

The Good Land

Comprehensive Annual Financial Report

For Fiscal Year Ending June 30, 2012

Goleta, California



CITY OF GOLETA
Goleta, California

Comprehensive Annual Financial Report

Year ended June 30, 2012

Prepared by

FINANCE DEPARTMENT

Alvertina Rivera

Finance Director

CITY OF GOLETA
Comprehensive Annual Financial Report
Year ended June 30, 2012

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December 03, 2012

CITY COUNCIL

Edward Easton
Mayor

Roger S. Aceves
Mayor Pro Tempore

Michael T. Bennett
Councilmember

Margaret Connell
Councilmember

Paula Perotte
Councilmember

CITY MANAGER

To the Citizens of the City of Goleta:

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

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

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

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

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

financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City.

GOVERNMENT PROFILE

The City of Goleta incorporated on February 1, 2002 as a General Law City under the laws of the State of California. The City of Goleta encompasses approximately 8 square miles in southern Santa Barbara County and has a population of approximately 29,930. 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 the 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 primarily 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 82% of the City's General Fund revenues.

The City of Goleta and the immediate surrounding cities are key factors in the overall economic activity of the entire South Coast. The City and its immediate vicinity provide a significant share of the South Coast and County's basic economic activity in the form of educational services, intellectual services, tourism, and manufacturing. The City continues to see evidence of an economic recovery resulting in double digit increases in Transient Occupancy and Development related revenues collected. While the economic improvement provides much optimism for a brighter financial outlook, the loss of Redevelopment is a major set-back for the City.

The dissolution of Redevelopment Agencies in California took effect on February 1, 2012 as part of the legislature's budget balancing solution. With the loss of the Redevelopment Agency over \$3 million dollars per year that were used to make needed improvements to the City's downtown area and supporting affordable housing efforts was permanently lost.

In FY 2011-12, the City's General Fund expenditures exceeded revenues by \$5,535,603 as a result of anticipated capital projects which drew-up on the capital projects reserve previously established for this purpose. Excluding Capital projects, General Fund revenues exceeded expenditures by \$203,108.

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 \$7,740,437 in revenues that were paid to the County of Santa Barbara in FY 2011-12 in accordance with the Revenue Neutrality Agreement.

MAJOR INITIATIVES

Management:

The City continues to maintain a strong and effective workforce of approximately 48 full-time equivalent positions. To meet growing demand for development applications, the City Council recently supported the expansion of the workforce by augmenting staffing levels in the Planning & Environmental Review and Neighborhood Services departments. Additional staffing has been added through consulting service contracts as well.

Economic Development:

The City concluded the fiscal year realizing the loss of the Redevelopment Agency and associated revenues. Subsequently, the City Council has supported the establishment of a full-time Economic Development Coordinator within the Neighborhood Services Department. In addition, the City has joined forces with the Chamber of Commerce and the University of California at Santa Barbara, to support new business ventures coming primarily out of the University and seeking to succeed in Goleta.

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.

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 town. 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.

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 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.

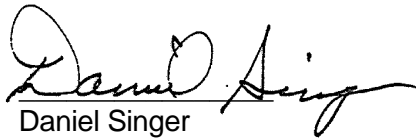
Annual Audit:

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, 2012 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, 2012 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,



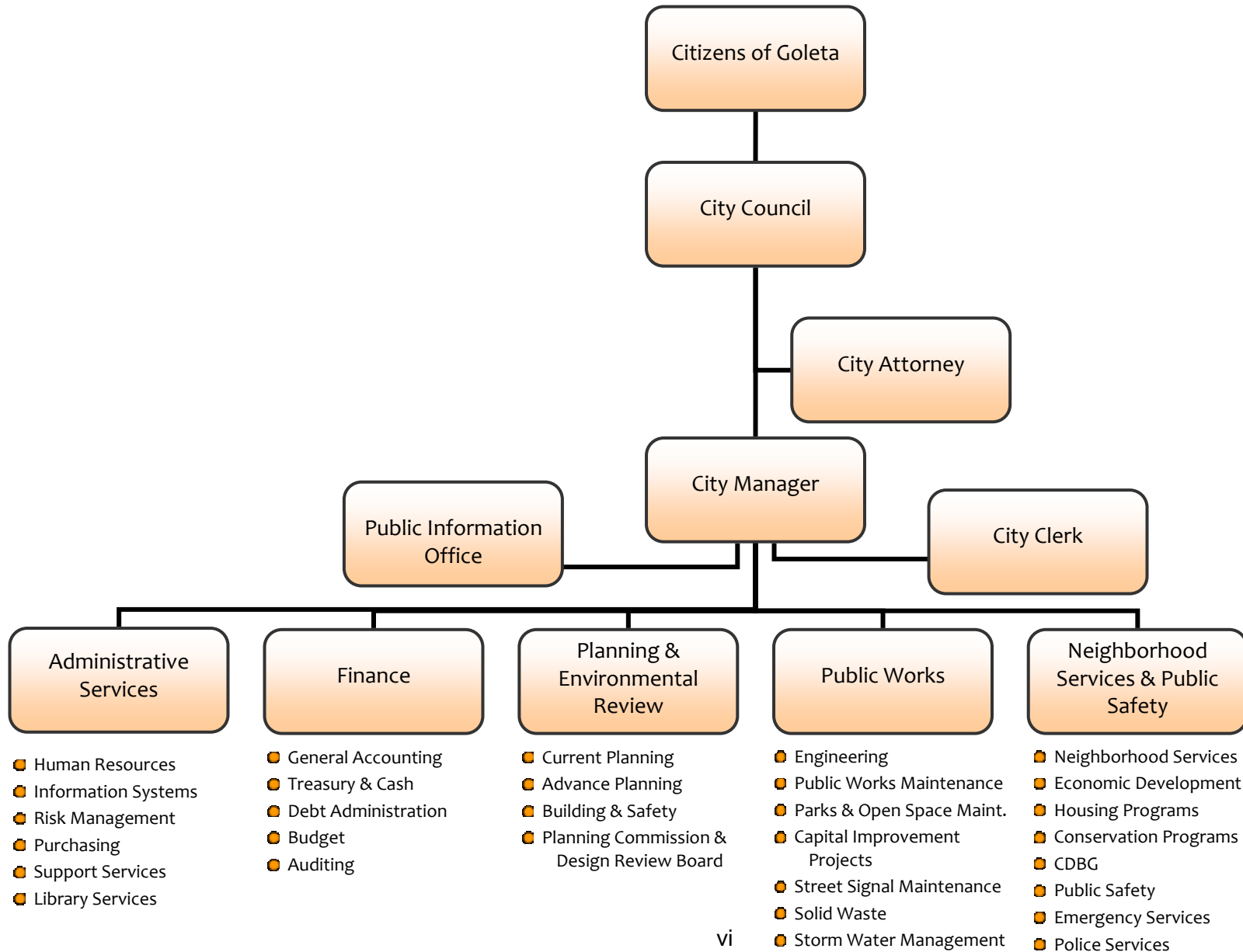
Daniel Singer
City Manager

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ORGANIZATIONAL CHART

By Function



CITY OF GOLETA

**LIST OF PRINCIPAL OFFICIALS
FOR
FISCAL YEAR ENDED JUNE 30, 2012**

CITY COUNCIL

EDWARD EASTON
Mayor

ROGER S. ACEVES
Mayor Pro Tempore

MICHAEL T. BENNETT, Council Member
MARGARET CONNELL, 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
Pat Saley, Interim Planning & Environmental Services Director
Vyto Adomaitis, 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, 2011

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.



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
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Honorable Mayor and City Council
City of Goleta
Goleta, California

PARTNERS

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

MANAGERS / STAFF

Nancy O'Rafferty, CPA, MBA
Bradferd A. Welebir, CPA, MBA
Jenny Liu, CPA, MST
Katie L. Millsom, CPA
Papa Matar Thiaw, CPA, MBA
Maya S. Ivanova, CPA, MBA
Danielle E. Odgers, CPA
William C. Clayton, CPA
Peter E. Murray, CPA
Genivive Schwarzkopf, CPA
Megan Hackney, CPA
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, 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, 2012, 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, 2012, 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.

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California. Therefore, as of February 1, 2012, the Goleta Redevelopment Agency (a component unit of the City) ceased to exist. All functions of the former redevelopment agency either passed to the City or to the Successor Agency of the Goleta Redevelopment Agency.

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 21, 2012 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 an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

A handwritten signature in black ink that reads "Rogers Anderson Maloney & Scott, LLP". The signature is written in a cursive, flowing style.

November 21, 2012

Management's Discussion and Analysis Fiscal Year Ended June 30, 2012

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, 2012. 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 2012, the City's net assets totaled \$202,200,751, an increase of approximately 9% from the prior year. The increase in net assets is a result of the RDA dissolution which now excludes over \$15,665,000 of debt from the City's books.
- Of the total net assets, close to \$16.7 million is unrestricted and thus may be used to meet the City's ongoing obligations.
- As of June 30, 2012, the City's taxes and other revenues exceeded expenses by \$6,954,411 primarily due to an increase in Capital Contributions and Grants.
- The total revenue from all sources equaled \$29,783,986 in addition to a gain of \$9,726,548 resulting from dissolution of Redevelopment.
- The General Fund reported excess expenditures over revenues of \$5,535,603, with expenditures of \$5,738,711 attributed to capital projects primarily in the Old Town area. Fund balances previously designated were used to pay for these project expenditures.
- The General Fund had an ending fund balance of \$17,957,233 of which \$14,914,858 is assigned to meet the City's Reserve policies. The Old Town CIP reserve accounts for \$9,411,009 of the \$14,914,858 assigned fund balance. The unassigned fund balance of \$2,914,290 consists of continuing appropriations of \$1,859,293 and \$1,054,997 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 65% of these activities.

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

The Fund Financial Statements provide detailed information about the most significant funds, not the City as a whole. Included are the General Fund, GTIP, Federal Transportation Program, RDA Debt Service Fund, and RDA Project 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, 2012 and 2011

	Governmental Activities	
	2012	2011
Current and other assets	\$ 33,502,266	\$ 40,797,489
Capital Assets	<u>172,180,328</u>	<u>164,624,323</u>
Total Assets	<u>\$ 205,682,594</u>	<u>\$ 205,421,812</u>
Other Liabilities	2,663,070	3,058,010
Long Term Liabilities		
Due in one year	188,792	606,465
Due in more than one year	<u>629,981</u>	<u>16,237,545</u>
Total Liabilities	<u>3,481,843</u>	<u>19,902,020</u>
Net Assets:		
Invested in Capital Assets, net of accumulated depreciation and related debt	172,075,288	164,443,711
Restricted	13,409,549	13,773,387
Unrestricted	<u>16,715,914</u>	<u>7,302,694</u>
Total Net Assets	<u>\$ 202,200,751</u>	<u>\$ 185,519,792</u>

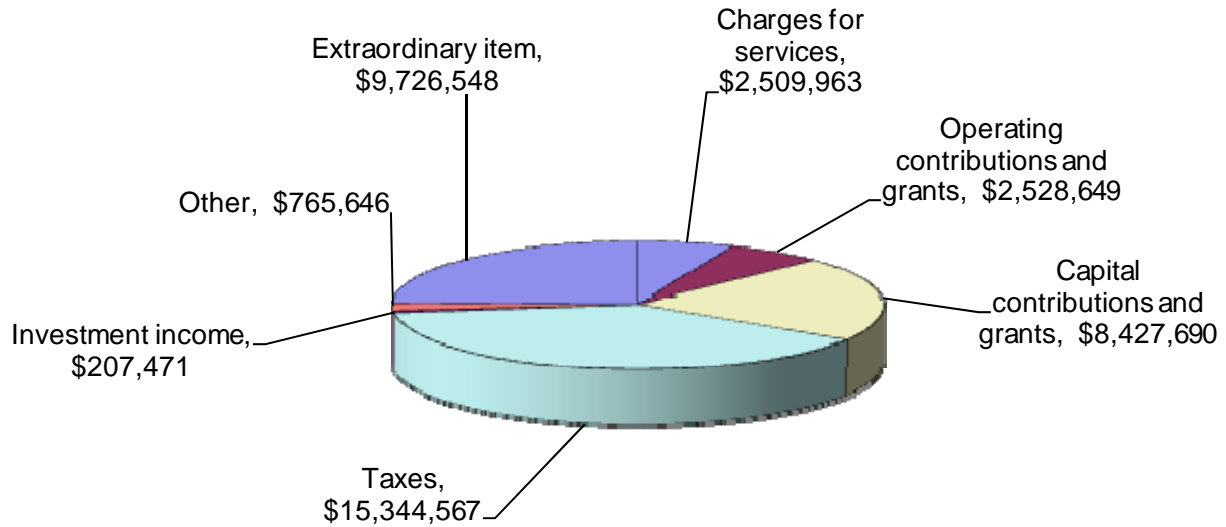
- Current and other assets decreased \$7,295,223 primarily as a result of significant capital expenditures, while liabilities had a decrease of \$16,420,177 as a result of excluding the RDA bond liability upon dissolution of the Redevelopment Agency.
- Capital assets totaled \$263,015,325 at year-end before accumulated depreciation of \$90,834,997 resulting in net Capital assets of \$172,180,328.

Asset Type	
Land	\$ 26,920,422
Building and improvements	2,117,882
Furniture and equipment	689,956
Vehicles	306,032
Infrastructure	211,240,609
Construction in progress	<u>21,740,424</u>
Total fixed assets	263,015,325
Less depreciation	<u>90,834,997</u>
Capital Assets net of Depreciation	<u>\$ 172,180,328</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 \$16,715,914. This represents a \$9,413,220 increase from prior year due to Non-Major Governmental Funds activity for the year.

**Fiscal year 2012 Governmental Activities
(See Table 2)**

Sources of Revenue



Functional Expense

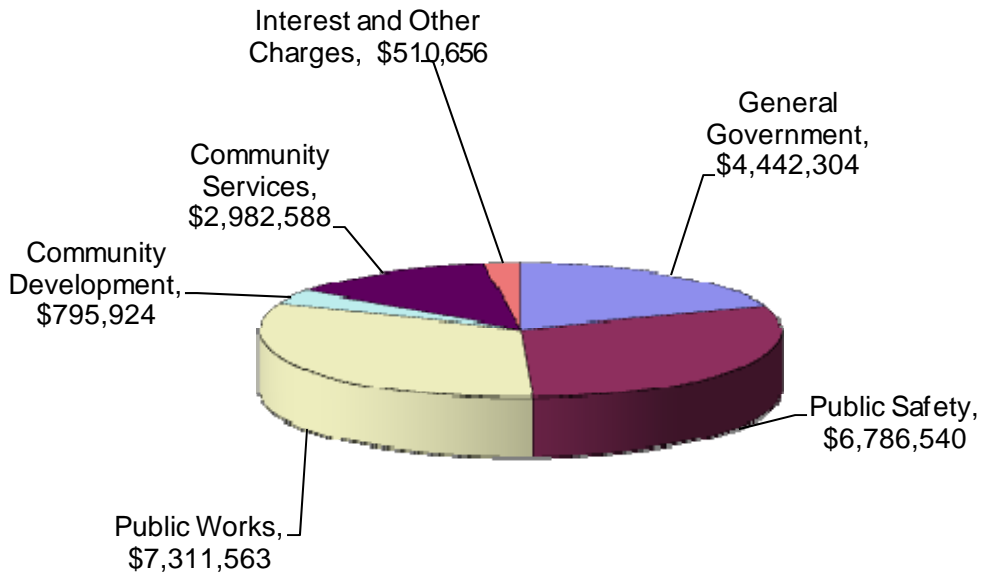


Table 2
Changes in Net Assets
Year Ended June 30, 2012 and 2011

	Governmental Activities	
	2012	2011
Revenues		
Program Revenues:		
Charges for services	\$ 2,509,963	\$ 2,198,472
Operating contributions and grants	2,528,649	2,403,878
Capital contributions and grants	8,427,690	1,043,968
General revenues:		
Taxes:		
Sales taxes	3,845,273	3,905,548
Property taxes levied for general purposes	5,017,404	4,790,367
Redevelopment Agency Tax Increment	2,152,407	3,644,069
Transient occupancy tax	2,685,546	2,417,169
Franchise taxes	1,187,154	1,031,099
Other taxes	456,783	544,830
Investment Income	207,471	231,090
Other	765,646	426,543
Total revenues	29,783,986	22,637,033
Expenses		
General Government	4,442,304	3,364,448
Public Safety	6,786,540	6,534,163
Public Works	7,311,563	9,632,224
Community Development	795,924	2,157,181
Community Services	2,982,588	2,412,473
Interest and other charges	510,656	473,629
Total expenses	22,829,575	24,574,118
Extraordinary Item		
Gain on dissolution of Redevelopment Agency	9,726,548	-
Change in Net Assets	\$ 16,680,959	\$ (1,937,085)
Ending Net Assets	\$ 202,200,751	\$ 185,519,792

The City's total revenues were \$29,783,986 while the total cost of all programs and services was \$22,829,575. Property Tax of \$5,017,404 is the City's largest revenue source at approximately 17%, while Sales Tax of \$3,845,273 is the City's second largest revenue source at 13%. Transient Occupancy Tax Increment of \$2,685,546 is the City's third largest revenue source at approximately 9%. 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, 2012

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General Government	\$ 4,442,304	\$ (4,412,365)
Public Safety	6,786,540	(6,428,770)
Public Works	7,311,563	3,247,466
Community Development	795,924	1,683,754
Community Services	2,982,588	(2,942,702)
Interest and other charges	510,656	(510,656)
Totals	<u><u>\$ 22,829,575</u></u>	<u><u>\$ (9,363,273)</u></u>

- General Government expenses comprise approximately 19% 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 30% of the governmental expenses. Revenue from fines and capital grants partially offset the cost of this program.
- Public Works expenses comprise approximately 32% 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 3% of the governmental expenses. Various building and planning fee revenues offset the cost of this program.
- Community Services expenses comprise 13% of the governmental expenses. Related fees and charges for services partially 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 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 \$30,569,157, a decrease of \$6,777,074 over prior year. The General Fund activity accounts for 82% or \$5,535,603 of that decrease which was the result of capital project expenditures in the Old Town area. The RDA Project Fund and the RDA Debt Service Fund had a decrease of \$1,122,649 and \$1,340,401 as a

result of dissolution of the Redevelopment Agency. Non-major funds had a decrease of \$2,495,605 as result of the classification of GTIP as a major fund. The Federal Transportation Program fund, which has a \$272,332 negative fund balance, is now represented in the major fund category.

General Fund Budgetary Highlights

Revenues: Actual revenues received were over budget by \$472,577 primarily as a result of higher than projected revenues from taxes and charges for services.

Expenditures: Actual expenditures were less than budgeted in most areas for an overall savings of \$4,912,308. Significant reductions were recognized in Capital Outlay, while lesser reductions were the General Government, Public Works, and Community Services departments. The majority of the unexpended allocations will be continued into the next fiscal year.

Appropriations: Variances between the Original and the Final budgets are primarily due to the inclusion of continuing appropriations for special projects from the prior year.

Ending Fund Balance: The General Fund Ending Balance was \$17,957,233 as of June 30, 2012. This amount was more than the final budget projection by \$5,384,855 as a result of the revenue and expenditure activity noted above.

Fund balance:	
Nonspendable:	
Prepaid items	\$ 128,085
Assigned	14,914,858
Unassigned	<u>2,914,290</u>
Total fund balance	<u><u>\$ 17,957,233</u></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 \$4,595,527 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 \$263,015,325. At the end of fiscal year 2012, the City had \$172,180,328 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	\$	26,920,422
Buildings and improvements		2,117,882
Furniture and equipment		689,956
Vehicles		306,032
Infrastructure		211,240,609
Construction in progress		21,740,424
Depreciation		(90,834,997)
Total fixed assets	\$	<u>172,180,328</u>

Long-Term Debt

At fiscal year-end the Long-term Debt reported by the City included the Goleta Valley Community Center lease payment, which was assumed from the County upon incorporation. Additional information on the City of Goleta's long-term debt can be found in Notes 1 and 6 to the financial statements.

Table 5
Long-Term Debt

Governmental Activities

Loans Payable:

Capital Lease Payable - Goleta Valley Community Center	\$	105,040
Claims and judgments payable		369,878
Compensated absences		343,855
Total	\$	<u>818,773</u>

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 2012-13. 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, 2012

	Governmental Activities
Assets:	
Cash and investments (note 2)	\$ 31,385,484
Receivables:	
Accounts	803,117
Interest	1,991
Due from other governments	1,126,089
Deposits	7,500
Prepaid expenses	178,085
Capital assets (note 5):	
Non-depreciable	60,056,159
Depreciable	202,959,166
Less: accumulated depreciation	(90,834,997)
Total assets	205,682,594
Liabilities:	
Accounts payable	2,034,427
Accrued salaries and benefits	138,081
Deposits payable	278,436
Deferred revenue	212,126
Non-current liabilities (note 6):	
Due within one year	188,792
Due in more than one year	629,981
Total liabilities	3,481,843
Net assets:	
Invested in capital assets, net of related debt	172,075,288
Restricted for:	
Public works	12,032,750
Community development	1,376,799
Unrestricted	16,715,914
Total net assets	\$ 202,200,751

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

CITY OF GOLETA
STATEMENT OF ACTIVITIES
Year ended June 30, 2012

	Expenses	Program Revenues	
		Charges for Services	Operating Contributions and Grants
Governmental activities:			
General government	\$ 4,442,304	\$ 29,939	\$ -
Public safety	6,786,540	169,945	129,919
Public works	7,311,563	641,538	2,398,730
Community development	795,924	1,654,126	-
Community services	2,982,588	14,415	-
Interest and other charges	510,656	-	-
	<u>\$ 22,829,575</u>	<u>\$ 2,509,963</u>	<u>\$ 2,528,649</u>

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

Extraordinary Item

Gain on dissolution of Redevelopment Agency

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
\$ -	\$ (4,412,365)
57,906	(6,428,770)
7,518,761	3,247,466
825,552	1,683,754
25,471	(2,942,702)
-	(510,656)
<u>\$ 8,427,690</u>	<u>(9,363,273)</u>

3,845,273
5,017,404
2,152,407
2,685,546
1,187,154
456,783
207,471
<u>765,646</u>
16,317,684
<u>9,726,548</u>
16,680,959
<u>185,519,792</u>
<u>\$ 202,200,751</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.

SPECIAL SERVICE FUNDS

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

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

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

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, 2012

	General	Special Revenue Fund
Assets	General	GTIP
Cash and investments (note 2)	\$ 17,648,567	\$ 4,666,121
Receivables:		
Accounts	597,764	-
Interest	1,223	192
Due from other governments	583,490	-
Due from other funds (note 3)	416,823	-
Deposits	2,000	-
Prepaid items	128,085	50,000
	<u>\$ 19,377,952</u>	<u>\$ 4,716,313</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 951,410	\$ 56,235
Accrued salaries and benefits	129,247	-
Due to other funds (note 3)	-	-
Deposits payable	127,936	-
Deferred revenue	212,126	-
	<u>1,420,719</u>	<u>56,235</u>
Fund balances:		
Nonspendable:		
Prepaid items	128,085	50,000
Restricted:		
Public works	-	4,610,078
Community development	-	-
Assigned (note 15)	14,914,858	-
Unassigned	2,914,290	-
	<u>17,957,233</u>	<u>4,660,078</u>
Total fund balances	<u>17,957,233</u>	<u>4,660,078</u>
Total liabilities and fund balances	<u>\$ 19,377,952</u>	<u>\$ 4,716,313</u>

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

Special Revenue Fund Federal Transportation Program	Debt Service Fund RDA Debt Service	Capital Projects Fund RDA Project	Non-Major Governmental Funds	Totals
\$ -	\$ -	\$ -	\$ 9,070,796	\$ 31,385,484
-	-	-	205,353	803,117
-	-	-	576	1,991
270,039	-	-	272,560	1,126,089
-	-	-	-	416,823
-	-	-	5,500	7,500
-	-	-	-	178,085
<u>\$ 270,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,554,785</u>	<u>\$ 33,919,089</u>
\$ 116,047	\$ -	\$ -	\$ 910,735	\$ 2,034,427
-	-	-	8,834	138,081
156,285	-	-	260,538	416,823
-	-	-	150,500	278,436
270,039	-	-	-	482,165
<u>542,371</u>	<u>-</u>	<u>-</u>	<u>1,330,607</u>	<u>3,349,932</u>
-	-	-	-	178,085
-	-	-	7,101,190	11,711,268
-	-	-	1,378,242	1,378,242
-	-	-	-	14,914,858
(272,332)	-	-	(255,254)	2,386,704
<u>(272,332)</u>	<u>-</u>	<u>-</u>	<u>8,224,178</u>	<u>30,569,157</u>
<u>\$ 270,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,554,785</u>	<u>\$ 33,919,089</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, 2012

Fund balances of governmental funds \$ 30,569,157

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	263,015,325
Accumulated depreciation	(90,834,997)

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

Capital leases payable	(105,040)
Claims payable	(369,878)
Compensated absences	(343,855)

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

Long-term receivables	270,039
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Net assets of governmental activities	\$ 202,200,751
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The accompanying notes are an integral part of these financial statements.

CITY OF GOLETA
Governmental Fund Types
Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2012

	General	Special Revenue Fund GTIP
Revenues:		
Taxes	\$ 12,933,796	\$ -
Intergovernmental	17,804	808
Charges for services	1,682,838	190
Fines and forfeitures	169,943	-
Investment income	240,412	17,202
Developer fees	-	4,124,824
Other	765,647	-
Total revenues	15,810,440	4,143,024
Expenditures:		
Current:		
General government	4,507,674	-
Public safety	6,499,835	-
Public works	2,082,536	8,856
Community development	-	-
Community services	2,440,710	-
Capital outlay	5,738,711	446,612
Debt service:		
Principal	75,572	-
Interest	1,005	-
Total expenditures	21,346,043	455,468
Excess (deficiency) of revenues over (under) expenditures	(5,535,603)	3,687,556
Other financing sources (uses):		
Transfers in (note 4)	-	-
Transfers out (note 4)	-	-
Total other financing sources and (uses)	-	-
Extraordinary Item:		
Gain (loss) on dissolution of redevelopment agency	-	-
Net change in fund balances	(5,535,603)	3,687,556
Fund balances, beginning of year, as restated	23,492,836	972,522
Fund balances, end of year	\$ 17,957,233	\$ 4,660,078

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

Special Revenue Fund Federal Transportation Program	Debt Service Fund RDA Debt Service	Capital Projects Fund RDA Project	Non-Major Governmental Funds	Totals
\$ -	\$ 2,152,408	\$ -	\$ 1,647,608	\$ 16,733,812
312,150	-	-	3,213,820	3,544,582
-	-	-	457,410	2,140,438
-	-	-	-	169,943
-	358	55	86,987	345,014
-	-	-	2,024,799	6,149,623
-	-	-	50,224	815,871
<u>312,150</u>	<u>2,152,766</u>	<u>55</u>	<u>7,480,848</u>	<u>29,899,283</u>
-	-	-	-	4,507,674
-	-	-	252,160	6,751,995
-	-	-	2,683,587	4,774,979
-	-	247,750	541,251	789,001
-	-	-	540,046	2,980,756
282,522	-	4,345	3,707,751	10,179,941
-	-	-	-	-
-	332,120	-	87,880	495,572
-	882,977	-	-	883,982
<u>282,522</u>	<u>1,215,097</u>	<u>252,095</u>	<u>7,812,675</u>	<u>31,363,900</u>
<u>29,628</u>	<u>937,669</u>	<u>(252,040)</u>	<u>(331,827)</u>	<u>(1,464,617)</u>
-	-	247,695	-	247,695
-	(247,695)	-	-	(247,695)
-	(247,695)	247,695	-	-
-	(2,030,375)	(1,118,304)	(2,163,778)	(5,312,457)
29,628	(1,340,401)	(1,122,649)	(2,495,605)	(6,777,074)
<u>(301,960)</u>	<u>1,340,401</u>	<u>1,122,649</u>	<u>10,719,783</u>	<u>37,346,231</u>
<u>\$ (272,332)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,224,178</u>	<u>\$ 30,569,157</u>

CITY OF GOLETA
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 Year ended June 30, 2012

Net change in fund balances - total governmental funds \$ (6,777,074)

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	12,728,505
Depreciation	(5,172,500)

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.	495,572
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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	(6,923)
Amortization of bond discount	(4,515)
Change in claims payable	103,952
Change in compensated absences payable	12,393
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	(115,297)
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Net gain in closing of RDA recognized on Government Wide Statements	15,039,005
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Change in net assets of governmental activities	\$ 16,680,959
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The accompanying notes are an integral part of these financial statements.

CITY OF GOLETA
Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2012

	Private Purpose Trust Fund	Agency Fund Developer Deposits
ASSETS		
Cash and investments	\$ 2,438,166	\$ 695,156
Cash and investments with fiscal agent	1,340,408	-
Accounts receivable	116,952	-
Prepaid expenses	20,000	-
Deferred charges	373,886	-
Capital assets not being depreciated:		
Land	1,118,304	-
Total assets	\$ 5,407,716	\$ 695,156
 LIABILITIES		
Residual payment to county auditor-controller payable	\$ 1,363,350	\$ -
Deposits	-	695,156
Accrued interest payable	99,845	-
Long-term liabilities (note 7):		
Due within one year	132,260	-
Due in more than one year	15,288,800	-
Total liabilities	16,884,255	\$ 695,156
 NET ASSETS		
Held in trust for successor agency and other purposes	\$ (11,476,539)	

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

CITY OF GOLETA
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Assets
 For the period from inception (February 1, 2012) to June 30, 2012

	<u>Private Purpose Trust Fund</u>
ADDITIONS	
Tax revenue:	
Property	\$ 809,459
Investment earnings	6,278
Other revenue	<u>8,830</u>
Total additions	<u>824,567</u>
 DEDUCTIONS	
Administrative allowance	512,294
Debt service:	
Interest	698,914
Residual payment to county auditor-controller	<u>1,363,350</u>
Total deductions	<u>2,574,558</u>
 EXTRAORDINARY ITEM	
Extraordinary gain (loss) on Redevelopment Agency dissolution	<u>(9,726,548)</u>
Change in net assets	(11,476,539)
Net assets, beginning of the year	<u>-</u>
Net assets (deficit), end of the year	<u><u>\$ (11,476,539)</u></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, 2012

(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. On December 29, 2011, a Supreme Court ruling directed that all redevelopment agencies be dissolved on February 1, 2012; therefore, these funds account for activities of the Redevelopment Agency through January 31, 2012. See note 17 for additional information on the redevelopment dissolution.

(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, 2012

(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 another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than an expenditure.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund 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, 2012

(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, 2012

(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 *another financing source* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

(c) Fund Classifications

The City reports the following major governmental funds:

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, 2012

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

(c) Fund Classifications, (Continued)

GTIP

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

Federal Transportation Program

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

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. As of February 1, 2012, the Agency ceased to exist (see note 17). The activity shown is for the period of July 1, 2011 through January 31, 2012.

RDA Project Capital Projects Fund

The RDA Project Capital Projects Fund is used to account for Redevelopment Agency administration and projects. As of February 1, 2012, the Agency ceased to exist (see note 17). The activity shown is for the period of July 1, 2011 through January 31, 2012.

Additionally, the City reports the following fund type:

Agency Fund

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

Private Purpose Trust Fund

This fund accounts for the activities of the Successor Agency to the Goleta Redevelopment Agency. The fund's primary purpose is to expedite the dissolution of the former Agency's net assets in accordance with ABx1 26 and AB 1484.

(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 \$30,569,157 differ from "net assets" of governmental activities of \$202,200,751 as reported in the statement of net assets as of June 30, 2012.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

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

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

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, 2012 is \$270,039.

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	\$ 263,015,325
Accumulated depreciation	(90,834,997)

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, 2012 were:

Capital leases payable	\$ 105,040
Compensated absences	343,855
Claims payable	<u>369,878</u>
Net long-term debt	<u>\$ 818,773</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, 2012

(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	\$ 31,385,484	\$ -	\$ -	\$ -
Receivables:				
Accounts	803,117	-	-	-
Interest	1,991	-	-	-
Due from other governments	1,126,089	-	-	-
Due from other funds	416,823	-	-	-
Deposits	7,500	-	-	-
Prepaid expenses	178,085	-	-	-
Capital assets	-	-	-	263,015,325
Less: Accumulated depreciation	-	-	-	-
Total assets	\$ 33,919,089	\$ -	\$ -	\$ 263,015,325
Liabilities and Fund Balances / Net Assets				
Liabilities:				
Accounts payable	\$ 2,034,427	\$ -	\$ -	\$ -
Accrued salaries and benefits	138,081	-	-	-
Due to other funds	416,823	-	-	-
Deposits payable	278,436	-	-	-
Deferred revenue	482,165	-	(270,039)	-
Claims payable	-	-	-	-
Long-term liabilities	-	-	-	-
Total liabilities	3,349,932	-	(270,039)	-
Fund balances / net assets	30,569,157	-	270,039	263,015,325
Total liabilities and fund balances / net assets	\$ 33,919,089	\$ -	\$ -	\$ 263,015,325

<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>
\$ -	\$ -	\$ -	\$ -	\$ 31,385,484
-	-	-	-	803,117
-	-	-	-	1,991
-	-	-	-	1,126,089
-	-	-	(416,823)	-
-	-	-	-	7,500
-	-	-	-	178,085
-	-	-	-	263,015,325
(90,834,997)	-	-	-	(90,834,997)
<u>\$ (90,834,997)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (416,823)</u>	<u>\$ 205,682,594</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,034,427
-	-	-	-	138,081
-	-	-	(416,823)	-
-	-	-	-	278,436
-	-	-	-	212,126
-	369,878	-	-	369,878
-	105,040	343,855	-	448,895
-	474,918	343,855	(416,823)	3,481,843
(90,834,997)	(474,918)	(343,855)	-	202,200,751
<u>\$ (90,834,997)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (416,823)</u>	<u>\$ 205,682,594</u>

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(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 \$(6,777,074) differs from the "change in net assets" for governmental activities of \$16,680,959 reported in the statement of activities, during the fiscal year ended June 30, 2012. 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, 2012 is \$115,297.

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	\$ 12,728,505
Depreciation expense	(5,172,500)

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	\$ 495,572
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CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(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	\$ 116,345
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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, 2012

(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	\$ 16,733,812	\$ -	\$ -
Intergovernmental	3,544,582	(115,297)	-
Charges for services	2,140,438	-	-
Fines and forfeitures	169,943	-	-
Investment income	345,014	-	-
Developer fees	6,149,623	-	-
Other	815,871	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	29,899,283	(115,297)	-
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	4,507,674	-	-
Public safety	6,751,995	-	-
Public works	4,774,979	-	(2,548,564)
Community development	789,001	-	-
Community services	2,980,756	-	-
Capital outlay	10,179,941	-	(10,179,941)
Debt service:			
Principal	495,572	-	-
Interest	883,982	-	-
	<hr/>	<hr/>	<hr/>
Total expenses	31,363,900	-	(12,728,505)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	247,695	-	-
Transfers out	(247,695)	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Extraordinary item			
Gain/(loss) on dissolution of redevelopment	(5,312,457)	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance / net assets	(6,777,074)	(115,297)	12,728,505
	<hr/>	<hr/>	<hr/>
Fund balances / net assets beginning of year	37,346,231	385,336	250,286,820
	<hr/>	<hr/>	<hr/>
Fund balances / net assets, end of year	\$ 30,569,157	\$ 270,039	\$ 263,015,325
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<u>Accumulated Depreciation</u>	<u>Long-term Debt Transactions</u>	<u>Compensated Absences</u>	<u>Reclassifications and Eliminations</u>	<u>Statement of Activities</u>
\$ -	\$ -	\$ -	\$ -	\$ 16,733,812
-	-	-	-	3,429,285
-	-	-	-	2,140,438
-	-	-	-	169,943
-	-	-	-	345,014
-	-	-	-	6,149,623
-	-	-	-	815,871
-	-	-	-	29,783,986
50,975	(103,952)	(12,393)	-	4,442,304
34,545	-	-	-	6,786,540
5,085,148	-	-	-	7,311,563
-	6,923	-	-	795,924
1,832	-	-	-	2,982,588
-	-	-	-	-
-	(495,572)	-	-	-
-	(373,326)	-	-	510,656
5,172,500	(965,927)	(12,393)	-	22,829,575
-	-	-	(247,695)	-
-	-	-	247,695	-
-	-	-	-	-
-	15,039,005	-	-	9,726,548
(5,172,500)	16,004,932	12,393	-	16,680,959
(85,662,497)	(16,479,850)	(356,248)	-	185,519,792
<u>\$ (90,834,997)</u>	<u>\$ (474,918)</u>	<u>\$ (343,855)</u>	<u>\$ -</u>	<u>\$ 202,200,751</u>

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(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, 2012

(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, 2012

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

(I) Fund Equity

The City has 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, 2012

(2) Cash and Investments

Cash and investments as of June 30, 2012 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 31,385,484
Statement of Fiduciary Net Assets:	
Cash and investments	3,133,322
Cash with fiscal agent	<u>1,340,408</u>
Total cash and investments	<u>\$ 35,859,214</u>

Cash and investments held by the City at June 30, 2012 consisted of the following:

Petty cash	\$ 500
Demand deposits	(341,170)
Investments	<u>36,199,884</u>
Total cash and investments	<u>\$ 35,859,214</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, 2012

(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	\$50,000,000
JPA Pools (other investment pools)	No	N/A	None	None
Passbook Accounts	Yes	N/A	None	None

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

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, 2012

(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, 2012

(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	\$ 50,000,000

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, 2012

(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				Total
	12 months or less	13 to 24 months	25 to 60 months	More than 60 months	
Local Agency					
Investment Fund	\$ 2,412,516	\$ -	\$ -	\$ -	\$ 2,412,516
Passbook savings	32,446,960	-	-	-	32,446,960
Cash with trustee:					
Mutual funds	1,340,408	-	-	-	1,340,408
Total	<u>\$ 36,199,884</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,199,884</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

During the fiscal year ended June 30, 2012, 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, 2012

(2) Cash and Investments, (Continued)

Investment Type	Total	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
				AAA	Aa	Not Rated
Local Agency						
Investment Fund	\$ 2,412,516	N/A	N/A	\$ -	\$ -	\$ 2,412,516 *
Passbook savings	32,446,960	N/A	N/A	-	-	32,446,960 **
Cash with trustee:						
Mutual funds	<u>1,340,408</u>	None		<u>1,340,408</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 36,199,884</u>			<u>\$ 1,340,408</u>	<u>\$ -</u>	<u>\$ 34,859,476</u>

* 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, 2012, 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, 2012

(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 the City's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2012 the City had deposits of \$32,196,960 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, 2012

(3) Interfund Balances

Current interfund balances at June 30, 2012 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	\$ 260,538 (A)
General Fund	Federal Transportation Program	156,285 (A)
		<u>\$ 416,823</u>

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

(4) Interfund Transfers

Interfund transfers at June 30, 2012 consisted of the following:

<u>Fund receiving transfers</u>	<u>Fund making transfers</u>	<u>Amount</u>
RDA Project	RDA Debt Service	\$ 247,695 (B)

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

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(5) Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning balance	Additions	Deletions	Ending balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 25,403,837	\$ 1,516,585	\$ -	\$ 26,920,422
Rights of way	11,395,313	-	-	11,395,313
Construction in progress	10,734,252	11,180,342	(174,170)	21,740,424
Total capital assets, not being depreciated	47,533,402	12,696,927	(174,170)	60,056,159
Capital assets, being depreciated:				
Infrastructure	199,834,590	10,706	-	199,845,296
Vehicles	306,032	-	-	306,032
Furniture and equipment	658,378	31,578	-	689,956
Building and improvements	1,954,418	163,464	-	2,117,882
Total capital assets, being depreciated	202,753,418	205,748	-	202,959,166
Less accumulated depreciation for:				
Infrastructure	(84,492,511)	(5,013,818)	-	(89,506,329)
Vehicles	(246,420)	(38,363)	-	(284,783)
Furniture and equipment	(276,700)	(73,076)	-	(349,776)
Building and improvements	(646,866)	(47,243)	-	(694,109)
Total accumulated depreciation	(85,662,497)	(5,172,500)	-	(90,834,997)
Total capital assets, being depreciated, net	117,090,921	(4,966,752)	-	112,124,169
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 164,624,323</u>	<u>\$ 7,730,175</u>	<u>\$ (174,170)</u>	<u>\$ 172,180,328</u>

Depreciation expense was charged to functions as follows:

General government	\$ 50,975
Public safety	34,545
Public works	5,085,148
Community services	1,832
	<u>\$ 5,172,500</u>

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(6) Long-term Liabilities

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2012 was as follows:

	Beginning balance	Additions	Reductions	Transfer to Successor Agency	Ending balance
Governmental activities:					
Bonds					
Tax Allocation Bonds	\$ 16,085,000	\$ -	\$ 420,000	\$ 15,665,000	\$ -
Plus deferred amount:					
Discount on bonds issued	(251,680)	-	(4,515)	(247,165)	-
Total bonds	15,833,320	-	415,485	15,417,835	-
Capital lease payment - Goleta Valley Community Center	180,612	-	75,572	-	105,040
Claims and judgments payable	473,830	53,635	157,587	-	369,878
Compensated absences	356,248	213,541	225,934	-	343,855
Total long term liabilities	\$ 16,844,010	\$ 267,176	\$ 874,578	\$ 15,417,835	\$ 818,773

Allocation Bonds 2011

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

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.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(6) Long-term Liabilities. (Continued)

Goleta Valley Community Center Lease Payable (continued)

Principal payments range from \$18,231 to \$19,565 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 fiscal year 2014. The amount outstanding as of June 30, 2012 was \$105,040.

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, 2012 was \$369,878.

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 \$343,855 at June 30, 2012 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, 2012 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>
2013	\$ 20,031	\$ 20,508	\$ 20,997	\$ 21,497	\$ 83,033
2014	22,007	-	-	-	22,007
	<u>\$ 42,038</u>	<u>\$ 20,508</u>	<u>\$ 20,997</u>	<u>\$ 21,497</u>	<u>\$ 105,040</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, 2012

(7) Successor Agency Long-term Liabilities

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

The debt of the Successor Agency as of June 30, 2012 is as follows:

	Balance at transfer from Redevelopment Agency	Additions	Reductions	Ending balance	Due within one year
Successor Agency:					
Bonds					
Tax Allocation Bonds	\$ 15,665,000	\$ -	\$ -	\$ 15,665,000	\$ 140,000
Plus deferred amount:					
Discount on bonds issued	(247,165)	-	(3,225)	(243,940)	(7,740)
Total long-term liabilities	\$ 15,417,835	\$ -	\$ (3,225)	\$ 15,421,060	\$ 132,260

Debt service requirements to maturity

The annual requirements to amortize Tax Allocation Bonds outstanding long-term liability of the Successor Agency as of June 30, 2012 is as follows:

Year ending June 30	Tax Allocation Bonds	
	Principal	Interest
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	165,000	1,168,713
2018-2021	760,000	4,568,788
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	\$ 15,665,000	\$ 27,888,046

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(8) 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.

(9) 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, 2012 were:

General Fund	\$ 10,574,511
Special Revenues	
Fund - GTIP	747,769
Non-major Funds	<u>7,640,140</u>
Total Encumbrances	<u>\$ 18,962,420</u>

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(10) 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 5.25% of the required 7% employee contribution on their behalf and for their account, leaving the employee to contribute 1.75%. The City is required to contribute at an actuarially determined rate; the current rate 10.338% 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 2012, the City's annual pension cost of \$451,212 for PERS was equal to the City's required contributions. The required contribution was determined as part of the June 30, 2009, 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>
06/30/10	\$ 381,777	100%
06/30/11	377,588	100%
06/30/12	451,212	100%

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(11) Risk Management

The City is a member of the California Joint Power Insurance Authority (Authority). The Authority is composed of 123 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. 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 2011-12 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, 2012

(11) 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.

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

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

Property Insurance. The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has allrisk property insurance protection in the amount of \$12,613,123.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(11) Risk Management. (Continued)

Property Insurance (continued). There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

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

<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>
2010 - 2011	\$ 995,192	\$ (385,353)	\$ (136,009)	\$ 473,830
2011 - 2012	473,830	53,635	(157,587)	369,878

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 2011-12.

(12) 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, 2012 were \$424,778.

Minimum future rental payments under the operating leases as of June 30, 2012 are as follows (amounts do not include common area maintenance costs):

<u>Fiscal Year Ending</u>	<u>Office Suite</u>
2013	\$ 344,560
2014	358,798
2015	367,768
2016	376,737
2017	392,435
2018 - 2020	<u>1,021,901</u>
	<u>\$ 2,862,199</u>

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(13) 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.

(14) Postemployment Benefits Other Than Pensions

In June 2004 the Governmental Accounting Standards Board ("GASB") issued Statement No. 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This Statement requires certain disclosures concerning the City's financial obligations and liabilities associated with non-pension benefits provided to employees after they separate from the City. Such benefits may include, but are not limited to, healthcare, life insurance and long-term care.

The City does not provide postemployment benefits to retirees except to the extent they are legally mandated under California's Public Employee Medical and Hospital Care Act ("PEMHCA"). Under PEMHCA, participants in the CalPERS health medical program (the City is a participant) are required to make a contribution to retiree's medical care, subject to certain eligibility criteria. In order for a retiree to be eligible for a City contribution, they must (1) be a CalPERS member; (2) be a participant in the CalPERS health program at the time of retirement; and (3) elect to continue participation in the CalPERS health program (at their own expense) at the time of retirement. If the retiree meets all three criteria, then the City is required to make a monthly payment which is credited against the retiree's cost of continued health insurance through the CalPERS health system. The City's mandated contribution is \$133/month per eligible retiree.

During fiscal year 2012, there were five City retirees receiving the PEMHCA benefit. The total cost to the City was \$7,980. Since incorporation, six qualified retirees have elected to continue participation in the CalPERS health program after retirement, and five retirees currently remain active in the program. Due to the strict eligibility criteria and high cost to retirees, the City has determined that future retiree participation in the CalPERS health program is likely to remain minimal, and that any costs to the City associated with the PEMHCA program will not be material in nature; accordingly, the City has not recognized any expense nor recorded any liability in its financial statements.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(15) Fund Balance Classifications

Detail to assigned fund balance classifications at June 30, 2012 are as follow:

<u>General Fund</u>	
Assigned for:	
Contingency	\$ 5,201,600
Capital Equipment	49,754
Compensated Leave	159,205
Building Maintenance	50,000
Insurance/Risk Mgmt	43,290
Old Town CIP	<u>9,411,009</u>
	<u>\$ 14,914,858</u>

(16) Other Required Disclosures

Expenditures in Excess of Appropriations

The following funds reported expenditures in excess of appropriations:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Non-Major Governmental:			
Library Services Fund	\$ 240,900	\$ 241,594	\$ (694)
Street Lighting Fund	98,200	98,324	(124)
Library Facilities DIF Fund	95,890	96,346	(456)

Deficit Fund Balances

The following funds reported deficit fund balances at June 30, 2012:

Major Fund:	
Federal Transportation Program	\$ 272,332
Non-Major Funds:	
Special Revenue:	
State Park Grant	381
Local SLTP	114,328
Local STIP	21,012
Misc Grants	65,868
OTS Public Safety	30,404
STE Grant	9,896
BPMP Bridge Prev. Maintenance	13,365

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(17) Dissolution of California Redevelopment Agencies

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California. Most cities in California had established a redevelopment agency that was included in the reporting entity of the city as a blended component unit (since the city council, in many cases, also served as the governing board for those agencies).

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. If the city declines to accept the role of successor agency, other local agencies may elect to perform this role. If no local agency accepts the role of successor agency the Governor is empowered by the Bill to establish a local "designated local authority" to perform this role. On January 17, 2012 the City Council met and created a Successor Agency in accordance with the Bill as part of City resolution number 12-04.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated tax revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full.

The Bill 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 the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

CITY OF GOLETA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(17) Dissolution of California Redevelopment Agencies, (Continued)

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, activities of the dissolved redevelopment agency are reported in a fiduciary trust fund (private purpose trust fund) in the financial statements of the City.

The movement of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of the assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (current financial resources measurement focus) and the measurement focus of the trust funds (economic resources measurement focus), the extraordinary loss (gain) recognized in the governmental funds will not be the same amount as the extraordinary gain (loss) that will be recognized in the fiduciary fund financial statements.

(18) Prior Period Restatement

General Fund

Fund balance - beginning, as previously reported	\$ 24,369,804
Prior period adjustment	<u>(876,968)</u>
Fund balance - beginning, as restated	<u><u>\$ 23,492,836</u></u>

Fund balance was restated from prior year by \$(876,968). This restatement relates to a bond indenture provision for Tax Allocation Bonds 2011. Tax increment was pledged to bondholders in an amount up to the bond's payment amount for the year. The payment amount is required to be held in a special fund. The fund below was created to fulfill this requirement.

RDA Debt Service Reserve Fund

Fund balance - beginning, as previously reported	\$ -
Prior period adjustment	<u>876,968</u>
Fund balance - beginning, as restated	<u><u>\$ 876,968</u></u>

Fund balance was restated from prior year by \$876,968. This restatement relates to a bond indenture provision for Tax Allocation Bonds 2011. Tax increment was pledged to bondholders in an amount up to the bond's payment amount for the year. The payment amount is required to be held in a special fund. This fund was created to fulfill this requirement.

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(19) Risks and Uncertainties

Grants

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

Successor Agency

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2012 (and subsequent years in which the Successor Agency is in operation) are subject to review by various State agencies and the County in which the Successor Agency resides. If any expenses incurred by the Successor Agency are disallowed by the State agencies or County, the City, acting as the Successor Agency could be liable for the repayment of the disallowed costs from either its own funds or by the State withholding remittances normally paid to the City. The amount, if any, of expenses that may be disallowed by the State agencies or County cannot be determined at this time, although the Successor Agency expects such amounts, if any, to be immaterial.

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.

CITY OF GOLETA
General Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 12,336,855	\$ 12,682,693	\$ 12,933,796	\$ 251,103
Intergovernmental	90,000	17,885	17,804	(81)
Charges for services	1,140,500	1,525,290	1,682,838	157,548
Fines and forfeitures	248,400	166,226	169,943	3,717
Investment income	259,000	245,795	240,412	(5,383)
Other	438,350	699,974	765,647	65,673
Total revenues	<u>14,513,105</u>	<u>15,337,863</u>	<u>15,810,440</u>	<u>472,577</u>
Expenditures:				
Current:				
General government	5,434,687	4,774,813	4,507,674	267,139
Public safety	6,565,660	6,507,947	6,499,835	8,112
Public works	2,260,010	2,557,377	2,082,536	474,841
Community services	2,314,805	2,800,671	2,440,710	359,961
Capital outlay	8,361,000	9,539,943	5,738,711	3,801,232
Debt service:				
Principal	76,595	76,595	75,572	1,023
Interest	1,005	1,005	1,005	-
Total expenditures	<u>25,013,762</u>	<u>26,258,351</u>	<u>21,346,043</u>	<u>4,912,308</u>
Net change in fund balance	(10,500,657)	(10,920,488)	(5,535,603)	5,384,885
Fund balance, beginning, as restated	<u>23,492,836</u>	<u>23,492,836</u>	<u>23,492,836</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 12,992,179</u></u>	<u><u>\$ 12,572,348</u></u>	<u><u>\$ 17,957,233</u></u>	<u><u>\$ 5,384,885</u></u>

CITY OF GOLETA

Notes to Required Supplementary Information

Year ended June 30, 2012

(1) Budgetary Accounting

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

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

Budgets are prepared in accordance with generally accepted accounting principles using the modified accrual basis of accounting. Budgets were adopted for all governmental funds with the exception of the Special Revenue Funds: Fire DIF, State Park Grant Fund, FEMA Grant Fund and RDA Debt Service Reserve Fund.

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

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

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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.

SPECIAL SERVICE FUNDS

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

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

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

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 fund has been classified as major fund.

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

CITY OF GOLETA
 GTIP Fund
 Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 808	\$ 808
Charges for service	-	-	190	190
Investment income	9,496	9,496	17,202	7,706
Developer fees	-	-	4,124,824	4,124,824
	<u>9,496</u>	<u>9,496</u>	<u>4,143,024</u>	<u>4,133,528</u>
Total revenues				
Expenditures:				
Public works	-	20,000	8,856	11,144
Capital outlay	829,000	1,536,905	446,612	1,090,293
	<u>829,000</u>	<u>1,556,905</u>	<u>455,468</u>	<u>1,101,437</u>
Total expenditures				
Net change in fund balance	(819,504)	(1,547,409)	3,687,556	5,234,965
Fund balance, beginning	<u>972,522</u>	<u>972,522</u>	<u>972,522</u>	<u>-</u>
Fund balance, ending	<u>\$ 153,018</u>	<u>\$ (574,887)</u>	<u>\$ 4,660,078</u>	<u>\$ 5,234,965</u>

CITY OF GOLETA
Federal Transportation Program Fund
Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 971,100	\$ 1,364,690	\$ 312,150	\$ (1,052,540)
Total revenues	971,100	1,364,690	312,150	(1,052,540)
Expenditures:				
Capital outlay	971,100	1,062,729	282,522	780,207
Total expenditures	971,100	1,062,729	282,522	780,207
Net change in fund balance	-	301,961	29,628	(272,333)
Fund balance (deficit), beginning	(301,960)	(301,960)	(301,960)	-
Fund balance (deficit), ending	\$ (301,960)	\$ 1	\$ (272,332)	\$ (272,333)

CITY OF GOLETA
RDA Debt Service Fund
Major Debt Service Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 4,165,000	\$ 4,109,457	\$ 2,152,408	\$ (1,957,049)
Investment income	-	-	358	358
Total revenues	<u>4,165,000</u>	<u>4,109,457</u>	<u>2,152,766</u>	<u>(1,956,691)</u>
Expenditures:				
Community development	65,000	65,000	-	65,000
Pass-through to other agencies	991,705	978,375	-	978,375
Debt service:				
Principal	420,000	420,000	332,120	87,880
Interest	1,482,046	1,482,046	882,977	599,069
Total expenditures	<u>2,958,751</u>	<u>2,945,421</u>	<u>1,215,097</u>	<u>1,730,324</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,206,249</u>	<u>1,164,036</u>	<u>937,669</u>	<u>(226,367)</u>
Other financing sources (uses):				
Transfers out	<u>(1,206,249)</u>	<u>(16,656,864)</u>	<u>(247,695)</u>	<u>16,409,169</u>
Total other financing sources and (uses)	<u>(1,206,249)</u>	<u>(16,656,864)</u>	<u>(247,695)</u>	<u>16,409,169</u>
Extraordinary Item:				
Gain (loss) on dissolution of redevelopment agency	<u>-</u>	<u>-</u>	<u>(2,030,375)</u>	<u>(2,030,375)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (15,492,828)</u>	<u>(1,340,401)</u>	<u>\$ 14,152,427</u>
Fund balance, beginning			<u>1,340,401</u>	
Fund balance, ending			<u>\$ -</u>	

CITY OF GOLETA
 RDA Project Fund
 Major Capital Projects Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 55	\$ 55
Total revenues	-	-	55	55
Expenditures:				
Community development	459,756	461,687	247,750	213,937
Capital outlay	10,000	1,132,649	4,345	1,128,304
Total expenditures	469,756	1,594,336	252,095	1,342,241
Excess (deficiency) of revenues over (under) expenditures	(469,756)	(1,594,336)	(252,040)	1,342,296
Other financing sources (uses):				
Transfers in	373,249	342,144	247,695	(94,449)
Total other financing sources and (uses)	373,249	342,144	247,695	(94,449)
Extraordinary Item:				
Gain (loss) on dissolution of redevelopment agency	-	-	(1,118,304)	(1,118,304)
Net change in fund balance	\$ (96,507)	\$ (1,252,192)	(1,122,649)	\$ 129,543
Fund balance, beginning			1,122,649	
Fund balance, ending			\$ -	

**NON-MAJOR SPECIAL REVENUE FUNDS,
NON-MAJOR CAPITAL PROJECTS FUND AND
NON-MAJOR DEBT SERVICE 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 A - The Measure A Fund is used to account for funds received from a one-half cent sales tax levied by the Santa Barbara County Association of Governments. The proceeds are restricted to transportation uses. Measure A was approved by the voters of Santa Barbara County by an election held on November 4, 2008.

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

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.

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

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

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

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.

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.

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

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

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.

EECBG Grant - This fund is used to account for federal grant funds for use in energy efficiency projects.

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

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.

NON-MAJOR DEBT SERVICE FUND

RDA Debt Service Reserve Fund - This fund is used to account for tax increment funds set-aside for the purpose of making debt service payments.

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2012

SPECIAL REVENUE FUNDS

	<u>Gas Tax</u>	<u>Transportation</u>	<u>Measure A</u>
Assets			
Cash and investments	\$ 1,103,768	\$ 214,708	\$ 1,562,395
Receivables:			
Accounts	-	-	-
Interest	69	14	97
Due from other governments	88,317	-	90,086
Deposits	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,192,154</u>	<u>\$ 214,722</u>	<u>\$ 1,652,578</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 84,554	\$ -	\$ 92,950
Accrued salaries and benefits	6,507	-	-
Due to other funds	-	-	-
Deposits payable	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>91,061</u>	<u>-</u>	<u>92,950</u>
Fund balances:			
Restricted:			
Public works	1,101,093	214,722	1,559,628
Community development	-	-	-
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficit)	<u>1,101,093</u>	<u>214,722</u>	<u>1,559,628</u>
	<u>\$ 1,192,154</u>	<u>\$ 214,722</u>	<u>\$ 1,652,578</u>

continued

SPECIAL REVENUE FUNDS

Solid Waste Program	Park Development Fees	Public Admin. Facilities DIF	Library Facilities DIF	Sheriff Facilities DIF	Housing In-Lieu
\$ 759,770	\$ 2,095,065	\$ 721,751	\$ 155,445	\$ 387,137	\$ 1,003,237
46,060	-	-	-	-	-
49	138	50	9	23	65
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 805,879</u>	<u>\$ 2,095,203</u>	<u>\$ 721,801</u>	<u>\$ 155,454</u>	<u>\$ 387,160</u>	<u>\$ 1,003,302</u>
\$ 45,612	\$ 16,028	\$ 16,429	\$ 80,000	\$ -	\$ -
2,327	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>47,939</u>	<u>16,028</u>	<u>16,429</u>	<u>80,000</u>	<u>-</u>	<u>-</u>
757,940	2,079,175	705,372	75,454	387,160	-
-	-	-	-	-	1,003,302
-	-	-	-	-	-
<u>757,940</u>	<u>2,079,175</u>	<u>705,372</u>	<u>75,454</u>	<u>387,160</u>	<u>1,003,302</u>
<u>\$ 805,879</u>	<u>\$ 2,095,203</u>	<u>\$ 721,801</u>	<u>\$ 155,454</u>	<u>\$ 387,160</u>	<u>\$ 1,003,302</u>

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2012

	SPECIAL REVENUE FUNDS		
	Environmental Programs	Fire DIF	State Park Grant
Assets			
Cash and investments	\$ 379,343	\$ 113,442	\$ -
Receivables:			
Accounts	-	-	-
Interest	25	2	-
Due from other governments	-	-	-
Deposits	-	-	-
	\$ 379,368	\$ 113,444	\$ -
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 5,871	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Due to other funds	-	-	381
Deposits payable	-	-	-
	5,871	-	381
Fund balances:			
Restricted:			
Public works	-	113,444	-
Community development	373,497	-	-
Unassigned	-	-	(381)
	373,497	113,444	(381)
Total liabilities and fund balances	\$ 379,368	\$ 113,444	\$ -

continued

SPECIAL REVENUE FUNDS

Public Safety	Solid Waste Recycling	RSTP State Grant	Local SLTP	Local STIP	Misc Grants
\$ -	\$ 28,024	\$ 98,924	\$ -	\$ -	\$ 62,993
-	-	-	-	-	-
1	9	-	-	-	-
-	-	-	-	-	56,447
-	-	-	-	-	-
<u>\$ 1</u>	<u>\$ 28,033</u>	<u>\$ 98,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,440</u>
\$ -	\$ 5,228	\$ 14,527	\$ 107,607	\$ 5,300	\$ 185,308
-	-	-	-	-	-
1	-	-	6,721	15,712	-
-	-	-	-	-	-
<u>1</u>	<u>5,228</u>	<u>14,527</u>	<u>114,328</u>	<u>21,012</u>	<u>185,308</u>
-	22,805	84,397	-	-	-
-	-	-	-	-	-
-	-	-	(114,328)	(21,012)	(65,868)
<u>-</u>	<u>22,805</u>	<u>84,397</u>	<u>(114,328)</u>	<u>(21,012)</u>	<u>(65,868)</u>
<u>\$ 1</u>	<u>\$ 28,033</u>	<u>\$ 98,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,440</u>

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2012

	SPECIAL REVENUE FUNDS		
	SLPP	CDBG	OTS Public Safety
Assets			
Cash and investments	\$ -	\$ -	\$ -
Receivables:			
Accounts	-	-	-
Interest	-	-	-
Due from other governments	-	25,797	11,913
Deposits	-	5,500	-
	-	5,500	-
Total assets	\$ -	\$ 31,297	\$ 11,913
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ 8,181	\$ 4,378
Accrued salaries and benefits	-	-	-
Due to other funds	-	23,116	37,939
Deposits payable	-	-	-
	-	-	-
Total liabilities	-	31,297	42,317
Fund balances:			
Restricted:			
Public works	-	-	-
Community development	-	-	-
Unassigned	-	-	(30,404)
	-	-	(30,404)
Total fund balances (deficit)	-	-	(30,404)
Total liabilities and fund balances	\$ -	\$ 31,297	\$ 11,913

continued

SPECIAL REVENUE FUNDS

STE Grant	FEMA Grant	EECBG Grant	BPMP Bridge Prev. Maint	Library Services	Street Lighting
\$ -	\$ -	\$ -	\$ -	\$ 232,873	\$ -
-	-	159,293	-	-	-
-	-	-	-	15	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,293</u>	<u>\$ -</u>	<u>\$ 232,888</u>	<u>\$ -</u>
\$ 1,229	\$ -	\$ -	\$ 4,657	\$ 232,876	\$ -
-	-	-	-	-	-
8,667	-	159,293	8,708	-	-
-	-	-	-	-	-
<u>9,896</u>	<u>-</u>	<u>159,293</u>	<u>13,365</u>	<u>232,876</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	12	-
<u>(9,896)</u>	<u>-</u>	<u>-</u>	<u>(13,365)</u>	<u>-</u>	<u>-</u>
<u>(9,896)</u>	<u>-</u>	<u>-</u>	<u>(13,365)</u>	<u>12</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,293</u>	<u>\$ -</u>	<u>\$ 232,888</u>	<u>\$ -</u>

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2012

	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND
	Comstock Plover Endowment	RDA Housing	RDA Debt Service Reserve
Assets			
Cash and investments	\$ 151,921	\$ -	\$ -
Receivables:			
Accounts	-	-	-
Interest	10	-	-
Due from other governments	-	-	-
Deposits	-	-	-
	-	-	-
Total assets	\$ 151,931	\$ -	\$ -
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Due to other funds	-	-	-
Deposits payable	150,500	-	-
	150,500	-	-
Total liabilities	150,500	-	-
Fund balances:			
Restricted:			
Public works	-	-	-
Community development	1,431	-	-
Unassigned	-	-	-
	-	-	-
Total fund balances (deficit)	1,431	-	-
Total liabilities and fund balances	\$ 151,931	\$ -	\$ -

<u>Totals</u>	
\$	9,070,796
	205,353
	576
	272,560
	<u>5,500</u>
\$	<u>9,554,785</u>

\$	910,735
	8,834
	260,538
	<u>150,500</u>
	<u>1,330,607</u>

	7,101,190
	1,378,242
	<u>(255,254)</u>
	<u>8,224,178</u>
\$	<u>9,554,785</u>

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Year ended June 30, 2012

	SPECIAL REVENUE FUNDS		
	Gas Tax	Transportation	Measure A
Revenues:			
Taxes	\$ -	\$ -	\$ 1,308,761
Intergovernmental	854,247	19,326	-
Charges for services	-	-	-
Investment income	11,339	1,932	16,082
Developer fees	-	-	-
Other	-	-	-
Total revenues	865,586	21,258	1,324,843
Expenditures:			
Current:			
Public safety	-	-	-
Public works	1,144,861	-	912,147
Community development	-	-	-
Community services	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Total expenditures	1,144,861	-	912,147
Excess (deficiency) of revenues over (under) expenditures	(279,275)	21,258	412,696
Extraordinary Item:			
Gain (loss) on dissolution of redevelopment agency	-	-	-
Net change in fund balances	(279,275)	21,258	412,696
Fund balances (deficit), beginning of year, as restated	1,380,368	193,464	1,146,932
Fund balances (deficit), end of year	\$ 1,101,093	\$ 214,722	\$ 1,559,628

continued

SPECIAL REVENUE FUNDS					
Solid Waste Program	Park Development Fees	Public Admin. Facilities DIF	Library Facilities DIF	Sheriff Facilities DIF	Housing In-Lieu
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
457,410	-	-	-	-	-
6,886	16,043	7,317	1,298	3,180	6,225
-	1,021,107	4,983	24,174	54,725	806,450
50,000	-	-	-	-	-
<u>514,296</u>	<u>1,037,150</u>	<u>12,300</u>	<u>25,472</u>	<u>57,905</u>	<u>812,675</u>
-	-	-	-	-	-
410,654	-	-	-	-	-
-	-	-	-	-	-
-	-	-	80,000	-	-
-	1,586,855	80,464	16,346	-	-
-	-	-	-	-	-
<u>410,654</u>	<u>1,586,855</u>	<u>80,464</u>	<u>96,346</u>	<u>-</u>	<u>-</u>
<u>103,642</u>	<u>(549,705)</u>	<u>(68,164)</u>	<u>(70,874)</u>	<u>57,905</u>	<u>812,675</u>
-	-	-	-	-	-
103,642	(549,705)	(68,164)	(70,874)	57,905	812,675
<u>654,298</u>	<u>2,628,880</u>	<u>773,536</u>	<u>146,328</u>	<u>329,255</u>	<u>190,627</u>
<u>\$ 757,940</u>	<u>\$ 2,079,175</u>	<u>\$ 705,372</u>	<u>\$ 75,454</u>	<u>\$ 387,160</u>	<u>\$ 1,003,302</u>

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Year ended June 30, 2012

	SPECIAL REVENUE FUNDS		
	Environmental Programs	Fire DIF	State Park Grant
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	150
Charges for services	-	-	-
Investment income	4,087	84	-
Developer fees	-	113,360	-
Other	224	-	-
	4,311	113,444	150
Total revenues			
Expenditures:			
Current:			
Public safety	-	-	-
Public works	-	-	-
Community development	-	-	-
Community services	-	-	-
Capital outlay	130,833	-	531
Debt service:			
Principal	-	-	-
	130,833	-	531
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(126,522)	113,444	(381)
Extraordinary Item:			
Gain (loss) on dissolution of redevelopment agency	-	-	-
Net change in fund balances	(126,522)	113,444	(381)
Fund balances (deficit), beginning of year, as restated	500,019	-	-
Fund balances (deficit), end of year	\$ 373,497	\$ 113,444	\$ (381)

continued

SPECIAL REVENUE FUNDS

Public Safety	Solid Waste Recycling	RSTP	Local LSTP	Local STIP	Misc Grants
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100,000	8,361	21,038	-	-	1,668,867
-	-	-	-	-	-
609	205	1,157	-	-	169
-	-	-	-	-	-
-	-	-	-	-	-
100,609	8,566	22,195	-	-	1,669,036
201,342	-	-	-	-	-
-	7,001	-	110,600	-	-
-	-	-	-	-	-
-	-	-	-	-	218,452
-	-	69,640	-	21,012	1,564,026
-	-	-	-	-	-
201,342	7,001	69,640	110,600	21,012	1,782,478
(100,733)	1,565	(47,445)	(110,600)	(21,012)	(113,442)
-	-	-	-	-	-
(100,733)	1,565	(47,445)	(110,600)	(21,012)	(113,442)
100,733	21,240	131,842	(3,728)	-	47,574
\$ -	\$ 22,805	\$ 84,397	\$ (114,328)	\$ (21,012)	\$ (65,868)

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Year ended June 30, 2012

	SPECIAL REVENUE FUNDS		
	SLPP	CDBG	OTS Public Safety
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	101,649	226,897	29,308
Charges for services	-	-	-
Investment income	-	-	-
Developer fees	-	-	-
Other	-	-	-
Total revenues	101,649	226,897	29,308
Expenditures:			
Current:			
Public safety	-	-	50,818
Public works	-	-	-
Community development	-	187,370	-
Community services	-	-	-
Capital outlay	3,820	39,325	-
Debt service:			
Principal	-	-	-
Total expenditures	3,820	226,695	50,818
Excess (deficiency) of revenues over (under) expenditures	97,829	202	(21,510)
Extraordinary Item:			
Gain (loss) on dissolution of redevelopment agency	-	-	-
Net change in fund balances	97,829	202	(21,510)
Fund balances (deficit), beginning of year, as restated	(97,829)	(202)	(8,894)
Fund balances (deficit), end of year	\$ -	\$ -	\$ (30,404)

continued

SPECIAL REVENUE FUNDS					
STE Grant	FEMA Grant	EECBG Grant	BPMP Bridge Prev. Maintenance	Library Services	Street Lighting
\$ -	\$ -	\$ -	\$ -	\$ 240,560	\$ 98,287
24,682	2	159,293	-	-	-
-	-	-	-	-	-
-	-	-	-	1,046	37
-	-	-	-	-	-
-	-	-	-	-	-
<u>24,682</u>	<u>2</u>	<u>159,293</u>	<u>-</u>	<u>241,606</u>	<u>98,324</u>
-	-	-	-	-	-
-	-	-	-	-	98,324
-	-	-	-	-	-
-	-	-	-	241,594	-
22,239	2	159,293	13,365	-	-
-	-	-	-	-	-
<u>22,239</u>	<u>2</u>	<u>159,293</u>	<u>13,365</u>	<u>241,594</u>	<u>98,324</u>
2,443	-	-	(13,365)	12	-
-	-	-	-	-	-
2,443	-	-	(13,365)	12	-
(12,339)	-	-	-	-	-
<u>\$ (9,896)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,365)</u>	<u>\$ 12</u>	<u>\$ -</u>

CITY OF GOLETA
 Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Year ended June 30, 2012

	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND
	Comstock Plover Endowment	RDA Housing	RDA Debt Service Reserve
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment income	1,431	7,860	-
Developer fees	-	-	-
Other	-	-	-
Total revenues	<u>1,431</u>	<u>7,860</u>	<u>-</u>
Expenditures:			
Current:			
Public safety	-	-	-
Public works	-	-	-
Community development	-	353,881	-
Community services	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	87,880
Total expenditures	<u>-</u>	<u>353,881</u>	<u>87,880</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,431</u>	<u>(346,021)</u>	<u>(87,880)</u>
Extraordinary Item:			
Gain (loss) on dissolution of redevelopment agency	<u>-</u>	<u>(1,374,690)</u>	<u>(789,088)</u>
Net change in fund balances	1,431	(1,720,711)	(876,968)
Fund balances (deficit), beginning of year, as restated	<u>-</u>	<u>1,720,711</u>	<u>876,968</u>
Fund balances (deficit), end of year	<u>\$ 1,431</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Totals</u>	
\$	1,647,608
	3,213,820
	457,410
	86,987
	2,024,799
	<u>50,224</u>
	<u>7,480,848</u>
	252,160
	2,683,587
	541,251
	540,046
	3,707,751
	<u>87,880</u>
	<u>7,812,675</u>
	<u>(331,827)</u>
	<u>(2,163,778)</u>
	(2,495,605)
	<u>10,719,783</u>
\$	<u><u>8,224,178</u></u>

CITY OF GOLETA
Gas Tax Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 825,514	\$ 807,886	\$ 854,247	\$ 46,361
Investment income	-	11,000	11,339	339
Total revenues	<u>825,514</u>	<u>818,886</u>	<u>865,586</u>	<u>46,700</u>
Expenditures:				
Public works	<u>729,200</u>	<u>1,895,366</u>	<u>1,144,861</u>	<u>750,505</u>
Total expenditures	<u>729,200</u>	<u>1,895,366</u>	<u>1,144,861</u>	<u>750,505</u>
Net change in fund balance	96,314	(1,076,480)	(279,275)	797,205
Fund balance, beginning	<u>1,380,368</u>	<u>1,380,368</u>	<u>1,380,368</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 1,476,682</u></u>	<u><u>\$ 303,888</u></u>	<u><u>\$ 1,101,093</u></u>	<u><u>\$ 797,205</u></u>

CITY OF GOLETA
Transportation Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,000	\$ 21,000	\$ 19,326	\$ (1,674)
Investment income	-	1,800	1,932	132
Total revenues	<u>5,000</u>	<u>22,800</u>	<u>21,258</u>	<u>(1,542)</u>
Net change in fund balance	5,000	22,800	21,258	(1,542)
Fund balance, beginning	<u>193,464</u>	<u>193,464</u>	<u>193,464</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 198,464</u></u>	<u><u>\$ 216,264</u></u>	<u><u>\$ 214,722</u></u>	<u><u>\$ (1,542)</u></u>

CITY OF GOLETA
Measure A Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,163,000	\$ 1,163,000	\$ 1,308,761	\$ 145,761
Investment income	-	14,000	16,082	2,082
Total revenues	<u>1,163,000</u>	<u>1,177,000</u>	<u>1,324,843</u>	<u>147,843</u>
Expenditures:				
Public works	803,000	1,644,251	912,147	732,104
Capital outlay	380,000	-	-	-
Total expenditures	<u>1,183,000</u>	<u>1,644,251</u>	<u>912,147</u>	<u>732,104</u>
Net change in fund balance	(20,000)	(467,251)	412,696	879,947
Fund balance, beginning	<u>1,146,932</u>	<u>1,146,932</u>	<u>1,146,932</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 1,126,932</u></u>	<u><u>\$ 679,681</u></u>	<u><u>\$ 1,559,628</u></u>	<u><u>\$ 879,947</u></u>

CITY OF GOLETA
Solid Waste Program Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 480,000	\$ 480,000	\$ 457,410	\$ (22,590)
Investment income	-	-	6,886	6,886
Other	50,000	50,000	50,000	-
Total revenues	530,000	530,000	514,296	(15,704)
Expenditures:				
Public works	547,497	547,497	410,654	136,843
Total expenditures	547,497	547,497	410,654	136,843
Net change in fund balance	(17,497)	(17,497)	103,642	121,139
Fund balance, beginning	654,298	654,298	654,298	-
Fund balance, ending	\$ 636,801	\$ 636,801	\$ 757,940	\$ 121,139

CITY OF GOLETA
 Park Development Fees Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 11,244	\$ 11,244	\$ 16,043	\$ 4,799
Developer fees	-	-	1,021,107	1,021,107
Total revenues	<u>11,244</u>	<u>11,244</u>	<u>1,037,150</u>	<u>1,025,906</u>
Expenditures:				
Community development	-	450,000	-	450,000
Capital outlay	-	2,047,759	1,586,855	460,904
Total expenditures	<u>-</u>	<u>2,497,759</u>	<u>1,586,855</u>	<u>910,904</u>
Net change in fund balance	11,244	(2,486,515)	(549,705)	1,936,810
Fund balance, beginning	<u>2,628,880</u>	<u>2,628,880</u>	<u>2,628,880</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,640,124</u>	<u>\$ 142,365</u>	<u>\$ 2,079,175</u>	<u>\$ 1,936,810</u>

CITY OF GOLETA
Public Administration Facilities DIF Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 7,353	\$ 7,353	\$ 7,317	\$ (36)
Developer fees	-	-	4,983	4,983
 Total revenues	 7,353	 7,353	 12,300	 4,947
Expenditures:				
Capital outlay	100,000	862,239	80,464	781,775
 Total expenditures	 100,000	 862,239	 80,464	 781,775
 Net change in fund balance	 (92,647)	 (854,886)	 (68,164)	 786,722
 Fund balance, beginning	 773,536	 773,536	 773,536	 -
 Fund balance, ending	 \$ 680,889	 \$ (81,350)	 \$ 705,372	 \$ 786,722

CITY OF GOLETA
Library Facilities DIF Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 391	\$ 391	\$ 1,298	\$ 907
Developer fees	-	-	24,174	24,174
Total revenues	<u>391</u>	<u>391</u>	<u>25,472</u>	<u>25,081</u>
Expenditures:				
Community services	80,000	80,000	80,000	-
Capital outlay	-	15,890	16,346	(456)
Total expenditures	<u>80,000</u>	<u>95,890</u>	<u>96,346</u>	<u>(456)</u>
Net change in fund balance	(79,609)	(95,499)	(70,874)	24,625
Fund balance, beginning	<u>146,328</u>	<u>146,328</u>	<u>146,328</u>	<u>-</u>
Fund balance, ending	<u>\$ 66,719</u>	<u>\$ 50,829</u>	<u>\$ 75,454</u>	<u>\$ 24,625</u>

CITY OF GOLETA
 Sheriff Facilities DIF Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 3,288	3,288	\$ 3,180	\$ (108)
Developer fees	-	-	54,725	54,725
Total revenues	3,288	3,288	57,905	54,617
Net change in fund balance	3,288	3,288	57,905	54,617
Fund balance, beginning	329,255	329,255	329,255	-
Fund balance, ending	\$ 332,543	\$ 332,543	\$ 387,160	\$ 54,617

CITY OF GOLETA
Housing In-Lieu Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 1,904	\$ 1,904	\$ 6,225	\$ 4,321
Developer fees	-	-	806,450	806,450
Total revenues	1,904	1,904	812,675	810,771
Net change in fund balance	1,904	1,904	812,675	810,771
Fund balance, beginning	190,627	190,627	190,627	-
Fund balance, ending	\$ 192,531	\$ 192,531	\$ 1,003,302	\$ 810,771

CITY OF GOLETA
Environmental Programs Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 2,397	\$ 2,397	\$ 4,087	\$ 1,690
Other revenue	-	-	224	224
Total revenues	<u>2,397</u>	<u>2,397</u>	<u>4,311</u>	<u>1,914</u>
Expenditures:				
Capital outlay	<u>9,000</u>	<u>267,065</u>	<u>130,833</u>	<u>136,232</u>
Total expenditures	<u>9,000</u>	<u>267,065</u>	<u>130,833</u>	<u>136,232</u>
Net change in fund balance	(6,603)	(264,668)	(126,522)	138,146
Fund balance, beginning	<u>500,019</u>	<u>500,019</u>	<u>500,019</u>	<u>-</u>
Fund balance, ending	<u>\$ 493,416</u>	<u>\$ 235,351</u>	<u>\$ 373,497</u>	<u>\$ 138,146</u>

CITY OF GOLETA
Public Safety Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 100,000	\$ 100,000	\$ -
Investment income	-	-	609	609
Total revenues	-	100,000	100,609	609
Expenditures:				
Public safety	101,500	201,500	201,342	158
Total expenditures	101,500	201,500	201,342	158
Net change in fund balance	(101,500)	(101,500)	(100,733)	767
Fund balance, beginning	100,733	100,733	100,733	-
Fund balance (deficit), ending	\$ (767)	\$ (767)	\$ -	\$ 767

CITY OF GOLETA
Solid Waste Recycling Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 8,361	\$ 361
Investment income	100	100	205	105
Total revenues	<u>8,100</u>	<u>8,100</u>	<u>8,566</u>	<u>466</u>
Expenditures:				
Public works	8,000	20,805	7,001	13,804
Total expenditures	<u>8,000</u>	<u>20,805</u>	<u>7,001</u>	<u>13,804</u>
Net change in fund balance	100	(12,705)	1,565	14,270
Fund balance, beginning	<u>21,240</u>	<u>21,240</u>	<u>21,240</u>	<u>-</u>
Fund balance, ending	<u>\$ 21,340</u>	<u>\$ 8,535</u>	<u>\$ 22,805</u>	<u>\$ 14,270</u>

CITY OF GOLETA
RSTP Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 258,680	\$ 274,505	\$ 21,038	\$ (253,467)
Investment income	-	-	1,157	1,157
Total revenues	258,680	274,505	22,195	(252,310)
Expenditures:				
Capital outlay	258,680	453,542	69,640	383,902
Total expenditures	258,680	453,542	69,640	383,902
Net change in fund balance	-	(179,037)	(47,445)	131,592
Fund balance, beginning	131,842	131,842	131,842	-
Fund balance, ending	\$ 131,842	\$ (47,195)	\$ 84,397	\$ 131,592

CITY OF GOLETA
Local LSTP Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 114,328	\$ 230,448	\$ -	\$ (230,448)
Total revenues	114,328	230,448	-	(230,448)
Expenditures:				
Public works	114,328	230,448	110,600	119,848
Total expenditures	114,328	230,448	110,600	119,848
Net change in fund balance	-	-	(110,600)	(110,600)
Fund balance (deficit), beginning	(3,728)	(3,728)	(3,728)	-
Fund balance (deficit), ending	\$ (3,728)	\$ (3,728)	\$ (114,328)	\$ (110,600)

CITY OF GOLETA
Local STIP Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,071,000	\$ 4,071,000	\$ -	\$ (4,071,000)
Total revenues	4,071,000	4,071,000	-	(4,071,000)
Expenditures:				
Capital outlay	4,071,000	4,071,000	21,012	4,049,988
Total expenditures	4,071,000	4,071,000	21,012	4,049,988
Net change in fund balance	-	-	(21,012)	(21,012)
Fund balance, beginning	-	-	-	-
Fund balance (deficit), ending	\$ -	\$ -	\$ (21,012)	\$ (21,012)

CITY OF GOLETA
Miscellaneous Grants Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,000,000	\$ 2,511,613	\$ 1,668,867	\$ (842,746)
Investment income	-	-	169	169
Total revenues	<u>2,000,000</u>	<u>2,511,613</u>	<u>1,669,036</u>	<u>(842,577)</u>
Expenditures:				
Community services	-	431,610	218,452	213,158
Capital outlay	2,000,000	2,119,899	1,564,026	555,873
Total expenditures	<u>2,000,000</u>	<u>2,551,509</u>	<u>1,782,478</u>	<u>769,031</u>
Net change in fund balance	-	(39,896)	(113,442)	(73,546)
Fund balance, beginning	<u>47,574</u>	<u>47,574</u>	<u>47,574</u>	<u>-</u>
Fund balance (deficit), ending	<u><u>\$ 47,574</u></u>	<u><u>\$ 7,678</u></u>	<u><u>\$ (65,868)</u></u>	<u><u>\$ (73,546)</u></u>

CITY OF GOLETA
SLPP Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 335,000	\$ 432,829	\$ 101,649	\$ (331,180)
Total revenues	335,000	432,829	101,649	(331,180)
Expenditures:				
Capital outlay	335,000	338,821	3,820	335,001
Total expenditures	335,000	338,821	3,820	335,001
Net change in fund balance	-	94,008	97,829	3,821
Fund balance (deficit), beginning	(97,829)	(97,829)	(97,829)	-
Fund balance, ending	\$ (97,829)	\$ (3,821)	\$ -	\$ 3,821

CITY OF GOLETA
Community Development Block Grant Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 242,235	\$ 514,007	\$ 226,897	\$ (287,110)
Total revenues	242,235	514,007	226,897	(287,110)
Expenditures:				
Community development	84,779	477,998	187,370	290,628
Capital outlay	157,456	35,807	39,325	(3,518)
Total expenditures	242,235	513,805	226,695	287,110
Net change in fund balance	-	202	202	-
Fund balance (deficit), beginning	(202)	(202)	(202)	-
Fund balance, ending	\$ (202)	\$ -	\$ -	\$ -

CITY OF GOLETA
 OTS Public Safety Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 75,000	\$ 141,996	\$ 29,308	\$ (112,688)
Total revenues	75,000	141,996	29,308	(112,688)
Expenditures:				
Public safety	75,000	133,102	50,818	82,284
Total expenditures	75,000	133,102	50,818	82,284
Net change in fund balance	-	8,894	(21,510)	(30,404)
Fund balance (deficit), beginning	(8,894)	(8,894)	(8,894)	-
Fund balance (deficit), ending	\$ (8,894)	\$ -	\$ (30,404)	\$ (30,404)

CITY OF GOLETA
STE Grant Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 86,021	\$ 24,682	\$ (61,339)
Total revenues	-	86,021	24,682	(61,339)
Expenditures:				
Capital outlay	-	73,682	22,239	51,443
Total expenditures	-	73,682	22,239	51,443
Net change in fund balance	-	12,339	2,443	(9,896)
Fund balance (deficit), beginning	(12,339)	(12,339)	(12,339)	-
Fund balance (deficit), ending	\$ (12,339)	\$ -	\$ (9,896)	\$ (9,896)

CITY OF GOLETA
EECBG Federal Grant
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 172,806	\$ 159,293	\$ (13,513)
Total revenues	-	172,806	159,293	(13,513)
Expenditures:				
Capital outlay	-	172,806	159,293	13,513
Total expenditures	-	172,806	159,293	13,513
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

CITY OF GOLETA
 BPMP Bridge Maintenance Prev. Fund
 Non-Major Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 32,313	\$ -	\$ (32,313)
Total revenues	-	32,313	-	(32,313)
Expenditures:				
Capital outlay	-	32,313	13,365	18,948
Total expenditures	-	32,313	13,365	18,948
Net change in fund balance	-	-	(13,365)	(13,365)
Fund balance, beginning	-	-	-	-
Fund balance (deficit), ending	\$ -	\$ -	\$ (13,365)	\$ (13,365)

CITY OF GOLETA
Library Services Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 268,900	\$ 240,900	\$ 240,560	\$ (340)
Investment income	-	-	1,046	1,046
Total revenues	<u>268,900</u>	<u>240,900</u>	<u>241,606</u>	<u>706</u>
Expenditures:				
Community service	268,900	240,900	241,594	(694)
Total expenditures	<u>268,900</u>	<u>240,900</u>	<u>241,594</u>	<u>(694)</u>
Net change in fund balance	-	-	12	12
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12</u></u>	<u><u>\$ 12</u></u>

CITY OF GOLETA
Street Lighting Fund
Non-Major Special Revenue Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 98,200	\$ 98,200	\$ 98,287	\$ 87
Investment income	-	-	37	37
Total revenues	<u>98,200</u>	<u>98,200</u>	<u>98,324</u>	<u>124</u>
Expenditures:				
Public works	<u>98,200</u>	<u>98,200</u>	<u>98,324</u>	<u>(124)</u>
Total expenditures	<u>98,200</u>	<u>98,200</u>	<u>98,324</u>	<u>(124)</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
 Special Revenue Fund
 Budgetary Comparison Schedule
 Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 1,505	\$ 1,505	\$ 1,431	\$ (74)
Total revenues	1,505	1,505	1,431	(74)
Expenditures:				
Community service	1,505	1,505	-	1,505
Total expenditures	1,505	1,505	-	1,505
Net change in fund balance	-	-	1,431	1,431
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ 1,431	\$ 1,431

CITY OF GOLETA
RDA Housing Fund
Capital Projects Fund
Budgetary Comparison Schedule
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 14,000	\$ 14,000	\$ 7,860	\$ (6,140)
Total revenues	14,000	14,000	7,860	(6,140)
Expenditures:				
Community development	499,650	1,081,017	353,881	727,136
Total expenditures	499,650	1,081,017	353,881	727,136
Excess (deficiency) of revenues over (under) expenditures	(485,650)	(1,067,017)	(346,021)	720,996
Other financing sources (uses):				
Transfers in	821,892	821,892	-	(821,892)
Total other financing sources (uses)	821,892	821,892	-	(821,892)
Extraordinary Item:				
Gain/(loss) on dissolution of redevelopment agency	-	-	(1,374,690)	(1,374,690)
Net change in fund balance	\$ 336,242	\$ (245,125)	(1,720,711)	\$ (1,475,586)
Fund balance, beginning			1,720,711	
Fund balance, ending			\$ -	

CITY OF GOLETA
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund - Developer Deposits
Year ended June 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
Assets				
Cash and investments	\$ 566,111	\$ 1,354,237	\$ 1,225,192	\$ 695,156
Total assets	<u>\$ 566,111</u>	<u>\$ 1,354,237</u>	<u>\$ 1,225,192</u>	<u>\$ 695,156</u>
Liabilities				
Accounts payable	\$ 47,716	\$ 637,493	\$ 685,209	\$ -
Deposits payable	<u>518,395</u>	<u>716,744</u>	<u>539,983</u>	<u>695,156</u>
Total liabilities	<u>\$ 566,111</u>	<u>\$ 1,354,237</u>	<u>\$ 1,225,192</u>	<u>\$ 695,156</u>

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 say 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.	110
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	118
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.	124
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.	128
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.	132

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 Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Primary Government:				
Invested in capital assets, net of related debt	\$ 15,264,168	\$ 16,284,140	\$ 24,991,474	\$ 27,093,022
Restricted	5,895,207	5,738,058	5,932,908	10,787,824
Unrestricted	3,040,219	4,284,637	5,729,507	6,839,388
Total governmental activities net assets	<u>\$ 24,199,594</u>	<u>\$ 26,306,835</u>	<u>\$ 36,653,889</u>	<u>\$ 44,720,234</u>

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 171,497,745	\$ 168,561,463	\$ 168,713,837	\$ 165,751,283	\$ 164,443,711	\$ 172,075,288
10,792,609	15,401,523	14,202,532	15,707,269	13,773,387	13,409,549
8,838,623	8,785,763	8,056,471	5,998,325	7,302,694	16,715,914
<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>	<u>\$ 202,200,751</u>

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

	Fiscal Year			
	2003	2004	2005	2006
Primary Government-Government activities:				
Expenses				
General government	\$ 2,256,472	\$ 3,100,654	\$ 3,415,277	\$ 3,550,258
Public safety	4,539,280	4,751,782	5,273,087	5,539,496
Public works	231,951	4,404,746	5,538,722	4,595,206
Community development	2,558,958	2,723,339	2,036,243	3,667,575
Community services	2,266,229	774,233	727,856	1,133,688
Interest and other charges	78,523	114,431	39,416	33,320
Total expenses	<u>\$ 11,931,413</u>	<u>\$ 15,869,185</u>	<u>\$ 17,030,601</u>	<u>\$ 18,519,543</u>
Program Revenues				
Charges for services:				
General government	\$ 34,346	\$ 64,255	\$ 31,974	\$ 37,456
Public safety	134,066	126,037	206,399	201,787
Public works	144,984	702,404	141,814	2,304,882
Community development	1,793,692	1,693,003	959,273	-
Community services	-	13,656	193,710	734,277
Operating contributions and grants:				
Public safety	-	-	142,166	130,616
Public works	926,210	1,096,350	2,313,742	4,338,565
Community development	612,954	32,260	19,615	1,389,033
Community services	-	-	-	8,428
Capital contributions and grants:				
Public safety	100,744	101,735	19,200	-
Public works	1,700,013	1,390,379	902,820	232,141
Community development	-	-	8,521,192	1,689,883
Community services	-	-	-	542,413
Total program revenues	<u>\$ 5,447,009</u>	<u>\$ 5,220,079</u>	<u>\$ 13,451,905</u>	<u>\$ 11,609,481</u>
Net (expense)/revenue	\$ (6,484,404)	\$ (10,649,106)	\$ (3,578,696)	\$ (6,910,062)
General Revenues and Other Changes in Net Assets				
Taxes:				
Sales taxes	\$ 3,485,996	\$ 3,623,036	\$ 3,864,389	\$ 4,039,979
Property taxes, levied for general purpose	2,630,417	3,040,880	4,893,131	4,867,360
Redevelopment Agency Tax Increment, Restricted	-	-	-	-
Motor vehicle in lieu taxes, unrestricted	2,674,050	2,542,364	1,502,920	1,125,865
Transient occupancy tax	2,141,810	2,142,802	2,282,932	2,601,475
Franchise taxes	346,426	1,061,334	946,066	952,856
Other taxes	193,140	185,017	-	-
Investment income	146,909	97,278	280,398	646,378
Other	4,089	62,258	155,914	245,579
Special item - forgiveness of debt	-	-	-	-
Total general revenues	<u>\$ 11,622,837</u>	<u>\$ 12,754,969</u>	<u>\$ 13,925,750</u>	<u>\$ 14,479,492</u>
Extraordinary Item:				
Gain on dissolution of Redevelopment Agency	-	-	-	-
Change in Net Assets	<u>\$ 5,138,433</u>	<u>\$ 2,105,863</u>	<u>\$ 10,347,054</u>	<u>\$ 7,569,430</u>

Fiscal Year						
2007	2008	2009	2010	2011	2012	
\$ 3,372,878	\$ 3,902,025	\$ 3,626,933	\$ 4,504,965	\$ 3,364,448	\$ 4,442,304	
5,617,168	5,853,577	6,220,064	6,443,432	6,534,163	6,786,540	
10,581,153	11,235,589	11,628,940	11,131,852	9,632,224	7,311,563	
1,177,266	1,670,489	4,524,328	3,006,793	2,157,181	795,924	
2,584,997	2,569,696	2,812,884	2,662,570	2,412,473	2,982,588	
130,839	75,612	63,902	38,756	473,629	510,656	
<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>	<u>\$ 22,829,575</u>	
\$ 416,758	\$ 8,590	\$ 8,569	\$ 7,491	\$ 6,525	\$ 29,939	
225,986	217,652	255,448	264,526	228,485	169,945	
711,443	686,705	747,329	633,760	680,933	641,538	
-	931,359	1,171,393	915,013	1,267,026	1,654,126	
690,879	16,410	16,747	14,763	15,503	14,415	
242,339	-	173,527	188,168	171,280	129,919	
3,432,130	3,056,038	2,508,017	3,087,242	2,225,067	2,398,730	
711,075	51,175	19,360	90,527	7,531	-	
8,232	-	-	-	-	-	
-	179,856	77,340	3,919	14,607	57,906	
989,205	2,122,198	1,884,115	2,521,375	1,001,539	7,518,761	
21,203	8,407	248,172	97,874	20,656	825,552	
23,976	37,690	64,591	3,505	7,166	25,471	
<u>\$ 7,473,226</u>	<u>\$ 7,316,080</u>	<u>\$ 7,174,608</u>	<u>\$ 7,828,163</u>	<u>\$ 5,646,318</u>	<u>\$ 13,466,302</u>	
\$ (15,991,075)	\$ (17,990,908)	\$ (21,702,443)	\$ (19,960,205)	\$ (18,927,800)	\$ (9,363,273)	
\$ 4,116,748	\$ 4,160,113	\$ 3,353,658	\$ 3,310,542	\$ 3,905,548	\$ 3,845,273	
4,359,151	4,609,491	4,713,635	4,781,106	4,790,367	5,017,404	
2,252,723	2,754,708	3,234,533	3,903,872	3,644,069	2,152,407	
1,139,903	1,106,524	878,401	118,547	150,977	-	
2,571,528	2,783,144	2,462,457	2,143,120	2,417,169	2,685,546	
1,116,446	938,208	1,079,337	1,002,546	1,031,099	1,187,154	
-	418,052	426,035	585,546	393,853	456,783	
1,152,334	719,157	375,504	163,884	231,090	207,471	
-	621,283	506,742	435,079	426,543	765,646	
-	1,500,000	-	-	-	-	
<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>\$ 16,317,684</u>	
-	-	-	-	-	9,726,548	
<u>\$ 717,758</u>	<u>\$ 1,619,772</u>	<u>\$ (4,672,141)</u>	<u>\$ (3,515,963)</u>	<u>\$ (1,937,085)</u>	<u>\$ 16,680,959</u>	

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

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Reserved	\$ -	\$ 2,936,065	\$ 4,429,850	\$ 6,600,000
Unreserved	4,894,108	2,100,000	1,653,495	950,433
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 4,894,108</u>	<u>\$ 5,036,065</u>	<u>\$ 6,083,345</u>	<u>\$ 7,550,433</u>
All other governmental funds				
Reserved	\$ -	\$ 3,841,795	\$ 3,652,802	\$ 5,434,747
Unreserved, reported in:				
Special revenue funds	4,300,743	3,095,160	3,961,067	5,759,397
Capital projects funds	1,234,464	-	-	(4,237)
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 5,535,207</u>	<u>\$ 6,936,955</u>	<u>\$ 7,613,869</u>	<u>\$ 11,189,907</u>

Fiscal Year

2007	2008	2009	2010	2011	2012
\$ 845,290	\$ 997,972	\$ 143,065	\$ 189,127	\$ -	\$ -
8,518,795	9,087,093	8,813,424	7,807,167	-	-
-	-	-	-	319,801	128,085
-	-	-	-	-	-
-	-	-	-	23,545,619	14,914,858
-	-	-	-	504,384	2,914,290
<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>	<u>\$ 17,957,233</u>
\$ 3,591,210	\$ 6,200,802	\$ 1,874,263	\$ 2,522,135	\$ -	\$ -
5,450,614	7,622,276	8,606,741	8,392,385	-	-
2,827,773	810,000	3,398,377	3,480,094	-	-
-	-	-	-	72,988	50,000
-	-	-	-	13,328,391	13,089,510
-	-	-	-	-	-
-	-	-	-	(424,952)	(527,586)
<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>	<u>\$ 12,611,924</u>

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

	Fiscal Year			
	2003	2004	2005	2006
Revenues				
Taxes	\$ 11,829,133	\$ 11,835,023	\$ 14,124,469	\$ 16,173,369
Intergovernmental	4,044,354	3,627,332	4,285,249	4,585,024
Charges for services	1,139,034	1,263,348	1,040,105	1,593,377
Fines and forfeitures	124,867	145,273	206,399	201,787
Investment income	146,908	176,405	280,398	646,378
Developer fees	-	1,069,060	466,190	1,798,530
Other	4,088	62,257	155,914	245,579
Total revenues	<u>\$ 17,288,384</u>	<u>\$ 18,178,698</u>	<u>\$ 20,558,724</u>	<u>\$ 25,244,044</u>
Expenditures				
Current:				
General government	\$ 2,473,793	\$ 2,941,264	\$ 3,390,716	\$ 3,520,719
Public safety	4,539,280	4,749,255	5,289,121	5,579,362
Public works	213,248	4,430,225	5,385,700	5,395,431
Community development	2,544,335	2,677,083	2,306,787	3,791,902
Community services	2,260,697	748,508	734,783	1,136,769
Pass-through to other agencies	218,538	324,409	401,710	103,384
Capital outlay	-	250,197	866,484	197,500
Debt service				
Bond issuance cost	-	-	-	-
Principal	428,525	394,758	413,189	436,959
Interest	84,472	120,672	46,040	38,892
Total expenditures	<u>\$ 12,762,888</u>	<u>\$ 16,636,371</u>	<u>\$ 18,834,530</u>	<u>\$ 20,200,918</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 4,525,496</u>	<u>\$ 1,542,327</u>	<u>\$ 1,724,194</u>	<u>\$ 5,043,126</u>
Other financing sources (uses)				
Tax allocation bonds issued	\$ -	\$ -	\$ -	\$ -
Discount on bonds issued	-	-	-	-
Transfers in	546,669	1,050,478	1,213,036	1,204,752
Transfers out	(546,669)	(1,050,478)	(1,213,036)	(1,204,752)
Proceeds of long-term debt	300,000	-	-	-
Total other financing sources (uses)	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Extraordinary Item				
Gain/loss on dissolution of Redevelopment Agency	-	-	-	-
Net change in fund balances	<u>\$ 4,825,496</u>	<u>\$ 1,542,327</u>	<u>\$ 1,724,194</u>	<u>\$ 5,043,126</u>
Debt service as a percentage of noncapital expenditures	4.02%	3.15%	2.56%	2.38%

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 17,181,587	\$ 17,341,789	\$ 16,756,152	\$ 16,951,278	\$ 17,460,722	\$ 16,733,812
4,160,756	4,417,441	2,919,468	3,590,007	18,421,878	3,544,582
2,138,814	1,543,839	1,746,412	1,630,733	1,818,583	2,140,438
225,986	217,653	255,448	264,525	228,486	169,943
1,152,334	1,071,351	570,780	282,408	330,722	345,014
271,291	532,347	1,314,011	489,825	166,928	6,149,623
189,602	621,302	642,639	435,080	454,838	815,871
<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>	<u>\$ 29,899,283</u>
\$ 3,603,156	\$ 3,768,660	\$ 3,500,545	\$ 3,706,924	\$ 3,761,490	\$ 4,507,674
5,725,768	5,846,854	6,185,519	6,408,887	6,499,618	6,751,995
7,066,796	6,291,291	5,696,189	5,704,610	4,546,534	4,774,930
1,177,266	1,119,545	3,868,251	1,330,563	17,132,204	789,001
3,295,355	2,726,268	2,791,020	2,574,680	2,410,641	2,980,756
450,545	550,944	656,077	1,693,526	1,023,921	-
597,627	1,451,785	3,718,518	2,567,257	3,832,456	10,179,990
-	-	-	-	388,720	-
771,101	425,653	69,390	63,615	68,782	495,572
139,414	80,261	67,133	38,756	93,853	883,982
<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>\$ 31,363,900</u>
<u>\$ 2,493,342</u>	<u>\$ 3,484,461</u>	<u>\$ (2,347,732)</u>	<u>\$ (444,962)</u>	<u>\$ (876,062)</u>	<u>\$ (1,464,617)</u>
\$ -	\$ -	\$ -	\$ -	\$ 16,085,000	\$ -
-	-	-	-	(253,615)	-
2,829,956	3,038,958	5,450,007	2,165,683	16,593,176	247,695
(2,829,956)	(3,038,958)	(5,450,007)	(2,165,683)	(16,593,176)	(247,695)
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,831,385</u>	<u>\$ -</u>
-	-	-	-	-	(5,312,457)
<u>\$ 2,493,342</u>	<u>\$ 3,484,461</u>	<u>\$ (2,347,732)</u>	<u>\$ (444,962)</u>	<u>\$ 14,955,323</u>	<u>\$ (6,777,074)</u>
4.10%	2.43%	0.60%	0.48%	0.45%	6.51%

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

Fiscal Year Ended	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
2012	\$ 5,333,232,339	203,847,882	5,129,384,457

Source: Santa Barbara County Auditor-Controller

NOTE:

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

RDA			Total Direct Rate
Secured and Unsecured Value	Less Exemptions	Taxable Assessed Value	
\$ 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
\$ 1,156,274,956	105,085,071	1,051,189,885	1.03843

City of Goleta
Property Tax Rates
Direct and Overlapping Governments
Per \$100 of Assessed Value
Last Ten Fiscal Years

	Fiscal Year			
	2003	2004	2005	2006
City Direct Rates:				
City of Goleta Basic Rate	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:				
Goleta Unified School District	0.02280	0.01754	0.01746	0.01729
Santa Barbara High School District	0.00955	0.00955	0.01189	0.01248
Santa Barbara City College	-	-	-	-
Santa Barbara Secondary/High School District	-	-	-	-
Total Direct Rate	1.03235	1.02709	1.02935	1.02977

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

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

Fiscal Year					
2007	2008	2009	2010	2011	2012
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.01677	0.01627	0.01627	0.01627	0.01627	0.01627
0.01248	0.01248	0.01248	0.01248	0.01248	0.01273
-	-	0.00850	0.00850	0.00850	0.00850
-	-	-	-	-	0.00093
1.02925	1.02875	1.03725	1.03725	1.03725	1.03843

**City of Goleta, California
Principal Property Taxpayers
Current Year and 9 Years Ago**

Taxpayer	Primary Use	2012	
		Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
SB Luxury Resort LLC	Commercial	\$ 118,000,000	1.91%
SP Maravilla, LLC	Institutional	107,953,539	1.75%
Camino Real II LLC	Commercial	84,723,481	1.37%
Los Carneros Business Park LP	Commercial	50,000,000	0.81%
Sumida Family Limited Partnership	Residential	45,663,975	0.74%
Nassau Land Co, LP	Commercial	43,649,300	0.71%
Willow Springs, LP	Residential	39,346,046	0.64%
IRE-SB Inc	Commercial	38,593,511	0.62%
University Business Center Assoc.	Commercial	37,964,238	0.61%
Raytheon Company	Commercial	37,523,753	0.61%
Top Ten Totals		\$ 603,417,843	9.76%

Taxpayer	Primary Use	2003	
		Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
HT-Santa Barbara Inc	Commercial	\$ 140,000,000	3.85%
Girsh Big Property, LP	Commercial	47,592,491	1.31%
Nassau Land Company LP	Commercial	42,030,971	1.16%
Raytheon Company	Commercial	33,131,498	0.91%
University Business Center	Commercial	32,914,957	0.91%
Sandpiper-Golf Trust	Commercial	29,751,003	0.82%
IRE-SB Inc	Commercial	28,248,343	0.78%
Rockbridge Investments, LP	Industrial	28,114,894	0.77%
Camino Real II, LLC	Commercial	24,357,661	0.67%
One Los Carneros, LLC	Commercial	22,000,000	0.61%
Top Ten Totals		\$ 428,141,818	11.78%

Source: Santa Barbara Auditor-Controller

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

City of Goleta
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy	Percent of Levy	Collections in Subsequent Years	Total Collections to Date (1)	
		Amount			Amount	Percentage of Levy
2003	1,523,587	1,523,587	100%	-	1,523,587	100%
2004	1,680,689	1,680,689	100%	-	1,680,689	100%
2005	1,775,867	1,775,867	100%	-	1,775,867	100%
2006	1,901,688	1,901,688	100%	-	1,901,686	100%
2007	2,076,982	2,076,982	100%	-	2,076,982	100%
2008	1,984,793	1,984,793	100%	-	1,984,793	100%
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%
2012	2,162,721	2,162,721	100%	-	2,162,721	100%

Source: City of Goleta, Finance Department

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

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

City of Goleta
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Certificates of Participation</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	0.17%	77
2008	-	382,400	-	382,400	0.03%	13
2009	-	311,997	-	311,997	0.02%	10
2010	-	249,394	-	249,394	0.02%	8
2011	-	180,612	-	180,612	0.01%	6
2012	-	105,040	-	105,040	0.01%	4

Source: City of Goleta, Finance Department

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

City of Goleta
Direct and Overlapping Governmental Activities Debt
as of June 30, 2012

2011-2012 Assessed Valuations:

2011-2012 Assessed Valuation	\$	5,333,232,339
Redevelopment Incremental Valuation		<u>1,156,274,956</u>
Adjusted Assessed Valuation	\$	4,176,957,383

<u>Overlapping Debt Repaid with Property Taxes:</u>	<u>Total Debt</u> <u>6/30/2012</u>	<u>% Applicable</u>	<u>District's Share of</u> <u>Debt 6/30/12</u>
Goleta Unified School District	\$ 19,470,000	100.00%	\$ 19,470,000
Santa Barbara High School District	80,738,654	100.00%	80,738,654
Santa Barbara City College	44,805,000	100.00%	<u>44,805,000</u>
Total direct and overlapping tax and assessment debt			<u>\$ 145,013,654</u>
 <u>Direct and Overlapping General Fund Obligation Debt:</u>			
Santa Barbara County General Fund Obligations	\$ 73,830,000	7.00% (1)	<u>\$ 5,171,782</u>
Total overlapping general fund debt			<u>\$ 5,171,782</u>
 Total direct and overlapping debt			 <u><u>\$ 150,185,436</u></u> (2)

Ratios to 2011-2012 Assessed Valuations:

Total Direct and Overlapping Tax and Assessment Debt 2.72%

Ratios to Adjusted Assessed Valuations:

Combined Total Debt 3.60%

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 427,267 population, 7% (or 29,930) reside within the city's boundaries.

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

Source: County of Santa Barbara

**City of Goleta, California
Computation of Legal Debt Margin
Last Ten Fiscal Years**

	Fiscal Year			
	2003	2004	2005	2006
Assessed Valuations:				
Total Assessed Valuation	\$ 3,188,570,394	\$ 3,318,088,859	\$ 3,526,555,537	\$ 3,667,247,789
Conversion Percentage	25%	25%	25%	25%
Adjusted Assessed Valuation	\$ 797,142,599	\$ 829,522,215	\$ 881,638,884	\$ 916,811,947
Debt Limit Percentage	15%	15%	15%	15%
Debt Limit	\$ 119,571,390	\$ 124,428,332	\$ 132,245,833	\$ 137,521,792
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>	<u>\$ 137,521,792</u>
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The 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.

Source: City of Goleta, Finance Department

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 4,609,243,631	\$ 4,846,111,226	\$ 5,037,169,032	\$ 5,149,233,266	\$ 5,199,860,164	\$ 5,333,232,339
25%	25%	25%	25%	25%	25%
\$ 1,152,310,908	\$ 1,211,527,807	\$ 1,259,292,258	\$ 1,287,308,317	\$ 1,299,965,041	\$ 1,333,308,085
15%	15%	15%	15%	15%	15%
\$ 172,846,636	\$ 181,729,171	\$ 188,893,839	\$ 193,096,247	\$ 194,994,756	\$ 199,996,213
-	-	-	-	-	-
<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>	<u>\$ 199,996,213</u>
0%	0%	0%	0%	0%	0%

City of Goleta
Demographic and Economic Statistics
Last Ten 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	45.9	4.10%
2008	30,400	404	19,128,364	46.0	5.10%
2009	30,476	407	18,120,593	43.1	5.40%
2010	30,001	424	18,629,574	43.9	8.40%
2011	30,032	426	18,815,870 (4)	43.5 (4)	9.40%
2012	29,930	427	19,004,028 (4)	44.3 (4)	8.80%

- 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 Year**

Employer	2012	
	Number of Employees	Employment % to Total Population
Raytheon	1400	4.68%
Sansum clinic	1100	3.68%
Barcara Resorts	620	2.07%
Goleta Unified School District	565	1.89%
Citrix Online*	544	1.82%
Yardi Systems	445	1.49%
FLIR	425	1.42%
Allergan (Inamed)	352	1.18%
Goleta Cottage Hospital	350	1.17%
Karl Storz Imaging	342	1.14%
Medtronic	250	0.84%
Jordano's	240	0.80%
Mentor Corp	218	0.73%
Network Hardware Resale	210	0.70%
Costco	200	0.67%
The Home Depot	178	0.59%

"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 was not provided

Source: City of Goleta, Finance Department

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

Function	FY 2003-04 Authorized Positions	FY 2004-05 Authorized Positions	FY 2005-06 Authorized Positions	FY 2006-07 Authorized Positions
General Government	4.0	6.5	6.0	6.25
Administrative Services	5.0	4.5	2.5	2.50
Finance Department	-	-	3.5	3.50
Planning and Environmental Services	13.5	14.0	14.0	14.00
RDA & Neighborhood Services	-	1.0	4.0	4.50
Community Services	6.5	13.0	14.5	14.50
Total	<u>29.0</u>	<u>39.0</u>	<u>44.5</u>	<u>45.25</u>

* Reflects data compiled by the City of Goleta since incorporation

Source: City of Goleta, Finance Department

<u>FY 2007-08 Authorized Positions</u>	<u>FY 2008-09 Authorized Positions</u>	<u>FY 2009-10 Authorized Positions</u>	<u>FY 2010-11 Authorized Positions</u>	<u>FY 2011-12 Authorized Positions</u>
4.75	7.00	8.00	7.40	8.40
4.00	4.00	4.00	4.80	4.80
4.00	4.00	4.00	4.00	4.00
13.50	14.00	12.00	11.50	11.50
4.00	4.00	4.00	4.00	4.00
<u>15.00</u>	<u>15.00</u>	<u>14.00</u>	<u>15.00</u>	<u>15.00</u>
<u><u>45.25</u></u>	<u><u>48.0</u></u>	<u><u>46.0</u></u>	<u><u>46.7</u></u>	<u><u>47.7</u></u>

City of Goleta
Operating Indicators
by Function

Last Ten Fiscal Years

Function:	Fiscal Year			
	2003	2004	2005	2006
Public Safety:				
Police (1)				
Calls for Service	14,811	15,943	16,458	14,788
Citations	1,309	1,719	2,028	1,577
Reports Taken	3,437	3,458	3,884	3,927
Fire (2)				
Calls for Service	N/A	2,205	2,334	2,150
Public Works (3)				
Miles of street resurfacing	16.1	11.3	9.7	8.5

(1) Source: Santa Barbara County Sheriff Department.

(2) Source: Santa Barbara County Fire Department.

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

Fiscal Year					
2007	2008	2009	2010	2011	2012
15,200	16,117	15,159	21,212	21,002	19,277
1,798	1,421	2,344	2,842	2,493	982
3,748	3,186	3,176	3,230	2,875	3,052
2,066	2,314	2,786	2,847	3,022	2,536
10.8	24.6	33.0	10.6	10.0	10.4

City of Goleta
Capital Asset Statistics
by Function

Last Ten Fiscal Years

	Fiscal Year			
	2003	2004	2005	2006
Public Safety:				
Police Stations*	-	-	-	-
Fire Stations*	3	3	3	3
Community Development & Community Services:				
Parks and Open Space- Acreage	373	373	296	436
Community Center	1	1	1	1
Library	1	1	1	1
Elementary Schools (K-6)	5	5	4	5
Middle Schools (6-8)	1	1	1	1
High Schools (9-12)	1	1	1	1
Private Schools	3	3	3	3
Special Needs Schools	-	-	-	-
Public Works:				
Area of City (square miles)	7.9	7.9	7.9	7.9
Miles of streets	172.3	172.3	172.3	172.3
Number of Street lights (1)	71	71	71	71
Number of vehicles (city wide)	1	3	9	9

Source: Various City of Goleta Departments

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

(1) There are one thousand five hundred fifty three (1553) street lights owned and maintained by SCE in addition to those owned and maintained by the City.

Fiscal Year						
2007	2008	2009	2010	2011	2012	
-	-	-	-	-	-	-
3	3	3	3	3	3	3
437	438	440	440	457	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	8.0	8.0	
172.3	172.3	172.3	172.3	174.0	174.0	
73	85	85	85	89	89	
13	15	15	14	14	14	

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