400
Total	<u>\$ 38,732,023</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,732,023</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

During the fiscal year ended June 30, 2011, the City 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'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, 2011

(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>
Local Agency						
Investment Fund	\$ 2,402,782	N/A	N/A	\$ -	\$ -	\$ 2,402,782 *
Passbook savings	34,988,841	N/A	N/A	-	-	34,988,841 **
Cash with trustee:						
Mutual funds	<u>1,340,400</u>	None		<u>1,340,400</u>	<u>-</u>	<u>-</u>
	<u>\$ 38,732,023</u>			<u>\$ 1,340,400</u>	<u>\$ -</u>	<u>\$ 37,391,623</u>
Total						

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

** The Passbook savings 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, 2011, the City did not hold any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(2) Cash and Investments, (Continued)

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, 2011 the City had deposits of \$34,873,365 with financial institutions in excess of federal depository insurance limits that were held in collateralized accounts.

Investment in State Investment Pool

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

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(3) Interfund Balances

Current interfund balances at June 30, 2011 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	\$ 264,228 (A)

(A) Short-term borrowing from the General Fund for temporary cash shortfalls recorded in the STIP, SLPP, Federal Transportation, CDBG, OTS Public Safety Grant and STE Grant Non-Major Special Revenue Funds.

(4) Interfund Transfers

Interfund transfers at June 30, 2011 consisted of the following:

<u>Fund receiving transfers</u>	<u>Fund making transfers</u>	<u>Amount</u>
RDA Project	RDA Debt Service	\$ 15,864,362 (1)
RDA Housing	RDA Debt Service	<u>728,814 (2)</u>
		<u><u>\$ 16,593,176</u></u>

(1) = This transfer was made to fund eligible capital projects.

(2) = This transfer was made for the 20% set-aside.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(5) Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning balance	Additions	Deletions	Ending balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 25,229,607	\$ 174,230	\$ -	\$ 25,403,837
Rights of way	11,395,313	-	-	11,395,313
Construction in progress	7,499,823	3,444,939	(210,510)	10,734,252
Total capital assets, not being depreciated	44,124,743	3,619,169	(210,510)	47,533,402
Capital assets, being depreciated:				
Infrastructure	197,054,051	2,780,539	-	199,834,590
Vehicles	349,391	-	(43,359)	306,032
Furniture and equipment	630,488	27,890	-	658,378
Building and improvements	3,465,384	-	(1,510,966) **	1,954,418
Total capital assets, being depreciated	201,499,314	2,808,429	(1,554,325)	202,753,418
Less accumulated depreciation for:				
Infrastructure	(78,417,354)	(6,024,988)	(50,169) **	(84,492,511)
Vehicles	(247,492)	(42,287)	43,359	(246,420)
Furniture and equipment	(207,813)	(68,887)	-	(276,700)
Building and improvements	(750,721)	(47,243)	151,098	(646,866)
Total accumulated depreciation	(79,623,380)	(6,183,405)	144,288	(85,662,497)
Total capital assets, being depreciated, net	121,875,934	(3,374,976)	(1,410,037)	117,090,921
Total governmental activities capital assets, net of accumulated depreciation	\$ 166,000,677	\$ 244,193	\$ (1,620,547)	\$ 164,624,323

** Due to reclassification of asset from Buildings and Improvements to Infrastructure.

Depreciation expense was charged to functions as follows:

General government	\$ 49,709
Public safety	34,545
Public works	6,097,319
Community services	1,832
	<u>\$ 6,183,405</u>

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(6) Long-term Liabilities

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2011 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due Within One Year
Governmental activities:					
Bonds					
Tax Allocation Bonds	\$ -	\$16,085,000	\$ -	\$16,085,000	\$ 420,000
Plus deferred amount:					
Discount on bonds issued	-	(253,615)	(1,935)	(251,680)	(7,740)
Total bonds	-	15,831,385	(1,935)	15,833,320	412,260
Capital lease payment - Goleta Valley Community Center	249,394	-	68,782	180,612	75,572
Claims and judgments payable	995,192	(385,353)	136,009	473,830	47,383
Compensated absences	318,671	239,270	201,693	356,248	71,250
Total governmental activities					
long-term liabilities	<u>\$ 1,563,257</u>	<u>\$15,685,302</u>	<u>\$ 404,549</u>	<u>\$16,844,010</u>	<u>\$ 606,465</u>

Allocation Bonds 2011

In March 2011, the Agency issued Redevelopment Agency for the City of Goleta, Goleta Old Town Redevelopment Project, 2011 Tax Allocation Bonds (Bonds), in the amount of \$16,085,000, to provide funds to finance redevelopment activities with respect to its Goleta Old Town Redevelopment Project (the "Project Area"), to fund a reserve account for the Bonds, and to pay certain costs of issuance. The Bonds are dated March 3, 2011, and have stated interest rates ranging from 2.50% to 8.00%. Bond interest is payable semi-annually on each June 1 and December 1, commencing on December 1, 2011. Principal is paid annually on December 1, beginning on December 1, 2011 through June 1, 2044. Per the Bond Indenture, a reserve account is required to be maintained, and at June 30, 2011, the required balance held in the reserve account was \$1,340,400. The Bonds maturing on or before December 1, 2016 are not subject to optional redemption. The Bonds maturing on and after December 1, 2017 are subject to redemption, at the option of the Agency on any date after December 1, 2016.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(6) Long-term Liabilities, (Continued)

The Agency has pledged 100% of future tax increment revenue (less amounts payable by or required to be set aside by the Agency under any pass-through agreements and by the amount required to be set aside for low and moderate income housing as required by the California Health and Safety Code) as security for the 2011 Tax Allocation Bonds in the amount of \$45,455,091 (total principal and interest at issuance). The pledge is considered outstanding for the duration of the debt service requirements. Total pledged revenues for the fiscal year ended June 30, 2011, totaled \$3,644,069 with the required debt service amount of \$-0- (principal and interest paid in the fiscal year ended June 30, 2011 on the bonds).

Debt service requirements to maturity

The annual requirements to amortize Tax Allocation Bonds outstanding long-term liability of the Agency as of June 30, 2011 is as follows:

Tax Allocation Bonds		
Year ending June 30	Principal	Interest
2012	\$ 420,000	\$ 1,482,046
2013	140,000	1,196,038
2014	145,000	1,191,038
2015	150,000	1,184,763
2016	155,000	1,177,319
2017-2021	925,000	5,737,500
2022-2026	1,270,000	5,369,925
2027-2031	1,830,000	4,788,631
2032-2036	2,665,000	3,919,231
2037-2041	3,915,000	2,619,800
2042-2044	4,470,000	703,800
Totals	<u>\$ 16,085,000</u>	<u>\$ 29,370,091</u>

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 \$16,593 to \$17,807 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, 2011 was \$180,612.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(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 10). Claims and judgments payable are typically liquidated from the General Fund. The amount outstanding as of June 30, 2011 was \$473,830.

Under the City's self-insurance program, deposits to the California Joint Powers Insurance Authority (CAJPIA) are recorded as insurance expenditures when paid. Refunds of deposits from CAJPIA, based on favorable claims experience in prior years, are recorded as reductions of insurance expense when received (see note 10). 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 \$356,248 at June 30, 2011 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, 2011 is as follows:

Goleta Valley Community Center - Lease Payable:

<u>Fiscal Year</u>	<u>Payment Due October 1 *</u>	<u>Payment Due January 1 *</u>	<u>Payment Due April 1 *</u>	<u>Payment Due July 1 *</u>	<u>Total Annual Debt Service *</u>
2012	\$ 18,231	\$ 18,666	\$ 19,110	\$ 19,565	\$ 75,572
2013	20,031	20,508	20,997	21,497	83,033
2014	22,007	-	-	-	22,007
	<u>\$ 60,269</u>	<u>\$ 39,174</u>	<u>\$ 40,107</u>	<u>\$ 41,062</u>	<u>\$ 180,612</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, 2011

(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 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) Other Commitments

Encumbrances

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

Encumbrances as of June 30, 2011 were:

General Fund	\$ 119,536
Capital Projects	
Fund - RDA Project	1,730,209
Non-major Funds	2,202,114
Total Encumbrances	<u>\$ 4,051,859</u>

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(9) Retirement Plan

Plan Description

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

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 9.306% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For 2011, the City's annual pension cost of \$377,588 for PERS was equal to the City's required contributions. The required contribution was determined as part of the June 30, 2008, actuarial valuation using the entry age normal actuarial cost method.

THREE YEAR TREND INFORMATION FOR PERS

<u>Fiscal year</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>
06/30/09	\$ 393,646	100%
06/30/10	\$ 381,777	100%
06/30/11	\$ 377,588	100%

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(10) Risk Management

The City is a member of the California Joint Power Insurance Authority (Authority). The Authority is composed of 121 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Self-Insurance Programs of Authority. A revised cost allocation methodology was introduced in 2010-11, however it retains many elements of the previous cost allocation methodology. Each member pays an annual contribution (formerly called the primary deposit) to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

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

General Liability. In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. On a cumulative basis for all 2010-11 reinsurance contracts the annual aggregate deductible is \$5.5 million. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(10) Risk Management. (Continued)

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

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$35 million per occurrence. This \$35 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$20 million in excess insurance. The excess insurance layer has a \$20 million annual aggregate.

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

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$4 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$4 million to \$10 million are pooled among members.

Pollution Legal Liability Insurance. The City of Goleta participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Goleta. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2008 through July 1, 2011. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance. The City of Goleta participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Goleta property is currently insured according to a schedule of covered property submitted by the City of Goleta to the Authority. City of Goleta property currently has all-risk property insurance protection in the amount of \$12,136,410. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(10) Risk Management. (Continued)

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>
2009 - 2010	\$ 301,675	\$ 849,364	\$ (155,847)	\$ 995,192
2010 - 2011	\$ 995,192	\$ (385,353)	\$ (136,009)	\$ 473,833

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2010-11.

(11) Operating Leases

On January 20, 2004, the City entered into an operating lease agreement to rent its current office suite. On October 31, 2006, the office lease was amended and provided for monthly rent of \$27,843 in addition to common area maintenance costs. The lease was amended a second time on March 8, 2010 providing for monthly rent starting at \$27,120 per month in addition to common area maintenance costs. The City has the option to renew the lease upon termination at December 31, 2019. The City has the right to early termination of the lease on or after June 30, 2013. Rental costs for the year ended June 30, 2011 were \$417,325.

Minimum future rental payments under the operating leases as of June 30, 2011 are as follows (amounts do not include common area maintenance costs):

	<u>Office Suite</u>
2012	\$ 339,000
2013	344,560
2014	358,798
2015	367,768
2016 - 2020	<u>1,791,073</u>
	<u>\$ 3,201,199</u>

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(12) Contingent Liabilities

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

(13) Other Required Disclosures

Expenditures in Excess of Appropriations

The following programs reported expenditures in excess of appropriations:

DEPARTMENTS	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
General Fund Department:			
Community Services:			
Building & Safety	\$ 280,619	\$ 291,593	\$ (10,974)

The following funds reported expenditures in excess of appropriations:

Cal Fire Grant Fund	\$ 12,875	\$ 20,049	\$ (7,174)
ARRA Federal Stimulus	120,958	121,694	(736)
FEMA Grant Fund	-	5,714	(5,714)

Deficit Fund Balances

The following funds reported deficit fund balances at June 30, 2011:

Non-Major Funds:	
Special Revenue:	
Local STIP	\$ 3,728
SLPP	97,829
Federal Transportation Program	301,960
CDBG	202
OTS Public Safety	8,894
STE Grant	12,339

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(14) Recent Changes in Legislation Affecting California Redevelopment Agencies

On June 29, 2011, the Governor of the State of California signed Assembly Bills X1 26 and 27 as part of the State's budget package. Assembly Bill X1 26 requires each California redevelopment agency to suspend (effective July 1, 2011) nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency. Assembly Bill X1 27 provides a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. Under this program, each agency would adopt an ordinance agreeing to make certain payments to the County Auditor Controller in fiscal year 2011-12 and annual payments each fiscal year thereafter. Assembly Bill X1 26 indicates that the agency "may use any available funds not otherwise obligated for other uses" to make this payment. The Agency intends to use available monies of its redevelopment agency for this purpose. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the state legislature.

Assembly Bill X1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by Assembly Bill X1 26.

The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn Assembly Bills X1 26 and 27 on the grounds that they violate the California Constitution. On August 11, 2011, the California Supreme Court issued a stay of all of Assembly Bill X1 27 and most of Assembly Bill X1 26. The California Supreme Court stated in its order that "the briefing schedule is designed to facilitate oral argument as early as possible in 2011, and a decision before January 15, 2012." A second order issued by the California Supreme Court on August 17, 2011 indicated that certain provisions of Assembly Bills X1 26 and 27 were still in effect and not affected by its previous stay, including requirements to file an appeal of the determination of the community remittance payment by August 15, the requirement to adopt an Enforceable Obligations Payment Schedule ("EOPS") by August 29, 2011, and the requirement to prepare a preliminary draft of the initial Recognized Obligation Payment Schedule ("ROPS") by September 30, 2011.

Because the stay provided by Assembly Bill X1 26 only affects enforcement, each agency must adopt an Enforceable Obligation Payment Schedule and draft Recognized Obligation Payment Schedule prior to September 30, as required by the statute. Enforceable obligations include bonds, loans and payments required by the federal or State government; legally enforceable payments required in connection with agency employees such as pension payments and unemployment payments, judgments or settlements; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the agency that are permitted for purposes set forth in AB1X 26.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2011

(14) Recent Changes in Legislation Affecting California Redevelopment Agencies. (continued)

In the event Assembly Bills X1 26 and/or 27 are upheld as constitutional, the Agency intends and is prepared to comply with the Voluntary Alternative Redevelopment program in order to continue the existence and operation of the Agency. The initial payment by the Agency is estimated to be \$935,311 with one half due on January 15, 2012 and the other half due May 15, 2012. Payments are estimated to be \$250,000, thereafter. The semi-annual payments will be due on January 15 and May 15 of each year and would increase or decrease with changes in tax increment. Additionally, an increased amount would be due to schools if any new debt is incurred. Assembly Bill X1 27 allows a one-year reprieve on the agency's obligation to contribute 20% of tax increment to the low and moderate income housing fund so as to permit the Agency to assemble sufficient funds to make its initial payments.

Management believes that the Agency will have sufficient funds to pay its obligations as they become due during the fiscal year ending June 30, 2012. The nature and extent of the operation of redevelopment agencies in the State of California beyond that fiscal year are dependent upon the outcome of litigation surrounding the actions of the state.

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.

Required Supplementary Information
CITY OF GOLETA
General Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 12,272,025	\$ 12,202,586	\$ 12,305,973	\$ 103,387
Intergovernmental revenues	122,400	16,084,310	16,152,888	68,578
Charges for services	1,164,247	1,219,147	1,287,889	68,742
Fines and forfeitures	263,600	249,600	228,486	(21,114)
Investment income	445,000	192,750	186,211	(6,539)
Other	263,263	466,576	426,368	(40,208)
Total revenues	14,530,535	30,414,969	30,587,815	172,846
Expenditures:				
Current:				
General government	4,047,707	3,907,793	3,761,490	146,303
Public safety	6,437,380	6,402,083	6,370,370	31,713
Public works	2,129,848	2,291,712	1,887,222	404,490
Community services	2,087,545	2,331,998	2,121,351	210,647
Capital outlay	-	82,054	3,112	78,942
Debt service:				
Principal	75,443	75,443	68,782	6,661
Interest	1,978	1,978	1,978	-
Total expenditures	14,779,901	15,093,061	14,214,305	878,756
Net change in fund balance	(249,366)	15,321,908	16,373,510	1,051,602
Fund balance, beginning	7,996,294	7,996,294	7,996,294	-
Fund balance, ending	\$ 7,746,928	\$ 23,318,202	\$ 24,369,804	\$ 1,051,602

CITY OF GOLETA

Notes to Required Supplementary Information

Year ended June 30, 2011

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

Budgets are prepared in accordance with generally accepted accounting principles using the modified accrual basis of accounting. Budgets were adopted for all governmental funds with the exception of the Special Revenue Funds Sheriff Facilities DIF, Housing In-Lieu and Local STIP.

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

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

(2) Expenditures in Excess of Appropriations

Expenditures exceeded appropriations in the following programs:

DEPARTMENTS	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
General Fund Department:			
Community Services:			
Building & Safety	\$ 280,619	\$ 291,593	\$ (10,974)

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DEBT SERVICE FUND

Debt Service Funds are used to account for all financial resources that are restricted, committed, or assigned to expenditure for 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 all financial resources that are restricted, committed, or assigned to expenditure for principal, interest and related costs of long-term debt issued by the Redevelopment Agency.

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for all financial resources that are restricted, committed, or assigned to expenditure for specific capital outlays. The following funds have been classified as major funds.

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

CITY OF GOLETA
RDA Debt Service Fund
Major Debt Service Fund
Budgetary Comparison Schedule
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 3,634,321	\$ 3,962,511	\$ 3,644,069	\$ (318,442)
Investment income	37,500	37,500	23,335	(14,165)
Total revenues	<u>3,671,821</u>	<u>4,000,011</u>	<u>3,667,404</u>	<u>(332,607)</u>
Expenditures:				
Community development	38,708	65,696	60,696	5,000
Pass-through to other agencies	817,722	1,087,605	1,023,921	63,684
Debt service:				
Interest	37,500	116,250	91,875	24,375
Bond issuance costs	-	408,513	388,720	19,793
Total expenditures	<u>893,930</u>	<u>1,678,064</u>	<u>1,565,212</u>	<u>112,852</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,777,891</u>	<u>2,321,947</u>	<u>2,102,192</u>	<u>(219,755)</u>
Other financing sources (uses):				
Tax allocation bonds issued	-	16,104,793	16,085,000	(19,793)
Discount on bonds issued	-	(253,615)	(253,615)	-
Transfers out	(2,777,922)	(16,656,864)	(16,593,176)	63,688
Total other financing sources (uses)	<u>(2,777,922)</u>	<u>(805,686)</u>	<u>(761,791)</u>	<u>43,895</u>
Net change in fund balance	(31)	1,516,261	1,340,401	(175,860)
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ (31)</u>	<u>\$ 1,516,261</u>	<u>\$ 1,340,401</u>	<u>\$ (175,860)</u>

CITY OF GOLETA
RDA Project Fund
Major Capital Projects Fund
Budgetary Comparison Schedule
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 28,869	\$ 28,869	\$ 22,891	\$ (5,978)
Other	-	-	1,309	1,309
Total revenues	28,869	28,869	24,200	(4,669)
Expenditures:				
Community development	540,955	16,518,161	16,506,933	11,228
Capital outlay	827,500	11,472,033	2,110,310	9,361,723
Total expenditures	1,368,455	27,990,194	18,617,243	9,372,951
Excess (deficiency) of revenues over (under) expenditures	(1,339,586)	(27,961,325)	(18,593,043)	9,368,282
Other financing sources (uses):				
Transfers in	1,960,200	15,858,514	15,864,362	5,848
Total other financing sources (uses)	1,960,200	15,858,514	15,864,362	5,848
Net change in fund balance	620,614	(12,102,811)	(2,728,681)	9,374,130
Fund balance, beginning	3,851,330	3,851,330	3,851,330	-
Fund balance, ending	\$ 4,471,944	\$ (8,251,481)	\$ 1,122,649	\$ 9,374,130

**NON-MAJOR SPECIAL REVENUE FUNDS
AND NON-MAJOR CAPITAL PROJECTS FUND**

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 DIF - 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.

Environmental Programs - This fund is used to account for receipts and expenditures relating to the City's environmental mitigation 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 State Grant - This fund is used to account for state and federal grant funds to local governments for use in transit and highway projects, including street and road projects.

Local 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
AND NON-MAJOR CAPITAL PROJECTS FUND, (CONTINUED)**

CAL Fire Grant - This fund is used to account for state grant funds to local governments for use in public safety.

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

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

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 Federal - This fund is used to account for federal grant funds to local governments for transportation 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 federal grants for the State Transportation Enhancement Program.

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

ARRA Federal Stimulus - This fund is used to account for the federal grants awarded under the American Recovery and Reinvestment Act.

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

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

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

NON-MAJOR CAPITAL PROJECTS FUND

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

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2011

	SPECIAL REVENUE FUNDS		
	Gas Tax	Transportation	Measure D
<u>Assets:</u>			
Cash and investments	\$ 1,313,604	\$ 193,449	\$ 1,118,207
Receivables:			
Accounts	-	-	-
Interest	98	15	79
Due from other governments	93,466	-	81,711
Deposits	-	-	-
Prepaid items	205	-	-
	<u>\$ 1,407,373</u>	<u>\$ 193,464</u>	<u>\$ 1,199,997</u>
<u>Liabilities and Fund Balances:</u>			
Liabilities:			
Accounts payable	\$ 15,882	\$ -	\$ 53,065
Accrued salaries and benefits	11,123	-	-
Due to other funds	-	-	-
Deposits payable	-	-	-
Deferred revenue	-	-	-
	<u>27,005</u>	<u>-</u>	<u>53,065</u>
Fund balances:			
Nonspendable:			
Prepaid items	205	-	-
Restricted:			
Public safety	-	-	-
Public works	1,380,163	193,464	1,146,932
Community development	-	-	-
Unassigned	-	-	-
	<u>1,380,368</u>	<u>193,464</u>	<u>1,146,932</u>
Total fund balances (deficit)	<u>1,380,368</u>	<u>193,464</u>	<u>1,146,932</u>
Total liabilities and fund balances	<u>\$ 1,407,373</u>	<u>\$ 193,464</u>	<u>\$ 1,199,997</u>

continued

SPECIAL REVENUE FUNDS

Solid Waste Program	GTIP	Park DIF	Public Admin. Facilities DIF	Library Facilities DIF	Sheriff Facilities DIF
\$ 654,434	\$ 981,993	\$ 2,636,092	\$ 780,374	\$ 146,317	\$ 329,230
57,184	-	-	-	-	-
51	77	201	60	11	25
-	-	-	-	-	-
-	-	-	-	-	-
96	50,000	-	-	-	-
<u>\$ 711,765</u>	<u>\$ 1,032,070</u>	<u>\$ 2,636,293</u>	<u>\$ 780,434</u>	<u>\$ 146,328</u>	<u>\$ 329,255</u>
\$ 52,694	\$ 59,548	\$ 7,413	\$ 6,898	\$ -	\$ -
4,773	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>57,467</u>	<u>59,548</u>	<u>7,413</u>	<u>6,898</u>	<u>-</u>	<u>-</u>
96	50,000	-	-	-	-
-	-	-	-	-	-
654,202	922,522	2,628,880	773,536	146,328	329,255
-	-	-	-	-	-
-	-	-	-	-	-
<u>654,298</u>	<u>972,522</u>	<u>2,628,880</u>	<u>773,536</u>	<u>146,328</u>	<u>329,255</u>
<u>\$ 711,765</u>	<u>\$ 1,032,070</u>	<u>\$ 2,636,293</u>	<u>\$ 780,434</u>	<u>\$ 146,328</u>	<u>\$ 329,255</u>

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2011

	SPECIAL REVENUE FUNDS		
	Housing In-Lieu	Environmental Programs	State Park Grant
<u>Assets:</u>			
Cash and investments	\$ 190,613	\$ 637,465	\$ 38
Receivables:			
Accounts	-	-	-
Interest	14	51	-
Due from other governments	-	-	-
Deposits	-	-	-
Prepaid items	-	17	-
	<u>\$ 190,627</u>	<u>\$ 637,533</u>	<u>\$ 38</u>
<u>Liabilities and Fund Balances:</u>			
Liabilities:			
Accounts payable	\$ -	\$ 136,718	\$ 38
Accrued salaries and benefits	-	796	-
Due to other funds	-	-	-
Deposits payable	-	-	-
Deferred revenue	-	-	-
	<u>-</u>	<u>137,514</u>	<u>38</u>
Fund balances:			
Nonspendable:			
Prepaid items	-	17	-
Restricted:			
Public safety	-	-	-
Public works	-	-	-
Community development	190,627	500,002	-
Unassigned	-	-	-
	<u>190,627</u>	<u>500,019</u>	<u>-</u>
Total fund balances (deficit)	<u>190,627</u>	<u>500,019</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 190,627</u>	<u>\$ 637,533</u>	<u>\$ 38</u>

SPECIAL REVENUE FUNDS

Public Safety	Solid Waste Recycling	RSTP State Grant	Local STIP	CAL Fire Grant	Misc Grants
\$ 86,009	\$ 12,818	\$ 123,702	\$ -	\$ -	\$ 42,985
-	-	-	-	-	-
7	1	5	-	-	4
14,717	8,421	11,422	-	-	6,385
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 100,733</u>	<u>\$ 21,240</u>	<u>\$ 135,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,374</u>
\$ -	\$ -	\$ 3,287	\$ -	\$ -	\$ 1,800
-	-	-	-	-	-
-	-	-	3,728	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,287	3,728	-	1,800
-	-	-	-	-	-
100,733	-	-	-	-	-
-	21,240	131,842	-	-	-
-	-	-	-	-	47,574
-	-	-	(3,728)	-	-
<u>100,733</u>	<u>21,240</u>	<u>131,842</u>	<u>(3,728)</u>	<u>-</u>	<u>47,574</u>
<u>\$ 100,733</u>	<u>\$ 21,240</u>	<u>\$ 135,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,374</u>

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2011

	SPECIAL REVENUE FUNDS		
	SLPP	Federal Transportation Program	CDBG
<u>Assets:</u>			
Cash and investments	\$ -	\$ -	\$ -
Receivables:			
Accounts	-	-	-
Interest	-	-	-
Due from other governments	97,829	287,507	28,670
Deposits	-	-	5,500
Prepaid items	-	-	-
	<u>\$ 97,829</u>	<u>\$ 287,507</u>	<u>\$ 34,170</u>
<u>Liabilities and Fund Balances:</u>			
Liabilities:			
Accounts payable	\$ 25	\$ 190,543	\$ 18,335
Accrued salaries and benefits	-	-	-
Due to other funds	97,804	111,417	16,037
Deposits payable	-	-	-
Deferred revenue	97,829	287,507	-
	<u>195,658</u>	<u>589,467</u>	<u>34,372</u>
Fund balances:			
Nonspendable:			
Prepaid items	-	-	-
Restricted:			
Public safety	-	-	-
Public works	-	-	-
Community development	-	-	-
Unassigned	(97,829)	(301,960)	(202)
	<u>(97,829)</u>	<u>(301,960)</u>	<u>(202)</u>
Total fund balances (deficit)	<u>(97,829)</u>	<u>(301,960)</u>	<u>(202)</u>
Total liabilities and fund balances	<u>\$ 97,829</u>	<u>\$ 287,507</u>	<u>\$ 34,170</u>

SPECIAL REVENUE FUNDS

TCSP Federal	OTS Public Safety	STE Grant	FEMA Grant	ARRA Federal Stimulus
\$ 63	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	21,438	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 63</u>	<u>\$ -</u>	<u>\$ 21,438</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 63	\$ 4,574	\$ 2,855	\$ -	\$ -
-	-	-	-	-
-	4,320	30,922	-	-
-	-	-	-	-
-	-	-	-	-
<u>63</u>	<u>8,894</u>	<u>33,777</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(8,894)	(12,339)	-	-
-	(8,894)	(12,339)	-	-
<u>\$ 63</u>	<u>\$ -</u>	<u>\$ 21,438</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2011

	SPECIAL REVENUE FUNDS		
	Library Services	Street Lighting	Comstock Plover Endowment
<u>Assets:</u>			
Cash and investments	\$ 240,604	\$ -	\$ 151,756
Receivables:			
Accounts	-	-	-
Interest	18	-	12
Due from other governments	-	-	-
Deposits	-	-	-
Prepaid items	-	-	-
	<u>\$ 240,622</u>	<u>\$ -</u>	<u>\$ 151,768</u>
<u>Liabilities and Fund Balances:</u>			
Liabilities:			
Accounts payable	\$ 240,622	\$ -	\$ 1,268
Accrued salaries and benefits	-	-	-
Due to other funds	-	-	-
Deposits payable	-	-	150,500
Deferred revenue	-	-	-
	<u>240,622</u>	<u>-</u>	<u>151,768</u>
Fund balances:			
Nonspendable:			
Prepaid items	-	-	-
Restricted:			
Public safety	-	-	-
Public works	-	-	-
Community development	-	-	-
Unassigned	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 240,622</u>	<u>\$ -</u>	<u>\$ 151,768</u>

CAPITAL PROJECTS FUND		
RDA Housing	Totals	
\$ 1,724,284	\$ 11,364,037	
-	57,184	
115	844	
-	651,566	
-	5,500	
57	50,375	
<u>\$ 1,724,456</u>	<u>\$ 12,129,506</u>	
\$ 835	\$ 796,463	
2,910	19,602	
-	264,228	
-	150,500	
-	385,336	
<u>3,745</u>	<u>1,616,129</u>	
57	50,375	
-	100,733	
-	8,328,364	
1,720,654	2,458,857	
-	(424,952)	
<u>1,720,711</u>	<u>10,513,377</u>	
<u>\$ 1,724,456</u>	<u>\$ 12,129,506</u>	

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Year ended June 30, 2011

	SPECIAL REVENUE FUNDS		
	Gas Tax	Transportation	Measure D
Revenues:			
Taxes	\$ -	\$ -	\$ 1,180,229
Intergovernmental	762,246	18,327	-
Charges for services	-	-	-
Investment income	12,146	1,537	6,335
Developer fees	-	-	-
Other	2,136	-	-
Total revenues	<u>776,528</u>	<u>19,864</u>	<u>1,186,564</u>
Expenditures:			
Current:			
Public safety	-	-	-
Public works	1,342,061	-	529,750
Community development	-	-	-
Community service	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>1,342,061</u>	<u>-</u>	<u>529,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(565,533)</u>	<u>19,864</u>	<u>656,814</u>
Other financing sources (uses):			
Transfers in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(565,533)	19,864	656,814
Fund balances (deficit), beginning of year	<u>1,945,901</u>	<u>173,600</u>	<u>490,118</u>
Fund balances (deficit), end of year	<u>\$ 1,380,368</u>	<u>\$ 193,464</u>	<u>\$ 1,146,932</u>

SPECIAL REVENUE FUNDS

Solid Waste Program	GTIP	Park Development Fees	Public Admin. Facilities DIF	Library Facilities DIF	Sheriff Facilities DIF
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	808	-	-	-	-
530,614	80	-	-	-	-
5,378	9,384	22,534	6,788	1,953	2,747
-	66,197	60,617	23,041	5,213	11,860
25,000	-	-	-	-	-
<u>560,992</u>	<u>76,469</u>	<u>83,151</u>	<u>29,829</u>	<u>7,166</u>	<u>14,607</u>
-	-	-	-	-	-
489,233	3,053	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	365,372	186,826	74,683	143,006	-
<u>489,233</u>	<u>368,425</u>	<u>186,826</u>	<u>74,683</u>	<u>143,006</u>	<u>-</u>
<u>71,759</u>	<u>(291,956)</u>	<u>(103,675)</u>	<u>(44,854)</u>	<u>(135,840)</u>	<u>14,607</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>71,759</u>	<u>(291,956)</u>	<u>(103,675)</u>	<u>(44,854)</u>	<u>(135,840)</u>	<u>14,607</u>
<u>582,539</u>	<u>1,264,478</u>	<u>2,732,555</u>	<u>818,390</u>	<u>282,168</u>	<u>314,648</u>
<u>\$ 654,298</u>	<u>\$ 972,522</u>	<u>\$ 2,628,880</u>	<u>\$ 773,536</u>	<u>\$ 146,328</u>	<u>\$ 329,255</u>

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Year ended June 30, 2011

	SPECIAL REVENUE FUNDS		
	Housing In-Lieu	Environmental Programs	State Park Grant
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	12,128
Charges for services	-	-	-
Investment income	1,591	5,915	-
Developer fees	-	-	-
Other	-	25	-
	<u>1,591</u>	<u>5,940</u>	<u>12,128</u>
Total revenues	<u>1,591</u>	<u>5,940</u>	<u>12,128</u>
Expenditures:			
Current:			
Public safety	-	-	-
Public works	-	-	-
Community development	-	22,612	-
Community service	-	-	-
Capital outlay	-	226,918	-
	<u>-</u>	<u>226,918</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>249,530</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,591</u>	<u>(243,590)</u>	<u>12,128</u>
Other financing sources (uses):			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,591	(243,590)	12,128
Fund balances (deficit), beginning of year	<u>189,036</u>	<u>743,609</u>	<u>(12,128)</u>
Fund balances (deficit), end of year	<u>\$ 190,627</u>	<u>\$ 500,019</u>	<u>\$ -</u>

SPECIAL REVENUE FUNDS

Public Safety	Solid Waste Recycling	RSTP	Local STIP	CAL Fire Grant	Misc Grants
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100,000	8,421	245,020	-	24,907	6,386
-	-	-	-	-	-
729	107	457	-	-	527
-	-	-	-	-	-
-	-	-	-	-	-
<u>100,729</u>	<u>8,528</u>	<u>245,477</u>	<u>-</u>	<u>24,907</u>	<u>6,913</u>
99,996	-	-	-	-	-
-	-	55,039	-	20,049	-
-	-	-	-	-	-
-	-	-	-	-	38,734
-	-	194,045	-	-	-
<u>99,996</u>	<u>-</u>	<u>249,084</u>	<u>-</u>	<u>20,049</u>	<u>38,734</u>
733	8,528	(3,607)	-	4,858	(31,821)
-	-	-	-	-	-
-	-	-	-	-	-
733	8,528	(3,607)	-	4,858	(31,821)
100,000	12,712	135,449	(3,728)	(4,858)	79,395
<u>\$ 100,733</u>	<u>\$ 21,240</u>	<u>\$ 131,842</u>	<u>\$ (3,728)</u>	<u>\$ -</u>	<u>\$ 47,574</u>

CITY OF GOLETA
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year ended June 30, 2011

	SPECIAL REVENUE FUNDS		
	SLPP	Federal Transportation Program	CDBG
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	265,491	180,730
Charges for services	-	-	-
Investment income	-	-	-
Developer fees	-	-	-
Other	-	-	-
Total revenues	<u>-</u>	<u>265,491</u>	<u>180,730</u>
Expenditures:			
Current:			
Public safety	-	-	-
Public works	-	-	-
Community development	-	-	146,423
Community service	-	-	-
Capital outlay	<u>97,829</u>	<u>373,698</u>	<u>15,008</u>
Total expenditures	<u>97,829</u>	<u>373,698</u>	<u>161,431</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(97,829)</u>	<u>(108,207)</u>	<u>19,299</u>
Other financing sources (uses):			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(97,829)	(108,207)	19,299
Fund balances (deficit), beginning of year	<u>-</u>	<u>(193,753)</u>	<u>(19,501)</u>
Fund balances (deficit), end of year	<u><u>\$ (97,829)</u></u>	<u><u>\$ (301,960)</u></u>	<u><u>\$ (202)</u></u>

SPECIAL REVENUE FUNDS

TCSP	OTS Public Safety	STE Grant	FEMA Grant	ARRA Federal Stimulus
\$ -	\$ -	\$ -	\$ -	\$ -
10,579	45,644	26,099	200,493	361,711
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>10,579</u>	<u>45,644</u>	<u>26,099</u>	<u>200,493</u>	<u>361,711</u>
-	29,252	-	-	-
-	-	-	-	121,694
-	-	-	-	-
-	-	-	-	-
2,766	-	33,169	5,714	-
<u>2,766</u>	<u>29,252</u>	<u>33,169</u>	<u>5,714</u>	<u>121,694</u>
<u>7,813</u>	<u>16,392</u>	<u>(7,070)</u>	<u>194,779</u>	<u>240,017</u>
-	-	-	-	-
-	-	-	-	-
7,813	16,392	(7,070)	194,779	240,017
<u>(7,813)</u>	<u>(25,286)</u>	<u>(5,269)</u>	<u>(194,779)</u>	<u>(240,017)</u>
<u>\$ -</u>	<u>\$ (8,894)</u>	<u>\$ (12,339)</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Year ended June 30, 2011

	SPECIAL REVENUE FUNDS		
	Library Services	Street Lighting	Comstock Plover Endowment
Revenues:			
Taxes	\$ 232,063	\$ 98,388	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment income	6,911	45	1,268
Developer fees	-	-	-
Other	-	-	-
	<u>238,974</u>	<u>98,433</u>	<u>1,268</u>
Total revenues			
Expenditures:			
Current:			
Public safety	-	-	-
Public works	-	98,433	-
Community development	-	-	-
Community service	249,288	-	1,268
Capital outlay	-	-	-
	<u>249,288</u>	<u>98,433</u>	<u>1,268</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(10,314)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)			
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(10,314)	-	-
Fund balances (deficit), beginning of year	<u>10,314</u>	<u>-</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAPITAL PROJECTS FUND	
RDA Housing	Totals
\$ -	\$ 1,510,680
-	2,268,990
-	530,694
11,933	98,285
-	166,928
-	27,161
<u>11,933</u>	<u>4,602,738</u>
-	129,248
-	2,659,312
395,540	564,575
-	289,290
-	1,719,034
<u>395,540</u>	<u>5,361,459</u>
<u>(383,607)</u>	<u>(758,721)</u>
<u>728,814</u>	<u>728,814</u>
<u>728,814</u>	<u>728,814</u>
345,207	(29,907)
<u>1,375,504</u>	<u>10,543,284</u>
<u>\$ 1,720,711</u>	<u>\$ 10,513,377</u>

CITY OF GOLETA
Gas Tax Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 665,169	\$ 786,280	\$ 762,246	\$ (24,034)
Investment income	-	-	12,146	12,146
Other revenue	-	-	2,136	2,136
Total revenues	<u>665,169</u>	<u>786,280</u>	<u>776,528</u>	<u>(9,752)</u>
Expenditures:				
Public works	<u>1,436,881</u>	<u>2,455,653</u>	<u>1,342,061</u>	<u>1,113,592</u>
Total expenditures	<u>1,436,881</u>	<u>2,455,653</u>	<u>1,342,061</u>	<u>1,113,592</u>
Net change in fund balance	(771,712)	(1,669,373)	(565,533)	1,103,840
Fund balance, beginning	<u>1,945,901</u>	<u>1,945,901</u>	<u>1,945,901</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 1,174,189</u></u>	<u><u>\$ 276,528</u></u>	<u><u>\$ 1,380,368</u></u>	<u><u>\$ 1,103,840</u></u>

CITY OF GOLETA
 Transportation Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 20,000	\$ 18,327	\$ (1,673)
Investment income	-	1,500	1,537	37
Total revenues	-	21,500	19,864	(1,636)
Net change in fund balance	-	21,500	19,864	(1,636)
Fund balance, beginning	173,600	173,600	173,600	-
Fund balance, ending	\$ 173,600	\$ 195,100	\$ 193,464	\$ (1,636)

CITY OF GOLETA
Measure D Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,430,432	\$ 1,200,432	\$ 1,180,229	\$ (20,203)
Investment income	5,000	5,000	6,335	1,335
Total revenues	<u>1,435,432</u>	<u>1,205,432</u>	<u>1,186,564</u>	<u>(18,868)</u>
Expenditures:				
Public works	1,280,000	1,682,712	529,750	1,152,962
Total expenditures	<u>1,280,000</u>	<u>1,682,712</u>	<u>529,750</u>	<u>1,152,962</u>
Net change in fund balance	155,432	(477,280)	656,814	1,134,094
Fund balance, beginning	<u>490,118</u>	<u>490,118</u>	<u>490,118</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 645,550</u></u>	<u><u>\$ 12,838</u></u>	<u><u>\$ 1,146,932</u></u>	<u><u>\$ 1,134,094</u></u>

CITY OF GOLETA
Solid Waste Program Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 501,500	\$ 515,000	\$ 530,614	\$ 15,614
Investment income	5,000	5,000	5,378	378
Other revenues	-	25,000	25,000	-
Total revenues	506,500	545,000	560,992	15,992
Expenditures:				
Public works	457,634	620,122	489,233	130,889
Total expenditures	457,634	620,122	489,233	130,889
Net change in fund balance	48,866	(75,122)	71,759	146,881
Fund balance, beginning	582,539	582,539	582,539	-
Fund balance, ending	\$ 631,405	\$ 507,417	\$ 654,298	\$ 146,881

CITY OF GOLETA
 GTIP Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 808	\$ 808
Charges for service	-	-	80	80
Investment income	-	-	9,384	9,384
Developer fees	-	-	66,197	66,197
Total revenues	-	-	76,469	76,469
Expenditures:				
Public works	-	35,239	3,053	32,186
Capital outlay	272,880	1,077,741	365,372	712,369
Total expenditures	272,880	1,112,980	368,425	744,555
Net change in fund balance	(272,880)	(1,112,980)	(291,956)	821,024
Fund balance, beginning	1,264,478	1,264,478	1,264,478	-
Fund balance, ending	\$ 991,598	\$ 151,498	\$ 972,522	\$ 821,024

CITY OF GOLETA
 Park Development Fees Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 22,534	\$ 22,534
Developer fees	-	-	60,617	60,617
Total revenues	-	-	83,151	83,151
Expenditures:				
Capital outlay	-	2,050,700	186,826	1,863,874
Total expenditures	-	2,050,700	186,826	1,863,874
Net change in fund balance	-	(2,050,700)	(103,675)	1,947,025
Fund balance, beginning	2,732,555	2,732,555	2,732,555	-
Fund balance, ending	<u>\$ 2,732,555</u>	<u>\$ 681,855</u>	<u>\$ 2,628,880</u>	<u>\$ 1,947,025</u>

CITY OF GOLETA
Public Administration Facilities DIF Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 6,788	\$ 6,788
Developer fees	-	-	23,041	23,041
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	29,829	29,829
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Capital outlay	-	111,922	74,683	37,239
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	111,922	74,683	37,239
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	(111,922)	(44,854)	67,068
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning	818,390	818,390	818,390	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, ending	<u>\$ 818,390</u>	<u>\$ 706,468</u>	<u>\$ 773,536</u>	<u>\$ 67,068</u>

CITY OF GOLETA
Library Facilities DIF Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 1,953	\$ 1,953
Developer fees	-	-	5,213	5,213
Total revenues	-	-	7,166	7,166
Expenditures:				
Capital outlay	-	250,000	143,006	106,994
Total expenditures	-	250,000	143,006	106,994
Net change in fund balance	-	(250,000)	(135,840)	114,160
Fund balance, beginning	282,168	282,168	282,168	-
Fund balance, ending	\$ 282,168	\$ 32,168	\$ 146,328	\$ 114,160

CITY OF GOLETA
Environmental Programs Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 5,915	\$ 5,915
Other revenue	-	-	25	25
 Total revenues	 -	 -	 5,940	 5,940
Expenditures:				
Community development	23,092	24,116	22,612	1,504
Capital outlay	70,000	484,927	226,918	258,009
 Total expenditures	 93,092	 509,043	 249,530	 259,513
 Net change in fund balance	 (93,092)	 (509,043)	 (243,590)	 265,453
Fund balance, beginning	743,609	743,609	743,609	-
Fund balance, ending	<u>\$ 650,517</u>	<u>\$ 234,566</u>	<u>\$ 500,019</u>	<u>\$ 265,453</u>

CITY OF GOLETA
State Park Grant Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 66,892	\$ 12,128	\$ (54,764)
Total revenues	-	66,892	12,128	(54,764)
Expenditures:				
Capital outlay	-	54,764	-	54,764
Total expenditures	-	54,764	-	54,764
Net change in fund balance	-	12,128	12,128	-
Fund balance (deficit), beginning	(12,128)	(12,128)	(12,128)	-
Fund balance, ending	\$ (12,128)	\$ -	\$ -	\$ -

CITY OF GOLETA
Public Safety Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Investment income	1,500	1,500	729	(771)
Total revenues	<u>101,500</u>	<u>101,500</u>	<u>100,729</u>	<u>(771)</u>
Expenditures:				
Public safety	<u>100,000</u>	<u>100,000</u>	<u>99,996</u>	<u>4</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>99,996</u>	<u>4</u>
Net change in fund balance	1,500	1,500	733	(767)
Fund balance, beginning	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 101,500</u></u>	<u><u>\$ 101,500</u></u>	<u><u>\$ 100,733</u></u>	<u><u>\$ (767)</u></u>

CITY OF GOLETA
Solid Waste Recycling Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,000	\$ -	\$ 8,421	\$ 8,421
Investment income	-	-	107	107
Total revenues	8,000	-	8,528	8,528
Expenditures:				
Public works	8,000	12,805	-	12,805
Total expenditures	8,000	12,805	-	12,805
Net change in fund balance	-	(12,805)	8,528	21,333
Fund balance, beginning	12,712	12,712	12,712	-
Fund balance, ending	\$ 12,712	\$ (93)	\$ 21,240	\$ 21,333

CITY OF GOLETA
RSTP Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 183,130	\$ 775,870	\$ 245,020	\$ (530,850)
Investment income	-	-	457	457
	<u>183,130</u>	<u>775,870</u>	<u>245,477</u>	<u>(530,393)</u>
Total revenues				
Expenditures:				
Public works	241,000	241,000	55,039	185,961
Capital outlay	<u>183,130</u>	<u>534,867</u>	<u>194,045</u>	<u>340,822</u>
	<u>424,130</u>	<u>775,867</u>	<u>249,084</u>	<u>526,783</u>
Total expenditures				
Net change in fund balance	(241,000)	3	(3,607)	(3,610)
Fund balance, beginning	<u>135,449</u>	<u>135,449</u>	<u>135,449</u>	<u>-</u>
Fund balance, ending	<u>\$ (105,551)</u>	<u>\$ 135,452</u>	<u>\$ 131,842</u>	<u>\$ (3,610)</u>

CITY OF GOLETA
 CAL Fire Grant Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 17,733	\$ 24,907	\$ 7,174
Total revenues	-	17,733	24,907	7,174
Expenditures:				
Public works	-	12,875	20,049	(7,174)
Total expenditures	-	12,875	20,049	(7,174)
Net change in fund balance	-	4,858	4,858	-
Fund balance (deficit), beginning	(4,858)	(4,858)	(4,858)	-
Fund balance, ending	\$ (4,858)	\$ -	\$ -	\$ -

CITY OF GOLETA
Miscellaneous Grant Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 491,714	\$ 6,386	\$ (485,328)
Investment income	-	-	527	527
Total revenues	-	491,714	6,913	(484,801)
Expenditures:				
Community service	-	570,334	38,734	531,600
Total expenditures	-	570,334	38,734	531,600
Net change in fund balance	-	(78,620)	(31,821)	46,799
Fund balance, beginning	79,395	79,395	79,395	-
Fund balance, ending	\$ 79,395	\$ 775	\$ 47,574	\$ 46,799

CITY OF GOLETA
 SLPP Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 150,000	\$ -	\$ (150,000)
Total revenues	-	150,000	-	(150,000)
Expenditures:				
Capital Outlay	-	150,000	97,829	52,171
Total expenditures	-	150,000	97,829	52,171
Net change in fund balance	-	-	(97,829)	(97,829)
Fund balance, beginning	-	-	-	-
Fund balance (deficit), ending	\$ -	\$ -	\$ (97,829)	\$ (97,829)

CITY OF GOLETA
Federal Transportation Program Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 354,120	\$ 980,216	\$ 265,491	\$ (714,725)
Total revenues	<u>354,120</u>	<u>980,216</u>	<u>265,491</u>	<u>(714,725)</u>
Expenditures:				
Capital outlay	354,120	790,462	373,698	416,764
Total expenditures	<u>354,120</u>	<u>790,462</u>	<u>373,698</u>	<u>416,764</u>
Net change in fund balance	-	189,754	(108,207)	(297,961)
Fund balance (deficit), beginning	<u>(193,753)</u>	<u>(193,753)</u>	<u>(193,753)</u>	<u>-</u>
Fund balance (deficit), ending	<u><u>\$ (193,753)</u></u>	<u><u>\$ (3,999)</u></u>	<u><u>\$ (301,960)</u></u>	<u><u>\$ (297,961)</u></u>

CITY OF GOLETA
Community Development Block Grant Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 248,450	\$ 428,669	\$ 180,730	\$ (247,939)
Total revenues	<u>248,450</u>	<u>428,669</u>	<u>180,730</u>	<u>(247,939)</u>
Expenditures:				
Community development	48,450	122,590	146,423	(23,833)
Capital outlay	<u>145,000</u>	<u>286,578</u>	<u>15,008</u>	<u>271,570</u>
Total expenditures	<u>193,450</u>	<u>409,168</u>	<u>161,431</u>	<u>247,737</u>
Net change in fund balance	55,000	19,501	19,299	(202)
Fund balance (deficit), beginning	<u>(19,501)</u>	<u>(19,501)</u>	<u>(19,501)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ 35,499</u>	<u>\$ -</u>	<u>\$ (202)</u>	<u>\$ (202)</u>

CITY OF GOLETA
 TCSP Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 195,450	\$ 10,579	\$ (184,871)
Total revenues	-	195,450	10,579	(184,871)
Expenditures:				
Capital outlay	-	187,637	2,766	184,871
Total expenditures	-	187,637	2,766	184,871
Net change in fund balance	-	7,813	7,813	-
Fund balance (deficit), beginning	(7,813)	(7,813)	(7,813)	-
Fund balance, ending	\$ (7,813)	\$ -	\$ -	\$ -

CITY OF GOLETA
 OTS Public Safety Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 40,000	\$ 65,286	\$ 45,644	\$ (19,642)
Total revenues	40,000	65,286	45,644	(19,642)
Expenditures:				
Public safety	40,000	40,000	29,252	10,748
Total expenditures	40,000	40,000	29,252	10,748
Net change in fund balance	-	25,286	16,392	(8,894)
Fund balance (deficit), beginning	(25,286)	(25,286)	(25,286)	-
Fund balance (deficit), ending	\$ (25,286)	\$ -	\$ (8,894)	\$ (8,894)

CITY OF GOLETA
STE Grant Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 31,870	\$ 177,983	\$ 26,099	\$ (151,884)
Total revenues	<u>31,870</u>	<u>177,983</u>	<u>26,099</u>	<u>(151,884)</u>
Expenditures:				
Capital outlay	31,870	172,713	33,169	139,544
Total expenditures	<u>31,870</u>	<u>172,713</u>	<u>33,169</u>	<u>139,544</u>
Net change in fund balance	-	5,270	(7,070)	(12,340)
Fund balance (deficit), beginning	<u>(5,269)</u>	<u>(5,269)</u>	<u>(5,269)</u>	<u>-</u>
Fund balance (deficit), ending	<u><u>\$ (5,269)</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ (12,339)</u></u>	<u><u>\$ (12,340)</u></u>

CITY OF GOLETA
 FEMA Grant Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 194,779	\$ 200,493	\$ 5,714
Total revenues	-	194,779	200,493	5,714
Expenditures:				
Capital outlay	-	-	5,714	(5,714)
Total expenditures	-	-	5,714	(5,714)
Net change in fund balance	-	194,779	194,779	-
Fund balance (deficit), beginning	(194,779)	(194,779)	(194,779)	-
Fund balance, ending	\$ (194,779)	\$ -	\$ -	\$ -

CITY OF GOLETA
ARRA Federal Stimulus Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 360,975	\$ 361,711	\$ 736
Total revenues	-	360,975	361,711	736
Expenditures:				
Public Works	-	120,958	121,694	(736)
Total expenditures	-	120,958	121,694	(736)
Net change in fund balance	-	240,017	240,017	-
Fund balance (deficit), beginning	(240,017)	(240,017)	(240,017)	-
Fund balance, ending	\$ (240,017)	\$ -	\$ -	\$ -

CITY OF GOLETA
Library Services Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 250,000	\$ 250,000	\$ 232,063	\$ (17,937)
Investment income	300	300	6,911	6,611
	<u>250,300</u>	<u>250,300</u>	<u>238,974</u>	<u>(11,326)</u>
Total revenues				
Expenditures:				
Community service	250,300	254,847	249,288	5,559
	<u>250,300</u>	<u>254,847</u>	<u>249,288</u>	<u>5,559</u>
Total expenditures				
Net change in fund balance	-	(4,547)	(10,314)	(5,767)
Fund balance, beginning	10,314	10,314	10,314	-
Fund balance, ending	<u>\$ 10,314</u>	<u>\$ 5,767</u>	<u>\$ -</u>	<u>\$ (5,767)</u>

CITY OF GOLETA
Street Lighting Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 102,200	\$ 102,200	\$ 98,388	\$ (3,812)
Investment income	1,000	1,000	45	(955)
Total revenues	<u>103,200</u>	<u>103,200</u>	<u>98,433</u>	<u>(4,767)</u>
Expenditures:				
Public works	<u>103,200</u>	<u>103,200</u>	<u>98,433</u>	<u>4,767</u>
Total expenditures	<u>103,200</u>	<u>103,200</u>	<u>98,433</u>	<u>4,767</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GOLETA
 Comstock Plover Endowment Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 2,175	\$ 2,175	\$ 1,268	\$ (907)
Total revenues	<u>2,175</u>	<u>2,175</u>	<u>1,268</u>	<u>(907)</u>
Expenditures:				
Community service	<u>2,175</u>	<u>2,175</u>	<u>1,268</u>	<u>907</u>
Total expenditures	<u>2,175</u>	<u>2,175</u>	<u>1,268</u>	<u>907</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF GOLETA
RDA Housing Fund
Non-Major Capital Projects Fund
Budgetary Comparison Schedule
Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 18,468	\$ 18,468	\$ 11,933	\$ (6,535)
Total revenues	18,468	18,468	11,933	(6,535)
Expenditures:				
Community development	474,073	730,068	395,540	334,528
Total expenditures	474,073	730,068	395,540	334,528
Excess (deficiency) of revenues over (under) expenditures	(455,605)	(711,600)	(383,607)	327,993
Other financing sources (uses):				
Transfers in	817,722	792,502	728,814	(63,688)
Total other financing sources (uses)	817,722	792,502	728,814	(63,688)
Net change in fund balance	362,117	80,902	345,207	264,305
Fund balance, beginning	1,375,504	1,375,504	1,375,504	-
Fund balance, ending	<u>\$ 1,737,621</u>	<u>\$ 1,456,406</u>	<u>\$ 1,720,711</u>	<u>\$ 264,305</u>

CITY OF GOLETA
Statement of Changes in Fiduciary Assets and Liabilities
Year ended June 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
Developer Deposits				
Assets				
Cash and investments	\$ 468,344	\$ 1,226,820	\$ 1,129,053	\$ 566,111
Total assets	<u>\$ 468,344</u>	<u>\$ 1,226,820</u>	<u>\$ 1,129,053</u>	<u>\$ 566,111</u>
Liabilities				
Accounts payable	\$ 15,603	\$ 635,672	\$ 603,559	\$ 47,716
Deposits payable	<u>452,741</u>	<u>591,148</u>	<u>525,494</u>	<u>518,395</u>
Total liabilities	<u>\$ 468,344</u>	<u>\$ 1,226,820</u>	<u>\$ 1,129,053</u>	<u>\$ 566,111</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 performances and well-being have changed over time.	106
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	114
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.	120
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.	124
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.	128

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 Nine 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	2009	2010	2011
\$ 27,093,022	\$ 171,497,745	\$ 168,561,463	\$ 168,713,837	\$ 165,751,283	\$ 164,443,711
10,787,824	10,792,609	15,401,523	14,202,532	15,707,269	13,773,387
6,839,388	8,838,623	8,785,763	8,056,471	5,998,325	7,302,694
<u>\$ 44,720,234</u>	<u>\$ 191,128,977</u>	<u>\$ 192,748,749</u>	<u>\$ 190,972,840</u>	<u>\$ 187,456,877</u>	<u>\$ 185,519,792</u>

CITY OF GOLETA
Changes in Net Assets
Last Nine Fiscal Years *
(accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
Primary Government-Government 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 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	2009	2010	2011				
\$	3,550,258	\$	3,372,878	\$	3,902,025	\$	3,626,933	\$	4,504,965	\$	3,364,448
	5,539,496		5,617,168		5,853,577		6,220,064		6,443,432		6,534,163
	4,595,206		10,581,153		11,235,589		11,628,940		11,131,852		9,632,224
	3,667,575		1,177,266		1,670,489		4,524,328		3,006,793		2,157,181
	1,133,688		2,584,997		2,569,696		2,812,884		2,662,570		2,412,473
	33,320		130,839		75,612		63,902		38,756		473,629
\$	<u>18,519,543</u>	\$	<u>23,464,301</u>	\$	<u>25,306,988</u>	\$	<u>28,877,051</u>	\$	<u>27,788,368</u>	\$	<u>24,574,118</u>
\$	37,456	\$	416,758	\$	8,590	\$	8,569	\$	7,491	\$	6,525
	201,787		225,986		217,652		255,448		264,526		228,485
	2,304,882		711,443		686,705		747,329		633,760		680,933
	-		-		931,359		1,171,393		915,013		1,267,026
	734,277		690,879		16,410		16,747		14,763		15,503
	130,616		242,339		-		173,527		188,168		171,280
	4,338,565		3,432,130		3,056,038		2,508,017		3,087,242		2,225,067
	1,389,033		711,075		51,175		19,360		90,527		7,531
	8,428		8,232		-		-		-		-
	-		-		179,856		77,340		3,919		14,607
	232,141		989,205		2,122,198		1,884,115		2,521,375		714,032
	1,689,883		21,203		8,407		248,172		97,874		20,656
	542,413		23,976		37,690		64,591		3,505		7,166
\$	<u>11,609,481</u>	\$	<u>7,473,226</u>	\$	<u>7,316,080</u>	\$	<u>7,174,608</u>	\$	<u>7,828,163</u>	\$	<u>5,358,811</u>
\$	(6,910,062)	\$	(15,991,075)	\$	(17,990,908)	\$	(21,702,443)	\$	(19,960,205)	\$	(19,215,307)
\$	4,039,979	\$	4,116,748	\$	4,160,113	\$	3,353,658	\$	3,310,542	\$	3,905,548
	4,867,360		4,359,151		4,609,491		4,713,635		4,781,106		4,790,367
	-		2,252,723		2,754,708		3,234,533		3,903,872		3,644,069
	1,125,865		1,139,903		1,106,524		878,401		118,547		150,977
	2,601,475		2,571,528		2,783,144		2,462,457		2,143,120		2,417,169
	952,856		1,116,446		938,208		1,079,337		1,002,546		1,031,099
	-		-		418,052		426,035		585,546		393,853
	646,378		1,152,334		719,157		375,504		163,884		231,090
	245,579		-		621,283		506,742		435,079		426,543
	-		-		1,500,000		-		-		-
\$	<u>14,479,492</u>	\$	<u>16,708,833</u>	\$	<u>19,610,680</u>	\$	<u>17,030,302</u>	\$	<u>16,444,242</u>	\$	<u>16,990,715</u>
\$	<u>7,569,430</u>	\$	<u>717,758</u>	\$	<u>1,619,772</u>	\$	<u>(4,672,141)</u>	\$	<u>(3,515,963)</u>	\$	<u>(2,224,592)</u>

CITY OF GOLETA
Fund Balances of Governmental Funds
Last Nine 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
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total general fund	<u>\$ 4,894,108</u>	<u>\$ 2,936,065</u>	<u>\$ 4,429,850</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	-	-
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
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.

Note: During the current Fiscal year, the City adopted GASBS No. 54. This Statement changed the presentation of governmental fund types Fund equity. The City complied with the requirements of the Statement, but chose not to retroactively apply the Statement in the Statistical Section.

Fiscal Year

2006	2007	2008	2009	2010	2011
\$ 6,600,000	\$ 845,290	\$ 997,972	\$ 143,065	\$ 189,127	\$ -
950,433	8,518,795	9,087,093	8,813,424	7,807,167	-
-	-	-	-	-	319,801
-	-	-	-	-	-
-	-	-	-	-	22,176,727
-	-	-	-	-	1,873,276
<u>\$ 7,550,433</u>	<u>\$ 9,364,085</u>	<u>\$ 10,085,065</u>	<u>\$ 8,956,489</u>	<u>\$ 7,996,294</u>	<u>\$ 24,369,804</u>
\$ 5,434,747	\$ 3,591,210	\$ 6,200,802	\$ 1,874,263	\$ 2,522,135	\$ -
5,759,397	5,450,614	7,622,276	8,606,741	8,392,385	-
(4,237)	2,827,773	810,000	3,398,377	3,480,094	-
-	-	-	-	-	72,988
-	-	-	-	-	13,328,391
-	-	-	-	-	-
-	-	-	-	-	(424,952)
<u>\$ 11,189,907</u>	<u>\$ 11,869,597</u>	<u>\$ 14,633,078</u>	<u>\$ 13,879,381</u>	<u>\$ 14,394,614</u>	<u>\$ 12,976,427</u>

CITY OF GOLETA
Changes in Fund Balances of Governmental Funds
Last Nine 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			
Bond issuance cost	-	-	-
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)			
Tax allocation bonds issued	-	-	-
Discount on bonds issued	-	-	-
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	2009	2010	2011
\$	16,173,369	\$ 17,181,587	\$ 17,341,789	\$ 16,756,152	\$ 16,951,278	\$ 17,460,722
	4,585,024	4,160,756	4,417,441	2,919,468	3,590,007	18,421,878
	1,593,377	2,138,814	1,543,839	1,746,412	1,630,733	1,818,583
	201,787	225,986	217,653	255,448	264,525	228,486
	646,378	1,152,334	1,071,351	570,780	282,408	330,722
	1,798,530	271,291	532,347	1,314,011	489,825	166,928
	245,579	189,602	621,302	642,639	435,080	454,838
	<u>25,244,044</u>	<u>25,320,370</u>	<u>25,745,722</u>	<u>24,204,910</u>	<u>23,643,856</u>	<u>38,882,157</u>
	3,520,719	3,603,156	3,768,660	3,500,545	3,706,924	3,761,490
	5,579,362	5,725,768	5,846,854	6,185,519	6,408,887	6,499,618
	5,395,431	7,066,796	6,291,291	5,696,189	5,704,610	4,546,534
	3,791,902	1,177,266	1,119,545	3,868,251	1,330,563	17,132,204
	1,136,769	3,295,355	2,726,268	2,791,020	2,574,680	2,410,641
	103,384	450,545	550,944	656,077	1,693,526	1,023,921
	197,500	597,627	1,451,785	3,718,518	2,567,257	3,832,456
	-	-	-	-	-	388,720
	436,959	771,101	425,653	69,390	63,615	68,782
	38,892	139,414	80,261	67,133	38,756	93,853
	<u>20,200,918</u>	<u>22,827,028</u>	<u>22,261,261</u>	<u>26,552,642</u>	<u>24,088,818</u>	<u>39,758,219</u>
	<u>5,043,126</u>	<u>2,493,342</u>	<u>3,484,461</u>	<u>(2,347,732)</u>	<u>(444,962)</u>	<u>(876,062)</u>
	-	-	-	-	-	16,085,000
	-	-	-	-	-	(253,615)
	1,204,752	2,829,956	3,038,958	5,450,007	2,165,683	16,593,176
	(1,204,752)	(2,829,956)	(3,038,958)	(5,450,007)	(2,165,683)	(16,593,176)
	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,831,385</u>
\$	<u>5,043,126</u>	<u>2,493,342</u>	<u>3,484,461</u>	<u>(2,347,732)</u>	<u>(444,962)</u>	<u>14,955,323</u>
	2.38%	4.10%	2.43%	0.60%	0.48%	1.53%

CITY OF GOLETA
Assessed Value and Actual Value of Taxable Property
Last Nine 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
2009	5,037,169,032	154,348,677	4,882,820,355
2010	5,149,233,266	143,525,584	5,005,707,682
2011	5,199,860,164	185,868,983	5,013,991,181

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

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.

CITY OF GOLETA
 Assessed Value and Actual Value of Taxable Property
 Last Nine Fiscal Years *

		RDA			
<u>Secured and</u> <u>Unsecured Value</u>	<u>Exemptions</u> <u>Less Exemptions</u>	<u>Taxable Assessed</u> <u>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	
1,018,970,730	58,752,855	960,217,875		1.03725	
1,075,227,858	54,687,971	1,020,539,887		1.03725	
1,131,416,537	94,950,658	1,036,465,879		1.03725	

CITY OF GOLETA
Property Tax Rates
Direct and Overlapping Governments
Per \$100 of Assessed Value
Last Nine 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
Santa Barbara City College	-	-	-
Total Direct Rate and Overlapping Rate	1.03235	1.02709	1.02935

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

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, Santa Barbara High School District, and Santa Barbara City College.

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

Fiscal Year

2006	2007	2008	2009	2010	2011
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.01729	0.01677	0.01627	0.01627	0.01627	0.01627
0.01248	0.01248	0.01248	0.01248	0.01248	0.01248
-	-	-	0.00850	0.00850	0.00850
1.02977	1.02925	1.02875	1.03725	1.03725	1.03725

CITY OF GOLETA
Principal Property Taxpayers
Current Year *

<u>Taxpayer</u>	<u>Primary Use</u>	<u>2011</u>	
		<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>
HT Santa Barbara, Inc	Commercial	\$ 118,000,000	1.96%
SP Maravilla, LLC	Institutional	107,920,809	1.79%
Camino Real II LLC	Commercial	85,026,638	1.41%
Los Carneros Business Park LP	Commercial	55,793,115	0.93%
Sumida Family Limited Partnership	Commercial	45,376,304	0.75%
Raytheon Company	Commercial	42,936,467	0.71%
Nassau Land Co , LLP	Commercial	42,778,576	0.71%
Willow Springs, LP	Commercial	39,053,913	0.65%
IRE-SB Inc	Commercial	38,585,339	0.64%
University Business Center Assoc.	Commercial	<u>37,680,506</u>	<u>0.63%</u>
Top Ten Totals		<u><u>\$ 613,151,667</u></u>	<u><u>10.17%</u></u>

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

CITY OF GOLETA
Property Tax Levies and Collections
Last Nine Fiscal Years *

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year	Percent of Levy	Collections in Subsequent Years	Total Collections to Date (1)	
		of the Levy			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%
2009	2,043,072	2,043,072	100%	-	2,043,072	100%
2010	2,081,000	2,081,000	100%	-	2,081,000	100%
2011	2,087,364	2,087,364	100%	-	2,087,364	100%

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

(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.

Source: City of Goleta, Finance Department

CITY OF GOLETA
Ratios of Outstanding Debt by Type
Last Nine Fiscal Years *

<u>Fiscal Year</u>	<u>Certificates of Participation</u>	<u>RDA Bonds</u>	<u>Capital Leases</u>	<u>Loans Payable</u>	<u>Total Government</u>	<u>Percentage of Personal Income</u>	<u>Debt Per Capita</u>
2003	\$ 1,930,000	\$ -	\$ 594,058	\$ 1,800,000	\$ 4,324,058	0.40%	\$ 141
2004	1,570,000	-	559,301	1,800,000	3,929,301	0.32%	128
2005	1,195,000	-	521,112	1,800,000	3,516,112	0.28%	115
2006	800,000	-	479,153	1,800,000	3,079,153	0.22%	102
2007	375,000	-	433,052	1,500,000	2,308,052	0.16%	77
2008	-	-	382,400	-	382,400	0.03%	13
2009	-	-	311,997	-	311,997	0.02%	10
2010	-	-	249,394	-	249,394	0.02%	8
2011	-	16,085,000	180,612	-	16,265,612	1.15%	542

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

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

Source: City of Goleta, Finance Department

CITY OF GOLETA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

2010-2011 Assessed Valuations:

2010-2011 Assessed Valuation	\$ 5,199,860,164
Redevelopment Incremental Valuation	<u>1,131,416,537</u>
Adjusted Assessed Valuation	<u>\$ 4,068,443,627</u>

<u>Overlapping Debt Repaid with Property Taxes:</u>	Total Debt 6/30/2011	% Applicable	District's Share of Debt 6/30/11
Goleta Unified School District	\$ 20,180,000	100.00%	\$ 20,180,000
Santa Barbara High School District	82,738,654	100.00%	82,738,654
Santa Barbara City College	44,905,000	100.00%	<u>44,905,000</u>
Total direct and overlapping tax and assessment debt			<u>\$ 147,823,654</u>
 <u>Direct and Overlapping General Fund Obligation Debt:</u>			
Santa Barbara County General Fund Obligations	\$ 77,830,000	7.05% (1)	<u>\$ 5,484,399</u>
Total overlapping general fund debt			<u>\$ 5,484,399</u>
 Total direct and overlapping debt			 <u><u>\$ 153,308,053</u></u> (2)

Ratios to 2010-2011 Assessed Valuations:

Total Direct and Overlapping Tax and Assessment Debt 2.84%

Ratios to Adjusted Assessed Valuations:

Combined Total Debt 3.77%

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 426,189 population, 7.05% (or 30,032) 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.

CITY OF GOLETA
 Computation of Legal Debt Margin
 Last Nine Fiscal Years *

	Fiscal Year		
	2003	2004	2005
Assessed Valuations:			
Total Assessed Valuation	\$ 3,188,570,394	\$ 3,318,088,859	\$ 3,526,555,537
Conversion Percentage	25%	25%	25%
Adjusted Assessed Valuation	\$ 797,142,599	\$ 829,522,215	\$ 881,638,884
Debt Limit Percentage	15%	15%	15%
Debt Limit	\$ 119,571,390	\$ 124,428,332	\$ 132,245,833
Total Net Debt Applicable to the Limit	-	-	-
Legal debt margin	<u>\$ 119,571,390</u>	<u>\$ 124,428,332</u>	<u>\$ 132,245,833</u>
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%

* Reflects data compiled by the City since incorporation.

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

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 3,667,247,789	\$ 4,609,243,631	\$ 4,846,111,226	\$ 5,037,169,032	\$ 5,149,233,266	\$ 5,199,860,164
\$ 916,811,947	\$ 1,152,310,908	\$ 1,211,527,807	\$ 1,259,292,258	\$ 1,287,308,317	\$ 1,299,965,041
\$ 137,521,792	\$ 172,846,636	\$ 181,729,171	\$ 188,893,839	\$ 193,096,247	\$ 194,994,756
-	-	-	-	-	-
<u>\$ 137,521,792</u>	<u>\$ 172,846,636</u>	<u>\$ 181,729,171</u>	<u>\$ 188,893,839</u>	<u>\$ 193,096,247</u>	<u>\$ 194,994,756</u>
0%	0%	0%	0%	0%	0%

CITY OF GOLETA
Demographic and Economic Statistics
Last Nine 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	402	\$ 14,108,441	35.1	5.00%	
2004	30,691	401	15,811,048	39.4	4.60%	
2005	30,471	400	16,701,910	41.7	4.10%	
2006	30,135	399	18,328,482	46.0	3.90%	
2007	30,169	400	18,869,062	47.1	4.10%	
2008	30,400	404	19,365,073	48.0	5.10%	
2009	30,476	407	18,954,619	46.6	8.30%	
2010	30,001	424	19,144,165	(4)	(4)	8.90%
2011	30,032	426	19,335,607	(4)	(4)	8.90%

* 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 1% increase from prior year).

CITY OF GOLETA
Principal Employers
Current Fiscal Year *

<u>Employer</u>	2011	
	<u>Number of Employees</u>	<u>Employment % to Total Population</u>
Raytheon	1400	4.66%
Sansum clinic	1100	3.66%
Citrix Online*	544	1.81%
Barcara Resorts	551	1.83%
Goleta Unified School District	550	1.83%
Yardi Systems	445	1.48%
FLIR	425	1.42%
Allergan (Inamed)	352	1.17%
Goleta Cottage Hospital	346	1.15%
Karl Storz Imaging	342	1.14%
Jordano's	240	0.80%
Mentor Corp	218	0.73%
Costco	200	0.67%
The Home Depot	178	0.59%
Devereux	150	0.50%

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

** 2010 figure; current year figure was not provided.

Source: Santa Barbara Chamber of Commerce

CITY OF GOLETA
 Full-time and Part-time City Employees
 by Function
 Last Eight Fiscal Years *

<u>Function</u>	<u>FY 2003-04 Authorized Positions</u>	<u>FY 2004-05 Authorized Positions</u>	<u>FY 2005-06 Authorized Positions</u>
General Government	4.0	6.5	6.0
Administrative Services	5.0	4.5	2.5
Finance Department	0.0	0.0	3.5
Planning and Environmental Services	13.5	14.0	14.0
RDA & Neighborhood Services	0.0	1.0	4.0
Community Services	<u>6.5</u>	<u>13.0</u>	<u>14.5</u>
Total	29.0	39.0	44.5

* Reflects data compiled by the City of Goleta since active employment began in second year of incorporation.

Source: City of Goleta, Finance Department

FY 2006-07 Authorized Positions	FY 2007-08 Authorized Positions	FY 2008-09 Authorized Positions	FY 2009-10 Authorized Positions	FY 2010-11 Authorized Positions
6.3	4.8	7.0	8.0	7.4
2.5	4.0	4.0	4.0	4.8
3.5	4.0	4.0	4.0	4.0
14.0	13.5	14.0	12.0	11.5
4.5	4.0	4.0	4.0	4.0
14.5	15.0	15.0	14.0	15.0
45.3	45.3	48.0	46.0	46.7

CITY OF GOLETA
 Operating Indicators
 by Function
 Last Nine 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

* Reflects data compiled by the City of Goleta since incorporation

- (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	2009	2010	2011
14,788	15,200	16,117	15,159	21,212	21,002
1,577	1,798	1,421	2,344	2,842	2,493
3,927	3,748	3,186	3,176	3,230	2,875
2,150	2,066	2,314	2,786	2,847	3,022
8.5	10.8	24.6	33.0	10.6	10.0

CITY OF GOLETA
Capital Asset Statistics
by Function
Last Nine 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

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

** 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 (1,553) street lights owned and maintained by SCE in addition to those owned and maintained by the City.

Source: Various City of Goleta Departments

Fiscal Year						
2006	2007	2008	2009	2010	2011	
-	-	-	-	-	-	-
3	3	3	3	3	3	3
436	437	438	440	440	457	
1	1	1	1	1	1	1
1	1	1	1	1	1	1
5	5	5	5	5	5	5
1	1	1	1	1	1	1
1	1	1	1	1	1	1
3	3	3	3	3	3	3
-	-	-	-	-	-	-
7.9	7.9	7.9	7.9	7.9	8.0	
172.3	172.3	172.3	172.3	172.3	174.0	
71	73	85	85	85	89	
9	13	15	15	14	14	

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