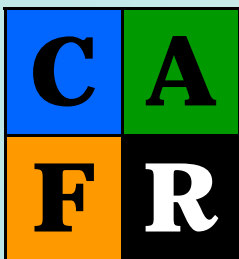


**The Good Land**

# **City of Goleta**

## *Comprehensive Annual Financial Report*



**For Fiscal Year Ending June 30, 2013  
Goleta, California**

**CITY OF GOLETA, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**WITH REPORT ON AUDIT**  
**BY INDEPENDENT**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**YEAR ENDED JUNE 30, 2013**

**Prepared by:**

**Finance Department**

**Alvertina Rivera**  
**Finance Director**



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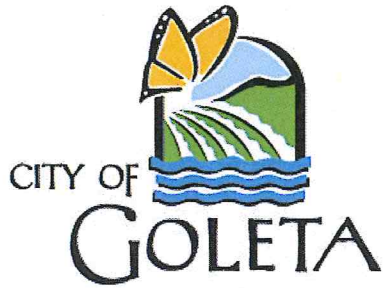
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December 05, 2013

To the Citizens of the City of Goleta:

**CITY COUNCIL**

Roger S. Aceves  
*Mayor*

Michael T. Bennett  
*Mayor Pro Tempore*

Edward Easton  
*Councilmember*

Jim Farr  
*Councilmember*

Paula Perotte  
*Councilmember*

**CITY MANAGER**

Daniel Singer

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

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

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

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

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



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

## **GOVERNMENT PROFILE**

The City of Goleta incorporated on February 1, 2002 as a General Law City under the laws of the State of California. The City of Goleta encompasses approximately 8 square miles in southern Santa Barbara County and has a population of approximately 29,962. The City is adjacent to the City of Santa Barbara and is approximately 90 miles from Los Angeles.

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

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

The City 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 enjoys a strong economic base resulting in stable Property tax revenue, growing Transient Occupancy and Sales tax revenues, as well as significant Development related revenues.

In FY 2012/13, the City's General Fund expenditures exceeded revenues by \$2,483,809 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 \$3,310,600 prior to accounting for continuing appropriations.

As part of the incorporation process, the City of Goleta and the County of Santa Barbara entered into a Revenue Neutrality Agreement. This agreement requires that 50% percent of the City's portion of Property Tax and with 30% of the City's portion of retail Sales Tax, be allocated to the County in perpetuity. The County also received for the mitigation period of ten years, which expired in June 2012, an additional 20% of the City's portion of retail Sales Tax and 40% of the Transient Occupancy Tax generated by TOT taxpayers, staying in facilities that were in

existence at City incorporation. Taken as a whole, the City generated \$4,938,750 in revenues that were paid to the County of Santa Barbara in FY 2012-13 in accordance with the Revenue Neutrality Agreement.

## **MAJOR INITIATIVES**

### Management:

The City continues to maintain a strong and effective workforce of approximately 51 full-time equivalent positions. To meet growing demand for development applications, the City Council recently supported expansion of the workforce within the Planning and Environmental Review Department. Further consolidation and reorganization was also achieved by combining the Administrative Services department with the City Manager's department while increasing staffing levels for the Capital Projects division and City Manager's department.

### 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

The City is currently underway with numerous significant Capital Improvement Projects. 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. Street and Highway improvements are underway throughout town, in part as a result of local private development projects. 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.

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

### Strategic Plan:

In the spring, the City Council undertook a complete revision to its Strategic Plan, essentially creating a new Plan focused on 6 key strategic initiatives. The new Plan is also meant to time with the budget such that Council priorities contained within the Plan are given consideration for funding as a part of the budget adoption process.



Internal Controls:

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

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

Budgetary Controls:

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

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

Annual Audit:

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

**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,

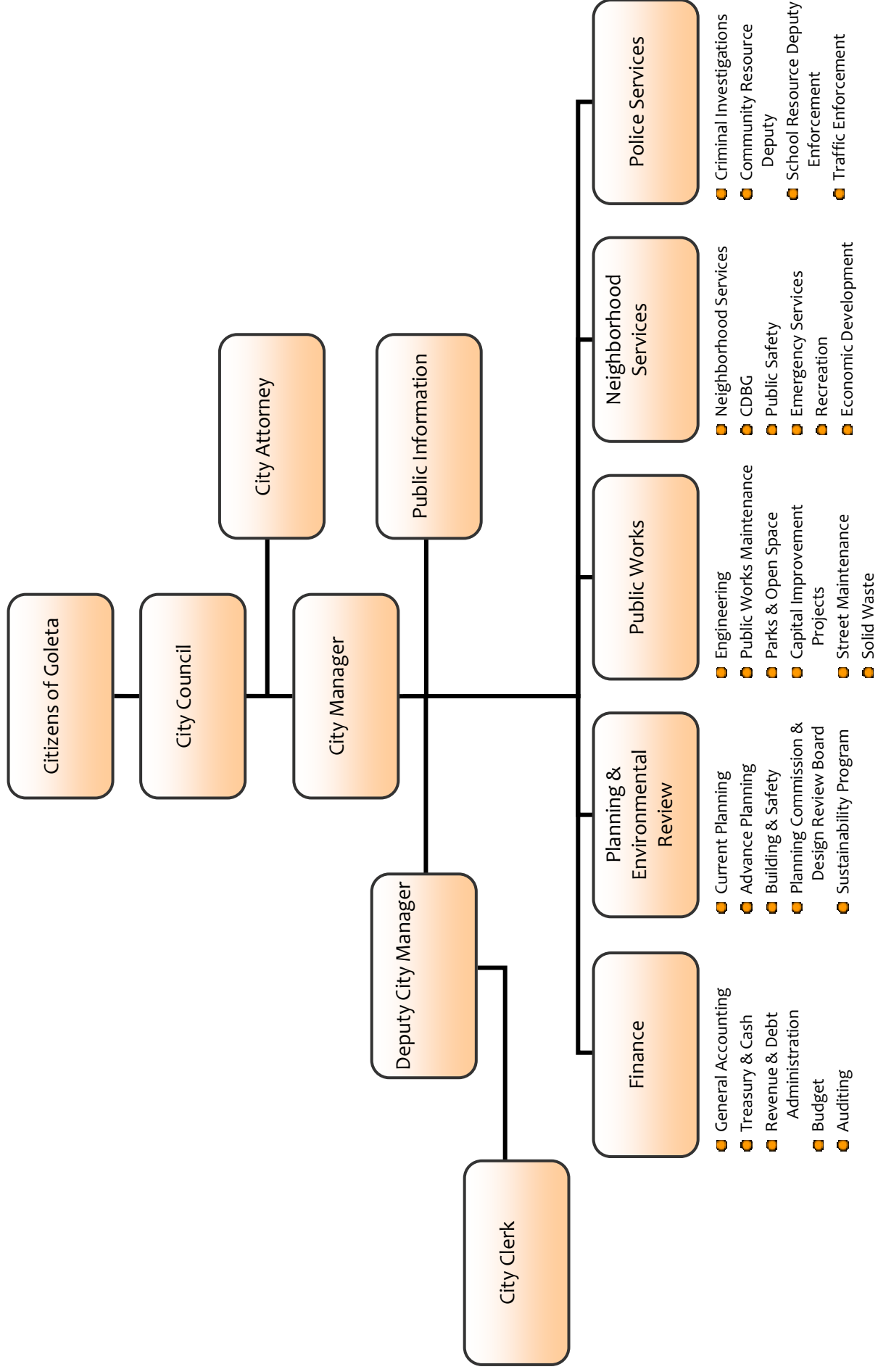


Daniel Singer  
City Manager



# ORGANIZATIONAL CHART

## By Function



# **City of Goleta**

## **List of Principal Officials Fiscal Year Ended June 30, 2013**

### **CITY COUNCIL**

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

### **CITY MANAGER**

Daniel A. Singer

### **CITY ATTORNEY**

Tim W. Giles

### **EXECUTIVE MANAGEMENT**

Vyto Adomaitis, Neighborhood Services & Public Safety Director  
Lt. Butch Arnoldi, Chief of Police  
Jennifer Carman, Planning & Environmental Review Director  
Michelle Greene, Deputy City Manager  
Deborah Lopez, City Clerk  
Alvertina Rivera, Finance Director  
Steven D. Wagner, Public Works Director



Government Finance Officers Association

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

Presented to

**City of Goleta  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Goleta (the City), as of and for the year ended June 30, 2013, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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



## **Opinions**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Goleta, as of June 30, 2013, 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.

## **Emphasis of Matters**

As discussed in Note 1d to the basic financial statements, the City incorporated deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure of net position due to the adoption of Governmental Accounting Standards Board's Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*". The adoption of this standard also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Our opinion is not modified with respect to this matter.

As discussed in Note 1d to the basic financial statements, the City has changed its method for accounting and reporting certain items previously reported as assets or liabilities during fiscal year 2012-2013 due to the early adoption of Governmental Accounting Standards Board's Statement No. 65, "*Items Previously Reported as Assets and Liabilities*". The adoption of this standard required retrospective application resulting in a \$373,888 reduction of previously reported net position of the Successor Agency to the Goleta Redevelopment Agency Private-Purpose Trust Fund. Our opinion is not modified with respect to this matter.

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on it. The budgetary comparison schedules and related note have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements of the City or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules and related note are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

## **Other Matters (Continued)**

### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*White Nelson Dick Evans LLP*

Irvine, California  
December 5, 2013

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## **Management's Discussion and Analysis Fiscal Year Ended June 30, 2013**

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, 2013. The City welcomes everyone to read the information in this document in conjunction with the accompanying transmittal letter found on pages i - v, and the accompanying basic financial statements found on pages 15 – 26 of this report.

### **FINANCIAL HIGHLIGHTS**

- At the end of the fiscal year 2013, the City's net position totaled \$191,364,980, an increase of approximately 1% from the prior year. The increase in net position is a result of investments made in capital assets related to capital improvement projects.
- Of the total net position, over \$14.4 million is unrestricted and thus may be used to meet the City's ongoing obligations.
- As of June 30, 2013, the City's revenues exceeded expenses by \$2,288,532 primarily due to general revenues exceeding the programmatic funding needs.
- The total revenue from all sources equaled \$32,467,756.
- The General Fund reported excess expenditures over revenues of \$2,483,809, with expenditures of \$5,794,409 being for capital projects primarily in the Old Town area. Fund balances previously designated were used to pay for these project expenditures.
- The General Fund had an ending fund balance of \$15,510,476 of which \$12,690,889 is committed to meet the City's Reserve policies or reserved for encumbrances. The Old Town CIP reserve accounts for \$4,719,827 of the \$12,690,889 committed fund balance. There is also \$516,358 assigned to continuing appropriations and \$1,766,805 of unassigned reserves.

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

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

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

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

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

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

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

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

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

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

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

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

## **THE CITY AS A WHOLE**

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

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

**Table 1**  
**Statement of Net Position**  
**As of June 30, 2013 and 2012**

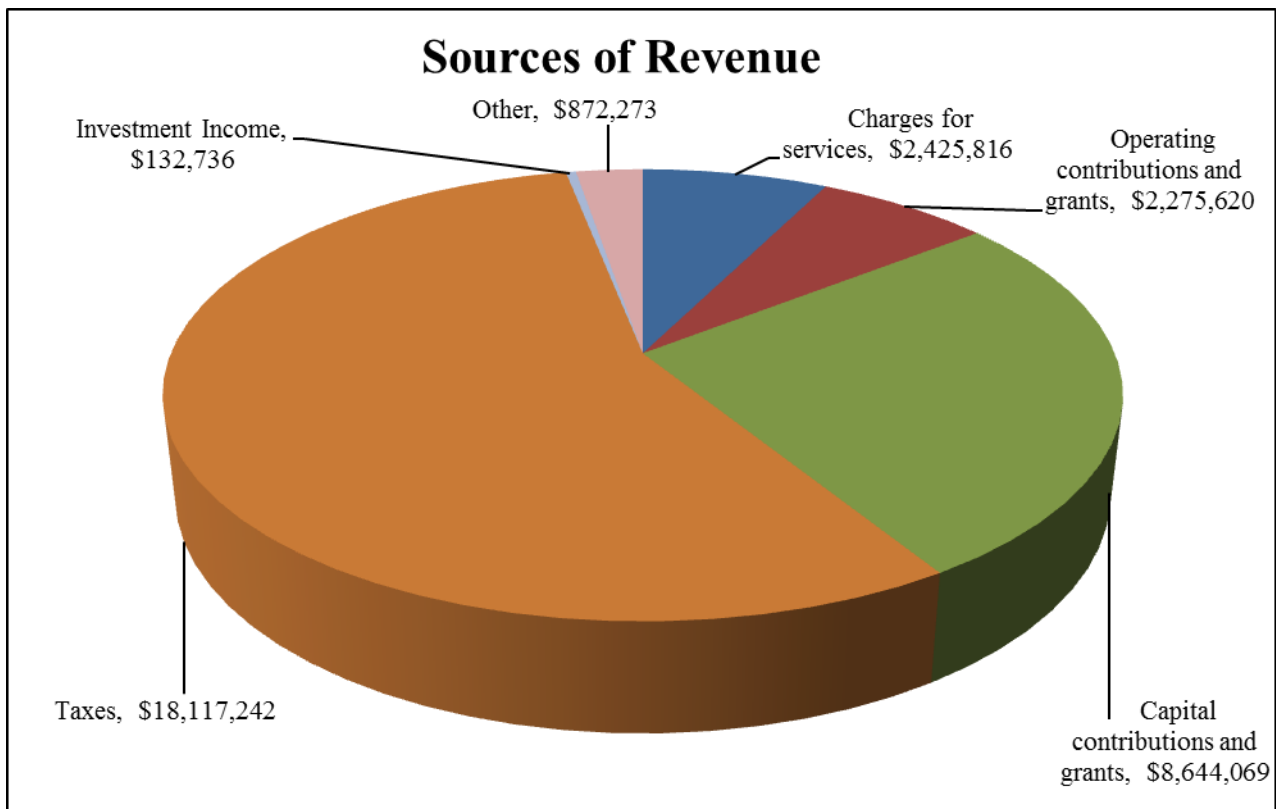
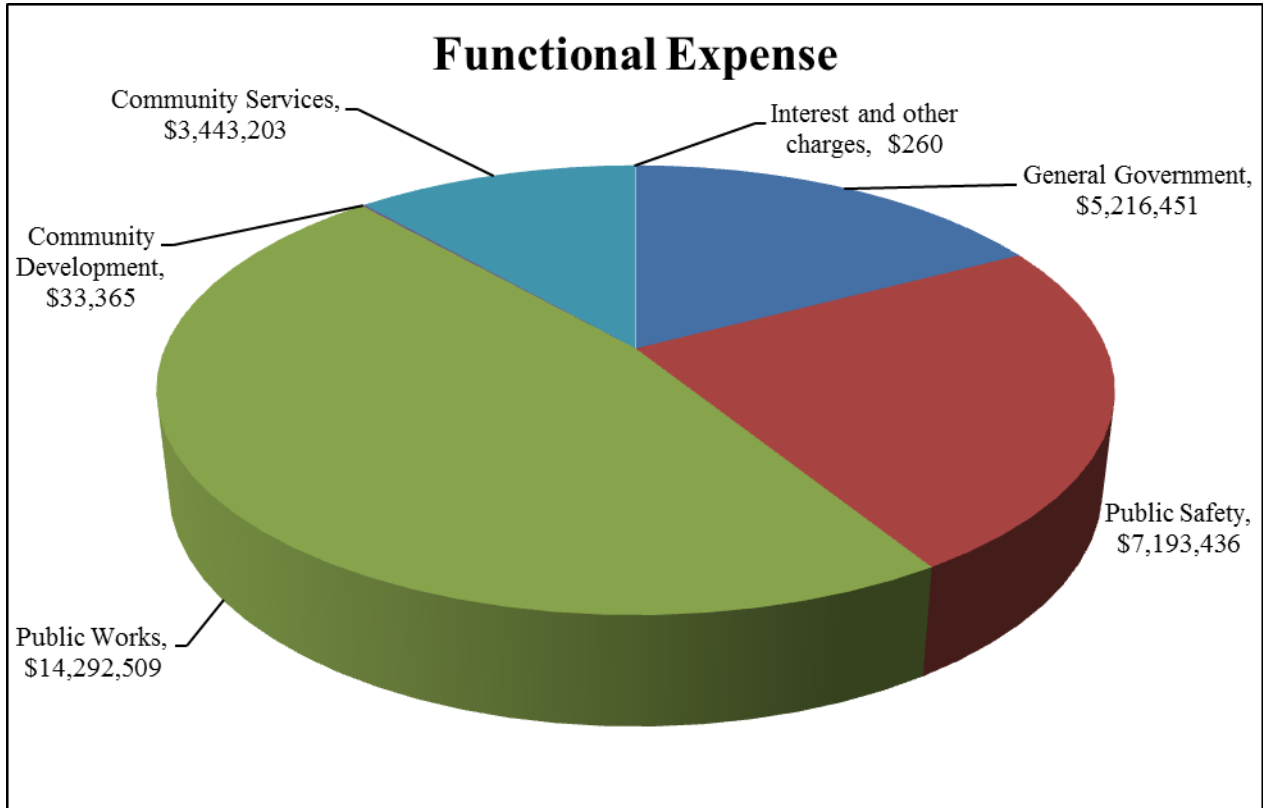
	Governmental Activities	
	2013	2012
Current and other assets	\$ 30,813,053	\$ 33,502,266
Capital Assets	163,949,816	159,056,025
<b>Total Assets</b>	<b>\$ 194,762,869</b>	<b>\$ 192,558,291</b>
Other Liabilities	2,930,477	2,663,070
Long Term Liabilities		
Due in one year	100,451	188,792
Due in more than one year	366,961	629,981
<b>Total Liabilities</b>	<b>3,397,889</b>	<b>3,481,843</b>
Net Assets:		
Net Investment in Capital Assets	163,927,809	158,950,985
Restricted	13,017,605	13,409,549
Unrestricted	14,419,566	16,715,914
<b>Total Net Position</b>	<b>\$ 191,364,980</b>	<b>\$ 189,076,448</b>

- Current and other assets decreased \$2,689,213 primarily as a result of significant capital expenditures, while liabilities experienced a slight decrease of approximately 2% due to the impending pay-off of the Community Center lease.
- Capital assets totaled \$259,927,099 at year-end before accumulated depreciation of \$95,977,283 resulting in net assets of \$163,949,816.

Asset Type	
Land	\$ 28,744,747
Building and improvements	2,369,181
Furniture and equipment	839,778
Vehicles	304,488
Infrastructure	213,210,848
Construction in progress	14,458,057
Total fixed assets	259,927,099
Less depreciation	95,977,283
Capital Assets net of Depreciation	\$ 163,949,816

- Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by legal requirements are \$14,419,566. This represents a \$2,296,348 decrease from prior year due in large part due to cash investments made for capital improvement projects.

Fiscal Year 2013 Governmental Activities  
(See Table 2)



**Table 2**  
**Changes in Net Position**  
**Year Ended June 30, 2013 and 2012**

	Governmental Activities	
	2013	2012
<b>Revenues</b>		
Program Revenues:		
Charges for services	\$ 2,425,816	\$ 2,509,963
Operating contributions and grants	2,275,620	2,528,649
Capital contributions and grants	8,644,069	8,427,690
General Revenues		
Taxes:		
Sales taxes	5,776,818	3,845,273
Property taxes levied for general purposes	5,026,723	5,017,404
Redevelopment Agency Tax Increment	-	2,152,407
Transient occupancy tax	5,604,278	2,685,546
Franchise taxes	1,152,381	1,187,154
Other taxes	557,042	456,783
Investment Income	132,736	207,471
Other	872,273	765,646
<b>Total Revenues</b>	<b>32,467,756</b>	<b>29,783,986</b>
<b>Expenses</b>		
General Government	5,216,451	4,442,304
Public Safety	7,193,436	6,786,540
Public Works	14,292,509	7,311,563
Community Development	33,365	795,924
Community Services	3,443,203	2,982,588
Interest and other charges	260	510,656
<b>Total Expenses</b>	<b>30,179,224</b>	<b>22,829,575</b>
<b>Extraordinary Item</b>		
Gain on dissolution of Redevelopment Agency	-	9,726,548
<b>Change in Net Position</b>	<b>\$ 2,288,532</b>	<b>\$ 16,680,959</b>
<b>Ending Net Position</b>	<b>\$ 191,364,980</b>	<b>\$ 189,076,448</b>

The City's total revenues were \$32,467,756 while the total cost of all programs and services was \$30,179,224. Sales Tax of \$5,776,818 is the City's largest revenue source at approximately 18%, while Transient Occupancy Tax of \$5,604,278 is the City's second largest revenue source at 17%. Property Tax of \$5,026,723 is the City's third largest revenue source at approximately 15%. 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, 2013**

	Total Cost of Services	Net Cost of Services
General Government	\$ 5,216,451	\$ (5,173,292)
Public Safety	7,193,436	(6,816,809)
Public Works	14,292,509	(4,087,233)
Community Development	33,365	2,651,560
Community Services	3,443,203	(3,407,685)
Interest and other charges	260	(260)
<b>Totals</b>	<b>\$ 30,179,224</b>	<b>\$ (16,833,719)</b>

- General Government expenses comprise approximately 17% 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 24% of the governmental expenses. Revenue from fines and capital grants partially offset the cost of this program.
- Public Works expenses comprise approximately 47% of the governmental expenses. Revenues from charges for services, operating and capital contributions and grants offset the cost of this program.
- Community Services expenses comprise 11% of the governmental expenses. Related fees and charges for services offset the cost of this program.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At fiscal year-end the City's Governmental Funds reported a combined fund balance of \$27,219,423, a decrease of \$3,349,734 over prior year. The General Fund activity accounts for 73% or \$2,446,757 of that decrease which was the result of capital project expenditures in the Old Town area. GTIP also experienced a decrease of \$1,926,226 as a result of considerable transportation projects. The Local STIP Fund Balance increased, by \$21,012, due to reimbursement for prior year expenditures. The SLPP and Federal Transportation Program Fund Balances decreased by \$335,000 and \$5,797 respectively. The decreases resulted from a delay in reimbursement for current year expenditures.

## General Fund Budgetary Highlights

**Revenues:** Actual revenues received were over budget by \$189,675 primarily as a result of higher than projected revenues from charges for services and other miscellaneous revenues.

**Expenditures:** Actual expenditures were less than budgeted in most areas for an overall savings of \$6,745,045. Significant reductions were recognized in Capital Outlay and Public Works, while lesser reductions were the General Government, Public Safety, 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, as well as new allocations made by the City Council during the year.

**Ending Fund Balance:** The General Fund Ending Balance was \$15,510,476 as of June 30, 2013. This amount was more than the final budget projection by \$6,971,772 as a result of the revenue and expenditure activity noted above.

Fund Balance:	
Nonspendable	
Prepaid Items	\$          536,424
Committed	12,690,889
Assigned for carry-over	516,358
Unassigned	<u>1,766,805</u>
 Total Fund Balance	 <u>\$         15,510,476</u>

The Council has established fiscal policies for funding Compensated Leave, Risk Management, Equipment Acquisition and Replacement, Building Maintenance, Street Maintenance, and Litigation Defense reserves. These fiscal policies also specify that a minimum of 33% of total budgeted ongoing operating would be maintained as a Contingency Reserve. Based upon final budgeted General Fund expenditures and transfers, the Contingency Reserve is \$5,560,000. Additionally, the City Manager has approved the Continuing Designation of unexpended funds for special projects into the next fiscal year. This amount is \$5,985,796 in the current year and is made up of funds assigned for carry-over as well as the Old Town CIP reserve fund balance. 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 \$259,927,099. At the end of fiscal year 2013, the City had \$163,949,816 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	\$ 28,744,747
Buildings and improvements	2,369,181
Furniture and equipment	839,778
Vehicles	304,488
Infrastructure	213,210,848
Construction In progress	14,458,057
Depreciation	(95,977,283)
Total Fixed Assets	\$ 163,949,816

**Long-Term Debt**

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

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

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

Governmental Activities	
Loans Payable:	
Capital Lease Payable - Goleta Valley	
Community Center	\$ 22,007
Claims and Judgements Payable	106,373
Compensated Absences	339,032
Total	\$ 467,412

**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 and Sales taxes are surpassing projections for FY 2013-14 resulting from strong economic conditions. Property Tax is currently performing at a level to meet current year expectations. 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 POSITION

June 30, 2013

	Governmental Activities
ASSETS:	
Cash and investments (Note 2)	\$ 26,950,684
Receivables:	
Accounts	2,851,280
Interest	1,141
Due from other governments	471,339
Deposits	2,000
Prepaid items	536,609
Capital assets (Note 5):	
Non-depreciable	54,598,117
Depreciable	205,328,982
Less: accumulated depreciation	<u>(95,977,283)</u>
 TOTAL ASSETS	 <u>194,762,869</u>
LIABILITIES:	
Accounts payable	2,319,033
Accrued salaries and benefits	210,414
Deposits payable	322,110
Unearned revenue	78,920
Long-term liabilities (Note 6):	
Due within one year	100,451
Due in more than one year	<u>366,961</u>
 TOTAL LIABILITIES	 <u>3,397,889</u>
NET POSITION:	
Net investment in capital assets	163,927,809
Restricted for:	
Public works	11,411,239
Community development	1,606,366
Unrestricted	<u>14,419,566</u>
 TOTAL NET POSITION	 <u>\$ 191,364,980</u>

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

CITY OF GOLETA

STATEMENT OF ACTIVITIES

For the year ended June 30, 2013

Functions/programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
<b>Governmental activities:</b>					<b>Governmental Activities</b>
General government	\$ 5,216,451	\$ 43,159	\$ -	\$ -	\$ (5,173,292)
Public safety	7,193,436	171,132	161,294	44,201	(6,816,809)
Public works	14,292,509	616,780	2,114,326	7,474,170	(4,087,233)
Community development	33,365	1,581,191	-	1,103,734	2,651,560
Community services	3,443,203	13,554	-	21,964	(3,407,685)
Interest and other charges	260	-	-	-	(260)
Total governmental activities	<u>\$ 30,179,224</u>	<u>\$ 2,425,816</u>	<u>\$ 2,275,620</u>	<u>\$ 8,644,069</u>	<u>(16,833,719)</u>

General revenues:

Taxes:

Sales taxes	5,776,818
Property taxes, levied for general purposes	5,026,723
Transient occupancy taxes	5,604,278
Franchise taxes	1,152,381
Other taxes	557,042
Investment income	132,736
Other	872,273

Total general revenues 19,122,251

Change in net position 2,288,532

Net Position - Beginning of Year, as Restated 189,076,448

Net Position - End of Year \$ 191,364,980

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

## GOVERNMENTAL FUNDS

### GENERAL FUND

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

### SPECIAL REVENUE FUNDS

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

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

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

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

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

### OTHER GOVERNMENTAL FUNDS

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



CITY OF GOLETA

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2013

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>GTIP</u>	<u>Local STIP</u>
<b>ASSETS</b>			
Cash and investments (Note 2)	\$ 13,681,398	\$ 3,569,759	\$ -
Receivables:			
Accounts	1,474,147	-	525,704
Interest	605	146	-
Due from other governments	-	-	-
Due from other funds (Note 3)	1,194,844	-	-
Deposits	2,000	-	-
Prepaid items	536,424	-	-
	<u>16,889,418</u>	<u>3,569,905</u>	<u>525,704</u>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 933,552	\$ 836,053	\$ 89,807
Accrued salaries and benefits	194,860	-	-
Due to other funds (Note 3)	-	-	435,897
Deposits payable	171,610	-	-
Unearned revenue	78,920	-	-
	<u>1,378,942</u>	<u>836,053</u>	<u>525,704</u>
<b>TOTAL LIABILITIES</b>			
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - grants	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>			
<b>FUND BALANCES DEFICITS (NOTE 14):</b>			
<b>Nonspendable:</b>			
Prepaid items	536,424	-	-
<b>Restricted:</b>			
Public works	-	2,733,852	-
Community development	-	-	-
Committed	12,690,889	-	-
Assigned for carry-overs	516,358	-	-
Unassigned	1,766,805	-	-
	<u>15,510,476</u>	<u>2,733,852</u>	<u>-</u>
<b>TOTAL FUND BALANCES (DEFICITS)</b>			
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
	<u>\$ 16,889,418</u>	<u>\$ 3,569,905</u>	<u>\$ 525,704</u>

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

Special Revenue Funds  
(Continued)

SLPP	Federal Transportation Program	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 9,699,527	\$ 26,950,684
335,000	278,129	238,300	2,851,280
-	-	390	1,141
-	-	471,339	471,339
-	-	5,772	1,200,616
-	-	-	2,000
-	-	185	536,609
\$ 335,000	\$ 278,129	\$ 10,415,513	\$ 32,013,669
\$ -	\$ 28,706	\$ 430,915	\$ 2,319,033
-	-	15,554	210,414
335,000	249,423	180,296	1,200,616
-	-	150,500	322,110
-	-	-	78,920
335,000	278,129	777,265	4,131,093
335,000	278,129	50,024	663,153
335,000	278,129	50,024	663,153
-	-	185	536,609
-	-	8,026,569	10,760,421
-	-	1,606,366	1,606,366
-	-	-	12,690,889
-	-	-	516,358
(335,000)	(278,129)	(44,896)	1,108,780
(335,000)	(278,129)	9,588,224	27,219,423
\$ 335,000	\$ 278,129	\$ 10,415,513	\$ 32,013,669

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CITY OF GOLETA

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

June 30, 2013

Fund balances - total governmental funds		\$ 27,219,423
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet:		
Capital assets	\$ 259,927,099	
Accumulated depreciation	<u>(95,977,283)</u>	163,949,816
Long-term liabilities applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditures when due. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances as of June 30, 2013 are:		
Capital leases payable	(22,007)	
Claims payable	(106,373)	
Compensated absences	<u>(339,032)</u>	(467,412)
Long-term assets are not available to pay for current period expenditures and, therefore, are shown as unavailable revenue in the fund financial statements:		
Long-term receivables - grants	<u>663,153</u>	<u>663,153</u>
Net position of governmental activities		<u><u>\$ 191,364,980</u></u>

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

CITY OF GOLETA

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

For the year ended June 30, 2013

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>GTIP</u>	<u>Local STIP</u>
REVENUES:			
Taxes	\$ 17,854,056	\$ -	\$ -
Intergovernmental	15,942	5,800	688,056
Charges for services	1,614,101	-	-
Fines and forfeitures	171,132	-	-
Investment income	183,296	36,993	-
Developer fees	-	379,147	-
Other	872,273	-	-
TOTAL REVENUES	<u>20,710,800</u>	<u>421,940</u>	<u>688,056</u>
EXPENDITURES:			
Current:			
General government	4,875,271	-	-
Public safety	7,033,792	-	-
Public works	2,400,297	65,694	-
Community development	-	-	-
Community services	3,007,547	-	-
Capital outlay	5,794,409	2,282,472	667,044
Debt service:			
Principal	83,033	-	-
Interest	260	-	-
TOTAL EXPENDITURES	<u>23,194,609</u>	<u>2,348,166</u>	<u>667,044</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,483,809)</u>	<u>(1,926,226)</u>	<u>21,012</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	37,052	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>37,052</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(2,446,757)	(1,926,226)	21,012
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	<u>17,957,233</u>	<u>4,660,078</u>	<u>(21,012)</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 15,510,476</u>	<u>\$ 2,733,852</u>	<u>\$ -</u>

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

Special Revenue Funds  
(Continued)

SLPP	Federal Transportation Program	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,688,791	\$ 19,542,847
-	372,851	4,541,776	5,624,425
-	-	481,779	2,095,880
-	-	-	171,132
-	-	81,362	301,651
-	-	3,087,287	3,466,434
-	-	-	872,273
-	<u>372,851</u>	<u>9,880,995</u>	<u>32,074,642</u>
-	-	-	4,875,271
-	-	153,293	7,187,085
-	-	3,614,641	6,080,632
-	-	33,365	33,365
-	-	433,824	3,441,371
335,000	378,648	4,265,786	13,723,359
-	-	-	83,033
-	-	-	260
<u>335,000</u>	<u>378,648</u>	<u>8,500,909</u>	<u>35,424,376</u>
<u>(335,000)</u>	<u>(5,797)</u>	<u>1,380,086</u>	<u>(3,349,734)</u>
-	-	-	37,052
-	-	(37,052)	(37,052)
-	-	(37,052)	-
(335,000)	(5,797)	1,343,034	(3,349,734)
-	(272,332)	8,245,190	30,569,157
<u>\$ (335,000)</u>	<u>\$ (278,129)</u>	<u>\$ 9,588,224</u>	<u>\$ 27,219,423</u>

CITY OF GOLETA

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

For the year ended June 30, 2013

Net change in fund balances - total governmental funds \$ (3,349,734)

Amounts reported for governmental activities in the Statement of Activities  
are different because:

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

Capital outlays	\$ 10,036,077	
Depreciation expense	<u>(5,142,286)</u>	4,893,791

The issuance of long term debt provides current financial resources to governmental  
funds, while the repayment of the principal of long term-debt consumes the current  
financial resources of governmental funds. Neither transaction, however, has any  
effect on net position.

Principal payments	<u>83,033</u>	83,033
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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 the governmental funds.

Change in claims payable	263,505	
Change in compensated absences payable	<u>4,823</u>	268,328

Some revenues reported in the Statement of Activities are not considered to  
be available to finance current expenditures and therefore are not reported  
as revenues in the governmental funds.

Grant revenues		<u>393,114</u>
----------------	--	----------------

Change in net position of governmental activities \$ 2,288,532

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

CITY OF GOLETA

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

June 30, 2013

	Successor Agency to the Goleta Redevelopment Agency Private-Purpose Trust Fund	Agency Fund Developer Deposits
<b>ASSETS:</b>		
Cash and investments	\$ 835,359	\$ 1,888,677
Accounts receivable	25	-
Restricted assets:		
Cash and investments with fiscal agent	1,340,424	-
Land	<u>1,122,649</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>3,298,457</u>	<u>\$ 1,888,677</u>
<b>LIABILITIES:</b>		
Accounts payable	1,503	\$ 60,259
Deposits	-	1,828,418
Accrued interest payable	99,495	-
Bonds payable, current portion	145,000	-
Bonds payable, net of current portion	<u>15,143,800</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>15,389,798</u>	<u>\$ 1,888,677</u>
<b>NET POSITION:</b>		
Held in trust for Successor Agency and other purposes	<u>(12,091,341)</u>	
<b>TOTAL NET POSITION</b>	<u>\$ (12,091,341)</u>	

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



CITY OF GOLETA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the year ended June 30, 2013

	Successor Agency to the Goleta Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS:	
Property taxes	\$ 1,689,040
Investment earnings	7,725
	<hr/>
TOTAL ADDITIONS	1,696,765
	<hr/>
DEDUCTIONS:	
Administrative allowance	549,067
Debt service:	
Interest	1,195,688
Residual payment to county auditor-controller	192,924
	<hr/>
TOTAL DEDUCTIONS	1,937,679
	<hr/>
CHANGE IN NET POSITION	(240,914)
NET POSITION - BEGINNING OF YEAR, AS RESTATED	<hr/> (11,850,427)
NET POSITION - END OF YEAR	<hr/> <u>\$ (12,091,341)</u>

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

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

a. Reporting Entity:

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

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

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

**Government-Wide Financial Statements:**

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include a single column for the governmental activities of the primary government. The City has no business-type activities, and no discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included amount program revenues are reported instead as *general revenues*.

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

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

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

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

**Fund Financial Statements:**

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

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

**Governmental Funds:**

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

**Governmental Funds (Continued):**

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

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

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

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

See accompanying independent auditors’ report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

**Governmental Funds (Continued):**

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

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

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

c. Fund Classifications:

The City reports the following major governmental funds:

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

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

The Local STIP Special Revenue Fund is used to account for state grant funds to local governments for use in transit and highway projects, including street and road projects.

The SLPP Special Revenue Fund is used to account for state grant funds to local governments for use in street improvement projects.

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

c. Fund Classifications (Continued):

Additionally, the City reports the following fund types:

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

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

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

d. New Accounting Pronouncements:

**Implemented:**

In fiscal year 2012-2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*". This statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, "*Elements of Financial Statements*" into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provides a new Statement of Net Position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

In fiscal year 2012-2013, the City early implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*". This statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Accounting changes adopted to conform to the provisions of this statement should be applied retroactively. The result of the implementation of this standard was to decrease the net position of the Successor Agency to the Goleta Redevelopment Agency Private-Purpose Trust Fund at July 1, 2012 by \$373,888, which was the amount of bond issue costs at July 1, 2012.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

d. New Accounting Pronouncements (Continued):

**Pending Accounting Standards:**

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

- GASB 66 - "*Technical Corrections, an amendment of GASB Statement No. 10 and Statement No. 62*", effective for periods beginning after December 15, 2012.
- GASB 67 - "*Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*", effective for the fiscal years beginning after June 15, 2013.
- GASB 68 - "*Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*", effective for the fiscal years beginning after June 15, 2014.
- GASB 69 - "*Government Combinations and Disposals of Government Operations*", effective for periods beginning after December 15, 2013.
- GASB 70 - "*Accounting and Financial Reporting for Nonexchange Financial Guarantees*", effective for the periods beginning after June 15, 2013.

e. Cash and Investments:

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

f. Capital Assets:

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

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

f. Capital Assets (Continued):

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

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

<u>Item</u>	<u>Useful Life</u>
Buildings and improvements	30 to 50 years
Vehicles	5 years
Equipment and furniture	5 to 15 years
Infrastructure:	
Pavement	40 years
Sidewalks	50 years
Curbs and gutters	50 years
Bridges	65 years
Hardscape	50 years
Medians	50 years
Parking lots	40 years
Traffic control devices	10 years

g. Deferred Outflows/Inflows of Resources:

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

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

See accompanying independent auditors' report.



CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

h. Net Position Flow Assumptions:

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

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

i. Prepaid Items:

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

j. Compensated Absences:

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

k. Property Taxes:

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

The property tax calendar is as follows:

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

1. Governmental Fund Balance Classifications:

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

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

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

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

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

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

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

m. Use of Estimates:

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

2. CASH AND INVESTMENTS:

**Cash and Investments:**

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 26,950,684
Statement of Fiduciary Net Position:	
Cash and investments	2,724,036
Cash and investments with fiscal agent	<u>1,340,424</u>
Total cash and investments	<u>\$ 31,015,144</u>

Cash and investments held by the City at June 30, 2013 consisted of the following:

Petty cash	\$ 500
Demand deposits (overdraft)	27,754,585
Investments	<u>3,260,059</u>
Total cash and investments	<u>\$ 31,015,144</u>

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

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

2. CASH AND INVESTMENTS (CONTINUED):

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

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

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
Local Agency Bonds	No	5 years	None	5%
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Government Sponsored Agency Securities	Yes	5 years	None	None
Banker's Acceptances	No	180 days	40%	5%
Commercial Paper	Yes	180 days	15%	5%
Certificate of Deposits	Yes	1 year	30%	5%
Negotiable Certificates of Deposit	No	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	Yes	N/A	None	\$50,000,000
JPA Pools (other investment pools)	No	N/A	None	None
Passbook Accounts	Yes	N/A	None	None

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

2. CASH AND INVESTMENTS (CONTINUED):

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

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

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

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

A policy of laddered maturities will be followed for pooled investments. At least 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 date between three (3) and five (5) years from the investment date. Investments having a maturity greater than five (5) years will not be made. The average portfolio investment maturity shall be three (3) years or less. The dollar-weighted average will be used in computing the average maturity of the portfolio.

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

The portfolio will be diversified to the extent feasible to avoid incurring unreasonable and avoidable risks regarding specific security types indicated in the City's investment policy, and with the exception of the U.S. Treasury/Federal Agency securities and authorized pools, no more than 5% of the City's portfolio will be placed with any single issuer.

**Disclosures Relating to Interest Rate Risk:**

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

2. CASH AND INVESTMENTS (CONTINUED):

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

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

<u>Investment Type</u>	<u>Remaining Maturity 12 Months or Less</u>	<u>Total</u>
Local Agency Investment Fund	\$ 1,919,637	\$ 1,919,637
Cash with Trustee:		
Money Market Mutual Funds	<u>1,340,422</u>	<u>1,340,422</u>
	<u>\$ 3,260,059</u>	<u>\$ 3,260,059</u>

**Disclosures Relating to Credit Risk:**

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

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Total as of June 30, 2013</u>	<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund *	N/A	\$ 1,919,637	\$ -	\$ 1,919,637
Cash with Trustee:				
Money Market Mutual Funds	A	<u>1,340,422</u>	<u>1,340,422</u>	<u>-</u>
		<u>\$ 3,260,059</u>	<u>\$ 1,340,422</u>	<u>\$ 1,919,637</u>

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

2. CASH AND INVESTMENTS (CONTINUED):

**Concentration of Credit Risk:**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. During the fiscal year ended June 30, 2013, the City did not hold any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

**Custodial Credit Risk:**

Custodial credit risk for *deposits* is the risk that, in the *event* of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the *event* of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the City's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2013 the City had deposits of \$28,861,337 with financial institutions in excess of federal depository insurance limits that were held in collateralized accounts.

**Investment in State Investment Pool:**

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

3. INTERFUND BALANCES:

Current interfund balances at June 30, 2013 consisted of following:

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 1,194,844
Other Governmental Funds	Other Governmental Funds	<u>5,772</u>
		<u>\$ 1,200,616</u>

These are short-term borrowing from the General Fund for temporary cash shortfalls recorded in the Public Safety, Local SLTP, Local STIP, SLPP, Federal Transportation Program, CDBG, OTS Public Safety, and BPMP Bridge Prev. Maintenance Other Governmental Special Revenue Funds.

4. INTERFUND TRANSFERS:

Interfund transfers at June 30, 2013 consisted of the following:

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfers</u>	<u>Amount</u>
General Fund	Other Governmental Funds	<u>\$ 37,052</u>

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

See accompanying independent auditors' report.



CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

5. CAPITAL ASSETS:

A summary of the changes in capital assets for the year ended June 30, 2013 is as follows:

	Beginning Balance July 1, 2012 <u>(As Restated)</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance June 30, 2013
Capital assets, not being depreciated:				
Land	\$ 26,920,422	\$ 1,824,325	\$ -	\$ 28,744,747
Right of way	11,395,313	-	-	11,395,313
Construction in progress	<u>8,616,121</u>	<u>8,465,643</u>	<u>(2,623,707)</u>	<u>14,458,057</u>
Total capital assets, not being depreciated	<u>46,931,856</u>	<u>10,289,968</u>	<u>(2,623,707)</u>	<u>54,598,117</u>
Capital assets, being depreciated:				
Infrastructure	199,845,296	1,970,239	-	201,815,535
Vehicles	284,845	19,643	-	304,488
Furniture and equipment	711,143	128,635	-	839,778
Building and improvements	<u>2,117,882</u>	<u>251,299</u>	<u>-</u>	<u>2,369,181</u>
Total capital assets, being depreciated	<u>202,959,166</u>	<u>2,369,816</u>	<u>-</u>	<u>205,328,982</u>
Less accumulated depreciation for:				
Infrastructure	(89,506,329)	(5,013,818)	-	(94,520,147)
Vehicles	(267,835)	(9,043)	-	(276,878)
Furniture and equipment	(366,724)	(61,293)	-	(428,017)
Building and improvements	<u>(694,109)</u>	<u>(58,132)</u>	<u>-</u>	<u>(752,241)</u>
Total accumulated depreciation	<u>(90,834,997)</u>	<u>(5,142,286)</u>	<u>-</u>	<u>(95,977,283)</u>
Total capital assets being depreciated, net	<u>112,124,169</u>	<u>(2,772,470)</u>	<u>-</u>	<u>109,351,699</u>
Total capital assets, net	<u>\$ 159,056,025</u>	<u>\$ 7,517,498</u>	<u>\$ (2,623,707)</u>	<u>\$ 163,949,816</u>

Depreciation expense was charged to functions as follows:

General government	\$ 46,441
Public safety	6,351
Public works	5,087,662
Community services	<u>1,832</u>
	<u>\$ 5,142,286</u>

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

6. LONG-TERM LIABILITIES:

A summary of changes in long-term liabilities for the year ended June 30, 2013 was as follows:

	Beginning Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2013</u>	Due in One Year
Capital lease payable - Goleta					
Valley Community Center	\$ 105,040	\$ -	\$ (83,033)	\$ 22,007	\$ 22,007
Claims and judgments payable	369,878	43,373	(306,878)	106,373	10,637
Compensated absences	<u>343,855</u>	<u>228,358</u>	<u>(233,181)</u>	<u>339,032</u>	<u>67,807</u>
Total long-term liabilities	<u>\$ 818,773</u>	<u>\$ 271,731</u>	<u>\$ (623,092)</u>	<u>\$ 467,412</u>	<u>\$ 100,451</u>

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

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

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, 2013 was \$22,007.

The annual requirement to amortize the Goleta Valley Community Center capital lease payable as of June 30, 2013 is as follows:

<u>Fiscal Year</u>	<u>Payment Due October 1*</u>
2014	<u>\$ 22,007</u>

\* - Payment amounts represent principal only. Interest varies depending on average quarterly interest rate earned by the County of Santa Barbara. Interest rate at June 30, 2013 was 0.317.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

6. LONG-TERM LIABILITIES (CONTINUED):

**Claims and Judgments Payable:**

When it is probable that a claim liability has been incurred at year end, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self insurance program (see Note 10). Claims and judgments payable are typically liquidated from the General Fund. The amount outstanding as of June 30, 2013 was \$106,373.

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

**Compensated Absences:**

The City's policies relating to compensated absences are described in Note 1j. The liability in the amount of \$339,032 at June 30, 2013 is expected to be paid in future years from future resources. Compensated absences have typically been liquidated from the General Fund.

7. COMMITMENTS:

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

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

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

8. OTHER COMMITMENTS:

**Encumbrances:**

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

Encumbrances as of June 30, 2013 were:

General Fund	\$ 5,985,797
GTIP Special Revenue Fund	584,379
Other Governmental Funds	<u>3,526,685</u>
Total Encumbrances	<u>\$ 10,096,861</u>

9. RETIREMENT PLAN:

**Plan Description:**

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

**Funding Policy:**

Active plan members in the Plan are required to contribute 7% of their annual covered salary. For classic employees (employees hired before January 1, 2013 or employees hired after January 1, 2013 and have been in the PERS System), the City pays the 3.5% employee contribution on behalf of the employees. For new members (employees hired after January 1, 2013 and are new entrants to the PERS System or have been out of the PERS System for more than six months), employees pay the 6.25% contribution. The City is required to contribute the actuarially determined amounts. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2013 was 10.532% and 6.25%, for classic employees and new members, respectively.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

9. RETIREMENT PLAN (CONTINUED):

**Funding Policy (Continued):**

For 2013, the City’s annual pension cost of \$465,445 for PERS was equal to the City’s required contributions. The required contribution was determined as part of the June 30, 2010, actuarial valuation using the entry age normal actuarial cost method.

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

Fiscal Year	Annual Pension Cost (APC)	Percentage APC Contributed	Net Pension Obligation
6/30/11	\$ 377,588	100%	\$ -
6/30/12	451,212	100%	-
6/30/13	465,445	100%	-

10. RISK MANAGEMENT:

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors which operates through a 9-member Executive Committee.

**Self-Insurance Programs of Authority:**

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

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

See accompanying independent auditors’ report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

10. RISK MANAGEMENT (CONTINUED):

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

Liability

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

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 \$25 million per occurrence. This \$25 million subsidence sub limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate.

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

10. RISK MANAGEMENT (CONTINUED):

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

Workers' Compensation Coverage

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

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

**Purchased Insurance:**

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

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

10. RISK MANAGEMENT (CONTINUED):

**Purchased Insurance (Continued):**

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

Fiscal Year	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Payments	Ending Balance
2010-2011	\$ 995,192	\$ (385,353)	\$ (136,009)	\$ 473,830
2011-2012	473,830	53,635	(157,587)	369,878
2012-2013	369,878	43,373	(306,878)	106,373

**Adequacy of Protection:**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2012-13.

11. OPERATING LEASES:

On January 20, 2004, the City entered into an operating lease agreement to rent its current office suite. On October 31, 2006, the office lease was amended and provided for monthly rent of \$27,843 in addition to common area maintenance costs. The lease was amended a second time on March 8, 2010 providing for monthly rent starting at \$27,120 per month in addition to common area maintenance costs. On January 23, 2013, the lease was amended a third time to add expansion space starting February 1, 2013 with monthly rent starting at \$5,085 per month in addition to common area maintenance costs and the basic rent stated in the second amendment. The lease term for the expansion space is 36 months. The City has the option to renew the lease upon termination at December 31, 2019. The City has the right to early termination of the lease on or after June 30, 2013. Rental costs for the year ended June 30, 2013 were \$369,986.

See accompanying independent auditors' report.



CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

11. OPERATING LEASES (CONTINUED):

Minimum future rental payments under the operating leases as of June 30, 2013 are as follows (amounts do not include common area maintenance costs):

Fiscal Year <u>Ending</u>	Office <u>Suite</u>
2014	\$ 420,582
2015	430,620
2016	414,501
2017	392,435
2018	398,871
2019 - 2020	<u>623,030</u>
	<u>\$ 2,680,039</u>

12. CONTINGENT LIABILITIES:

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

13. 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.

See accompanying independent auditors’ report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED):

During fiscal year 2013, 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 six 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.

14. FUND BALANCE CLASSIFICATIONS:

Detail to committed fund balance classifications at June 30, 2013 are as follow:

<u>General Fund</u>		
Committed to:		
Contingency	\$	5,560,000
Capital equipment		226,500
Compensated leave		159,205
Building maintenance		100,000
Insurance risk management		68,290
City hall acquisition		510,000
Old Town CIP		4,719,827
Litigation defense		300,000
Streets reserve		288,000
Capital equipment reserve		9,455
Encumbrance		<u>749,612</u>
	\$	<u>12,690,889</u>

15. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES:

**Expenditures in Excess of Appropriations:**

The following funds reported expenditures in excess of appropriations at June 30, 2013:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other Governmental Funds:			
Street Lighting Special Revenue Fund	\$ 98,200	\$ 98,522	\$ (322)

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

15. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED):

**Deficit Fund Balances:**

The following funds reported deficit fund balances at June 30, 2013:

Major Funds:

SLPP Special Revenue Fund	\$	335,000
Federal Transportation Program Special Revenue Fund		278,129

Other Governmental Funds:

OTS Public Safety Special Revenue Fund		22,403
BPMP Bridge Prev. Maintenance Special Revenue Fund		9,973

16. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES:

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

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

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

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

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

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

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

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

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

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

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

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

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

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

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

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

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

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

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

17. SUCCESSOR AGENCY DISCLOSURES:

**Land:**

At June 30, 2013, the Successor Agency has Land in the amount of \$1,122,649.

**Long-term Liabilities:**

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

The debt of the Successor Agency as of June 30, 2013 is as follows:

	Beginning Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2013</u>	Due in One Year
Tax Allocation Bonds	\$ 15,665,000	\$ -	\$ (140,000)	\$ 15,525,000	\$ 145,000
Less deferred amount:					
Discount on bonds issued	<u>(243,940)</u>	<u>-</u>	<u>7,740</u>	<u>(236,200)</u>	<u>-</u>
Total long-term liabilities	<u>\$ 15,421,060</u>	<u>\$ -</u>	<u>\$ (132,260)</u>	<u>\$ 15,288,800</u>	<u>\$ 145,000</u>

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

17. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

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

Allocation Bonds 2011

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

The annual requirements to amortize the Tax Allocation Bonds outstanding as of June 30, 2013, are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 145,000	\$ 1,191,038	\$ 1,336,038
2015	150,000	1,184,763	1,334,763
2016	155,000	1,177,319	1,332,319
2017	165,000	1,168,713	1,333,713
2018	175,000	1,159,144	1,334,144
2019-2023	1,040,000	5,613,556	6,653,556
2024-2028	1,470,000	5,165,200	6,635,200
2029-2033	2,120,000	4,482,675	6,602,675
2034-2038	3,105,000	3,459,000	6,564,000
2039-2043	4,570,000	1,942,000	6,512,000
2044	<u>2,430,000</u>	<u>148,600</u>	<u>2,578,600</u>
	15,525,000	26,692,008	42,217,008
Less deferred amounts:			
Discount on bonds issued	<u>(236,200)</u>	<u>-</u>	<u>(236,200)</u>
	<u>\$ 15,288,800</u>	<u>\$ 26,692,008</u>	<u>\$ 41,980,808</u>

See accompanying independent auditors' report.

CITY OF GOLETA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the year ended June 30, 2013

18. RISKS AND UNCERTAINTIES:

**Grants:**

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

19. RESTATEMENT OF NET POSITION:

Note 1d describes the GASB pronouncements the City is adopting for this and the prior fiscal years. There is a financial impact for the adoption of GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*". Implementation of GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*", reclassifies certain assets and liabilities to deferred inflows and outflows.

The implementation of GASB Statement No. 65 recognizes cost of issuance and is applied retroactively by restating financial statements, if practical for all periods presented. The implementation of GASB No. 65 resulted in reducing net position of the Successor Agency Private-Purpose-Trust-Fund in the amount of \$373,888 as of July 1, 2012, to remove bond issue costs reported as deferred costs.

In addition, the net position of governmental activities was reduced by \$13,124,303 to \$189,076,448 to remove assets that do not belong to the City.

20. SUBSEQUENT EVENTS:

Events occurring after June 30, 2013 have been evaluated for possible adjustments to the financial statements or disclosure as of December 5, 2013, which is the date these financial statements were available to be issued.

See accompanying independent auditors' report.



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## REQUIRED SUPPLEMENTARY INFORMATION

### GENERAL FUND

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

### SPECIAL REVENUE FUNDS

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

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

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

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

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

CITY OF GOLETA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes	\$ 15,531,626	\$ 17,963,350	\$ 17,854,056	\$ (109,294)
Intergovernmental	95,000	16,000	15,942	(58)
Charges for services	1,159,500	1,502,400	1,614,101	111,701
Fines and forfeitures	250,400	141,000	171,132	30,132
Investment income	259,500	172,500	183,296	10,796
Other	333,400	725,875	872,273	146,398
TOTAL REVENUES	<u>17,629,426</u>	<u>20,521,125</u>	<u>20,710,800</u>	<u>189,675</u>
EXPENDITURES:				
Current:				
General government	6,002,460	5,083,808	4,875,271	208,537
Public safety	6,864,360	7,069,429	7,033,792	35,637
Public works	2,089,550	3,451,074	2,400,297	1,050,777
Community services	2,699,911	3,287,069	3,007,547	279,522
Capital outlay	-	10,964,274	5,794,409	5,169,865
Debt service:				
Principal	84,000	84,000	83,033	967
Interest	-	-	260	(260)
TOTAL EXPENDITURES	<u>17,740,281</u>	<u>29,939,654</u>	<u>23,194,609</u>	<u>6,745,045</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(110,855)</u>	<u>(9,418,529)</u>	<u>(2,483,809)</u>	<u>6,934,720</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>110,855</u>	<u>-</u>	<u>37,052</u>	<u>37,052</u>
TOTAL OTHER FINANCIANG SOURCES	<u>110,855</u>	<u>-</u>	<u>37,052</u>	<u>37,052</u>
NET CHANGE IN FUND BALANCE	-	(9,418,529)	(2,446,757)	6,971,772
FUND BALANCE - BEGINNING OF YEAR	<u>17,957,233</u>	<u>17,957,233</u>	<u>17,957,233</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 17,957,233</u>	<u>\$ 8,538,704</u>	<u>\$ 15,510,476</u>	<u>\$ 6,971,772</u>

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

CITY OF GOLETA

BUDGETARY COMPARISON SCHEDULE  
GTIP SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 5,800	\$ 5,800
Investment income	1,301	41,301	36,993	(4,308)
Developer fees	-	283,875	379,147	95,272
<b>TOTAL REVENUES</b>	<b>1,301</b>	<b>325,176</b>	<b>421,940</b>	<b>96,764</b>
EXPENDITURES:				
Current:				
Public works	-	88,643	65,694	22,949
Capital outlay	127,500	3,718,345	2,282,472	1,435,873
<b>TOTAL EXPENDITURES</b>	<b>127,500</b>	<b>3,806,988</b>	<b>2,348,166</b>	<b>1,458,822</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(126,199)</b>	<b>(3,481,812)</b>	<b>(1,926,226)</b>	<b>1,555,586</b>
FUND BALANCE - BEGINNING OF YEAR	4,660,078	4,660,078	4,660,078	-
FUND BALANCE - END OF YEAR	<u>\$ 4,533,879</u>	<u>\$ 1,178,266</u>	<u>\$ 2,733,852</u>	<u>\$ 1,555,586</u>

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

CITY OF GOLETA

BUDGETARY COMPARISON SCHEDULE

LOCAL STIP SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 490,000	\$ 4,559,356	\$ 688,056	\$ (3,871,300)
TOTAL REVENUES	490,000	4,559,356	688,056	(3,871,300)
EXPENDITURES:				
Capital outlay	490,000	4,538,344	667,044	3,871,300
TOTAL EXPENDITURES	490,000	4,538,344	667,044	3,871,300
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	21,012	21,012	-
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(21,012)	(21,012)	(21,012)	-
FUND BALANCE - END OF YEAR	\$ (21,012)	\$ -	\$ -	\$ -

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

CITY OF GOLETA

BUDGETARY COMPARISON SCHEDULE

SLPP SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 335,000	\$ -	\$ (335,000)
TOTAL REVENUES	-	335,000	-	(335,000)
EXPENDITURES:				
Capital outlay	-	335,000	335,000	-
TOTAL EXPENDITURES	-	335,000	335,000	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(335,000)	(335,000)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ -	\$ (335,000)	\$ (335,000)

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

CITY OF GOLETA

BUDGETARY COMPARISON SCHEDULE

FEDERAL TRANSPORTATION PROGRAM SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 4,264,100	\$ 5,794,344	\$ 372,851	\$ (5,421,493)
TOTAL REVENUES	<u>4,264,100</u>	<u>5,794,344</u>	<u>372,851</u>	<u>(5,421,493)</u>
EXPENDITURES:				
Capital outlay	<u>4,264,100</u>	<u>5,522,012</u>	<u>378,648</u>	<u>5,143,364</u>
TOTAL EXPENDITURES	<u>4,264,100</u>	<u>5,522,012</u>	<u>378,648</u>	<u>5,143,364</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	272,332	(5,797)	(278,129)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(272,332)</u>	<u>(272,332)</u>	<u>(272,332)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (272,332)</u>	<u>\$ -</u>	<u>\$ (278,129)</u>	<u>\$ (278,129)</u>

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

CITY OF GOLETA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2013

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: Fire Development Impact Fees, State Park Grant, and Fishery Restoration Grant Special Revenue Funds.

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

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



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## OTHER GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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OTHER GOVERNMENTAL FUNDS  
(CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

Fishery Restoration Grant - This fund is used to account for federal grants for fishery restoration 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.

CITY OF GOLETA

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS

June 30, 2013

	Special Revenue Funds				
	Gas Tax	Transportation	Measure A	Measure A Grants	Solid Waste Program
<b>ASSETS</b>					
Cash and investments	\$ 195,188	\$ 233,072	\$ 1,459,561	\$ -	\$ 794,418
Receivables:					
Accounts	-	1,078	-	12,520	49,598
Interest	7	9	62	-	31
Due from other governments	62,329	-	214,975	-	-
Due from other funds	-	-	5,772	-	-
Prepaid items	132	-	-	-	53
<b>TOTAL ASSETS</b>	<b>\$ 257,656</b>	<b>\$ 234,159</b>	<b>\$ 1,680,370</b>	<b>\$ 12,520</b>	<b>\$ 844,100</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 40,019	\$ -	\$ 114,113	\$ 6,748	\$ 19,178
Accrued salaries and benefits	11,652	-	-	-	3,902
Due to other funds	-	-	-	5,772	-
Deposits payable	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>51,671</b>	<b>-</b>	<b>114,113</b>	<b>12,520</b>	<b>23,080</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - grants	-	-	-	12,520	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,520</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS):</b>					
<b>Nonspendable:</b>					
Prepaid items	132	-	-	-	53
<b>Restricted:</b>					
Public works	205,853	234,159	1,566,257	-	820,967
Community development	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(12,520)	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>205,985</b>	<b>234,159</b>	<b>1,566,257</b>	<b>(12,520)</b>	<b>821,020</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 257,656</b>	<b>\$ 234,159</b>	<b>\$ 1,680,370</b>	<b>\$ 12,520</b>	<b>\$ 844,100</b>

See accompanying independent auditors' report.

Special Revenue Funds (Continued)

Park Development Impact Fees (DIF)	Public Administration Facilities DIF	Library Facilities DIF	Sheriff Facilities DIF	Housing In-Lieu	Environmental Programs	Fire DIF
\$ 2,846,234	\$ 97,222	\$ 97,413	\$ 431,344	\$ 1,289,087	\$ 312,618	\$ 1,620,119
319	-	-	-	-	-	-
111	5	4	17	50	13	63
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,846,664</u>	<u>\$ 97,227</u>	<u>\$ 97,417</u>	<u>\$ 431,361</u>	<u>\$ 1,289,137</u>	<u>\$ 312,631</u>	<u>\$ 1,620,182</u>
\$ 18,600	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>18,600</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,828,064	97,227	47,417	431,361	-	-	1,620,182
-	-	-	-	1,289,137	312,631	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,828,064</u>	<u>97,227</u>	<u>47,417</u>	<u>431,361</u>	<u>1,289,137</u>	<u>312,631</u>	<u>1,620,182</u>
<u>\$ 2,846,664</u>	<u>\$ 97,227</u>	<u>\$ 97,417</u>	<u>\$ 431,361</u>	<u>\$ 1,289,137</u>	<u>\$ 312,631</u>	<u>\$ 1,620,182</u>

(Continued)

CITY OF GOLETA

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
(CONTINUED)

June 30, 2013

	Special Revenue Funds			
	State Park Grant	Public Safety	Solid Waste Recycling	RSTP State Grant
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 16,690	\$ 141,121
Receivables:				
Accounts	-	39,268	8,306	3,787
Interest	-	-	1	5
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 39,268</b>	<b>\$ 24,997</b>	<b>\$ 144,913</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	39,268	-	-
Deposits payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>39,268</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - grants	-	-	-	3,787
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,787</b>
<b>FUND BALANCES (DEFICITS):</b>				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted:				
Public works	-	-	24,997	141,126
Community development	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>-</b>	<b>24,997</b>	<b>141,126</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 39,268</b>	<b>\$ 24,997</b>	<b>\$ 144,913</b>

See accompanying independent auditors' report.

Special Revenue Funds (Continued)

Local LSTP	Miscellaneous Grants	CDBG	OTS Public Safety	STE Grant	Fishery Restoration Grant	BPMP Bridge Prev. Maintenance
\$ -	\$ 8,920	\$ -	\$ -	\$ -	\$ -	\$ -
91,048	-	-	22,403	-	-	9,973
-	-	-	-	-	-	-
-	134,487	59,548	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 91,048</u>	<u>\$ 143,407</u>	<u>\$ 59,548</u>	<u>\$ 22,403</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,973</u>
\$ -	\$ 133,107	\$ 39,039	\$ 8,323	\$ -	\$ -	\$ 354
-	-	-	-	-	-	-
91,048	-	20,509	14,080	-	-	9,619
-	-	-	-	-	-	-
<u>91,048</u>	<u>133,107</u>	<u>59,548</u>	<u>22,403</u>	<u>-</u>	<u>-</u>	<u>9,973</u>
-	1,341	-	22,403	-	-	9,973
-	1,341	-	22,403	-	-	9,973
-	-	-	-	-	-	-
-	8,959	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(22,403)	-	-	(9,973)
-	8,959	-	(22,403)	-	-	(9,973)
<u>\$ 91,048</u>	<u>\$ 143,407</u>	<u>\$ 59,548</u>	<u>\$ 22,403</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,973</u>

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CITY OF GOLETA

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
(CONTINUED)

June 30, 2013

	Special Revenue Funds (Continued)			Total Other Governmental Funds
	Library Services	Street Lighting	Comstock Plover Endowment	
<b>ASSETS</b>				
Cash and investments	\$ 4,592	\$ -	\$ 151,928	\$ 9,699,527
Receivables:				
Accounts	-	-	-	238,300
Interest	6	-	6	390
Due from other governments	-	-	-	471,339
Due from other funds	-	-	-	5,772
Prepaid items	-	-	-	185
<b>TOTAL ASSETS</b>	<u>\$ 4,598</u>	<u>\$ -</u>	<u>\$ 151,934</u>	<u>\$ 10,415,513</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ -	\$ 1,434	\$ 430,915
Accrued salaries and benefits	-	-	-	15,554
Due to other funds	-	-	-	180,296
Deposits payable	-	-	150,500	150,500
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>151,934</u>	<u>777,265</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - grants	-	-	-	50,024
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,024</u>
<b>FUND BALANCES (DEFICITS):</b>				
Nonspendable:				
Prepaid items	-	-	-	185
Restricted:				
Public works	-	-	-	8,026,569
Community development	4,598	-	-	1,606,366
Assigned	-	-	-	-
Unassigned	-	-	-	(44,896)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>4,598</u>	<u>-</u>	<u>-</u>	<u>9,588,224</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 4,598</u>	<u>\$ -</u>	<u>\$ 151,934</u>	<u>\$ 10,415,513</u>

See accompanying independent auditors' report.

CITY OF GOLETA

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

For the year ended June 30, 2013

	Special Revenue Funds				
	Gas Tax	Transportation	Measure A	Measure A Grants	Solid Waste Program
REVENUES:					
Taxes	\$ -	\$ -	\$ 1,343,048	\$ -	\$ -
Intergovernmental	691,889	20,563	36,577	-	-
Charges for services	-	-	-	-	481,779
Investment income	3,296	-	16,818	-	7,447
Developer fees	-	2,135	-	-	-
<b>TOTAL REVENUES</b>	<b>695,185</b>	<b>22,698</b>	<b>1,396,443</b>	<b>-</b>	<b>489,226</b>
EXPENDITURES:					
Current:					
Public safety	-	-	-	-	-
Public works	1,590,293	-	1,389,814	12,520	426,146
Community development	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	3,261	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,590,293</b>	<b>3,261</b>	<b>1,389,814</b>	<b>12,520</b>	<b>426,146</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(895,108)</b>	<b>19,437</b>	<b>6,629</b>	<b>(12,520)</b>	<b>63,080</b>
OTHER FINANCING USES:					
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(895,108)</b>	<b>19,437</b>	<b>6,629</b>	<b>(12,520)</b>	<b>63,080</b>
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	1,101,093	214,722	1,559,628	-	757,940
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 205,985</u>	<u>\$ 234,159</u>	<u>\$ 1,566,257</u>	<u>\$ (12,520)</u>	<u>\$ 821,020</u>

See accompanying independent auditors' report.

Special Revenue Funds (Continued)

Park Development Impact Fees (DIF)	Public Administration Facilities DIF	Library Facilities DIF	Sheriff Facilities DIF	Housing In-Lieu	Environmental Programs	Fire DIF
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
22,868	1,061	874	3,997	11,902	3,274	6,738
1,156,540	93,386	21,089	40,204	273,933	-	1,500,000
<u>1,179,408</u>	<u>94,447</u>	<u>21,963</u>	<u>44,201</u>	<u>285,835</u>	<u>3,274</u>	<u>1,506,738</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
75	-	-	-	-	-	-
-	-	50,000	-	-	-	-
430,444	702,592	-	-	-	64,140	-
<u>430,519</u>	<u>702,592</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>64,140</u>	<u>-</u>
748,889	(608,145)	(28,037)	44,201	285,835	(60,866)	1,506,738
-	-	-	-	-	-	-
-	-	-	-	-	-	-
748,889	(608,145)	(28,037)	44,201	285,835	(60,866)	1,506,738
2,079,175	705,372	75,454	387,160	1,003,302	373,497	113,444
<u>\$ 2,828,064</u>	<u>\$ 97,227</u>	<u>\$ 47,417</u>	<u>\$ 431,361</u>	<u>\$ 1,289,137</u>	<u>\$ 312,631</u>	<u>\$ 1,620,182</u>

(Continued)

CITY OF GOLETA

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

For the year ended June 30, 2013

	Special Revenue Funds			
	State Park Grant	Public Safety	Solid Waste Recycling	RSTP State Grant
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	56,135	100,000	8,306	427,870
Charges for services	-	-	-	-
Investment income	-	-	183	542
Developer fees	-	-	-	-
<b>TOTAL REVENUES</b>	<b>56,135</b>	<b>100,000</b>	<b>8,489</b>	<b>428,412</b>
EXPENDITURES:				
Current:				
Public safety	-	100,000	-	-
Public works	-	-	6,297	-
Community development	-	-	-	-
Community services	-	-	-	-
Capital outlay	55,754	-	-	371,683
<b>TOTAL EXPENDITURES</b>	<b>55,754</b>	<b>100,000</b>	<b>6,297</b>	<b>371,683</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>381</b>	<b>-</b>	<b>2,192</b>	<b>56,729</b>
OTHER FINANCING USES:				
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>381</b>	<b>-</b>	<b>2,192</b>	<b>56,729</b>
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	(381)	-	22,805	84,397
FUND BALANCES (DEFICITS) - END OF YEAR	\$ -	\$ -	\$ 24,997	\$ 141,126

See accompanying independent auditors' report.

Special Revenue Funds (Continued)

Local LSTP	Miscellaneous Grants	CDBG	OTS Public Safety	STE Grant	Fishery Restoration Grant	BPMP Bridge Prev. Maintenance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
205,377	1,746,470	387,172	61,294	23,311	750,000	26,812
-	-	-	-	-	-	-
-	64	-	-	-	-	-
-	-	-	-	-	-	-
<u>205,377</u>	<u>1,746,534</u>	<u>387,172</u>	<u>61,294</u>	<u>23,311</u>	<u>750,000</u>	<u>26,812</u>
-	-	-	53,293	-	-	-
91,049	-	-	-	-	-	-
-	-	30,425	-	-	-	-
-	140,325	-	-	-	-	-
-	<u>1,531,382</u>	<u>319,695</u>	<u>-</u>	<u>13,415</u>	<u>750,000</u>	<u>23,420</u>
<u>91,049</u>	<u>1,671,707</u>	<u>350,120</u>	<u>53,293</u>	<u>13,415</u>	<u>750,000</u>	<u>23,420</u>
<u>114,328</u>	<u>74,827</u>	<u>37,052</u>	<u>8,001</u>	<u>9,896</u>	<u>-</u>	<u>3,392</u>
-	-	(37,052)	-	-	-	-
-	-	(37,052)	-	-	-	-
114,328	74,827	-	8,001	9,896	-	3,392
<u>(114,328)</u>	<u>(65,868)</u>	<u>-</u>	<u>(30,404)</u>	<u>(9,896)</u>	<u>-</u>	<u>(13,365)</u>
<u>\$ -</u>	<u>\$ 8,959</u>	<u>\$ -</u>	<u>\$ (22,403)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,973)</u>

(Continued)

CITY OF GOLETA

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

For the year ended June 30, 2013

	Revenue			Total Other Governmental Funds
	Library Services	Street Lighting	Comstock Plover Endowment	
REVENUES:				
Taxes	\$ 247,244	\$ 98,499	\$ -	\$ 1,688,791
Intergovernmental	-	-	-	4,541,776
Charges for services	-	-	-	481,779
Investment income	841	23	1,434	81,362
Developer fees	-	-	-	3,087,287
<b>TOTAL REVENUES</b>	<b>248,085</b>	<b>98,522</b>	<b>1,434</b>	<b>9,880,995</b>
EXPENDITURES:				
Current:				
Public safety	-	-	-	153,293
Public works	-	98,522	-	3,614,641
Community development	-	-	2,865	33,365
Community services	243,499	-	-	433,824
Capital outlay	-	-	-	4,265,786
<b>TOTAL EXPENDITURES</b>	<b>243,499</b>	<b>98,522</b>	<b>2,865</b>	<b>8,500,909</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>4,586</b>	<b>-</b>	<b>(1,431)</b>	<b>1,380,086</b>
OTHER FINANCING USES:				
Transfers out	-	-	-	(37,052)
<b>TOTAL OTHER FINANCING USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(37,052)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>4,586</b>	<b>-</b>	<b>(1,431)</b>	<b>1,343,034</b>
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	12	-	1,431	8,245,190
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 4,598	\$ -	\$ -	\$ 9,588,224

See accompanying independent auditors' report.

CITY OF GOLETA

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

GAS TAX SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 850,279	\$ 671,279	\$ 691,889	\$ 20,610
Investment income		10,000	3,296	(6,704)
TOTAL REVENUES	<u>850,279</u>	<u>681,279</u>	<u>695,185</u>	<u>13,906</u>
EXPENDITURES:				
Current:				
Public works	<u>846,239</u>	<u>1,642,243</u>	<u>1,590,293</u>	<u>51,950</u>
TOTAL EXPENDITURES	<u>846,239</u>	<u>1,642,243</u>	<u>1,590,293</u>	<u>51,950</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,040	(960,964)	(895,108)	65,856
FUND BALANCE - BEGINNING OF YEAR	<u>1,101,093</u>	<u>1,101,093</u>	<u>1,101,093</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 1,105,133</u>	<u>\$ 140,129</u>	<u>\$ 205,985</u>	<u>\$ 65,856</u>

See accompanying independent auditors' report.



CITY OF GOLETA

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

TRANSPORTATION SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 20,563	\$ 20,563	\$ -
Developer fees	5,000	2,000	2,135	135
TOTAL REVENUES	5,000	22,563	22,698	135
EXPENDITURES:				
Capital outlay	-	30,000	3,261	26,739
TOTAL EXPENDITURES	-	30,000	3,261	26,739
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,000	(7,437)	19,437	26,874
FUND BALANCE - BEGINNING OF YEAR	214,722	214,722	214,722	-
FUND BALANCE - END OF YEAR	\$ 219,722	\$ 207,285	\$ 234,159	\$ 26,874

See accompanying independent auditors' report.

CITY OF GOLETA

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

MEASURE A SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,054,000	\$ 1,304,000	\$ 1,343,048	\$ 39,048
Intergovernmental	-	36,577	36,577	-
Investment income	-	15,000	16,818	1,818
TOTAL REVENUES	<u>1,054,000</u>	<u>1,355,577</u>	<u>1,396,443</u>	<u>40,866</u>
EXPENDITURES:				
Current:				
Public works	<u>974,000</u>	<u>1,758,774</u>	<u>1,389,814</u>	<u>368,960</u>
TOTAL EXPENDITURES	<u>974,000</u>	<u>1,758,774</u>	<u>1,389,814</u>	<u>368,960</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	80,000	(403,197)	6,629	409,826
FUND BALANCE - BEGINNING OF YEAR	<u>1,559,628</u>	<u>1,559,628</u>	<u>1,559,628</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,639,628</u>	<u>\$ 1,156,431</u>	<u>\$ 1,566,257</u>	<u>\$ 409,826</u>

See accompanying independent auditors' report.

CITY OF GOLETA

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

MEASURE A GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 187,272	\$ -	\$ (187,272)
EXPENDITURES:				
Current:				
Public works	-	187,272	12,520	174,752
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(12,520)	(12,520)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ (12,520)	\$ (12,520)

See accompanying independent auditors' report.

CITY OF GOLETA

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

SOLID WASTE PROGRAM SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 480,000	\$ 457,000	\$ 481,779	\$ 24,779
Investment income	-	7,600	7,447	(153)
<b>TOTAL REVENUES</b>	<b>480,000</b>	<b>464,600</b>	<b>489,226</b>	<b>24,626</b>
EXPENDITURES:				
Current:				
Public works	581,313	539,767	426,146	113,621
<b>TOTAL EXPENDITURES</b>	<b>581,313</b>	<b>539,767</b>	<b>426,146</b>	<b>113,621</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(101,313)</b>	<b>(75,167)</b>	<b>63,080</b>	<b>138,247</b>
FUND BALANCE - BEGINNING OF YEAR	757,940	757,940	757,940	-
FUND BALANCE - END OF YEAR	\$ 656,627	\$ 682,773	\$ 821,020	\$ 138,247

See accompanying independent auditors' report.

CITY OF GOLETA

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

PARK DEVELOPMENT IMPACT FEES SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 11,356	\$ 11,356	\$ 22,868	\$ 11,512
Developer fees	-	-	1,156,540	1,156,540
TOTAL REVENUES	11,356	11,356	1,179,408	1,168,052
EXPENDITURES:				
Current:				
Community development	-	250,000	75	249,925
Capital outlay	-	646,429	430,444	215,985
TOTAL EXPENDITURES	-	896,429	430,519	465,910
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	11,356	(885,073)	748,889	1,633,962
FUND BALANCE - BEGINNING OF YEAR	2,079,175	2,079,175	2,079,175	-
FUND BALANCE - END OF YEAR	\$ 2,090,531	\$ 1,194,102	\$ 2,828,064	\$ 1,633,962

See accompanying independent auditors' report.

CITY OF GOLETA

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

PUBLIC ADMINISTRATION FACILITIES DEVELOPMENT IMPACT FEES SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 6,426	\$ 6,426	\$ 1,061	\$ (5,365)
Developer fees	-	-	93,386	93,386
TOTAL REVENUES	6,426	6,426	94,447	88,021
EXPENDITURES:				
Capital outlay	-	782,294	702,592	79,702
TOTAL EXPENDITURES	-	782,294	702,592	79,702
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,426	(775,868)	(608,145)	167,723
FUND BALANCE - BEGINNING OF YEAR	705,372	705,372	705,372	-
FUND BALANCE - END OF YEAR	\$ 711,798	\$ (70,496)	\$ 97,227	\$ 167,723

See accompanying independent auditors' report.

CITY OF GOLETA

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

LIBRARY FACILITIES DEVELOPMENT IMPACT FEES SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 200	\$ 200	\$ 874	\$ 674
Developer fees	-	-	21,089	21,089
TOTAL REVENUES	200	200	21,963	21,763
EXPENDITURES:				
Current:				
Community services	-	51,776	50,000	1,776
TOTAL EXPENDITURES	-	51,776	50,000	1,776
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	200	(51,576)	(28,037)	23,539
FUND BALANCE - BEGINNING OF YEAR	75,454	75,454	75,454	-
FUND BALANCE - END OF YEAR	\$ 75,654	\$ 23,878	\$ 47,417	\$ 23,539

See accompanying independent auditors' report.

CITY OF GOLETA

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

SHERIFF FACILITIES DEVELOPMENT IMPACT FEES SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 3,321	\$ 3,321	\$ 3,997	\$ 676
Developer fees	-	-	40,204	40,204
TOTAL REVENUES	<u>3,321</u>	<u>3,321</u>	<u>44,201</u>	<u>40,880</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,321	3,321	44,201	40,880
FUND BALANCE - BEGINNING OF YEAR	<u>387,160</u>	<u>387,160</u>	<u>387,160</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 390,481</u>	<u>\$ 390,481</u>	<u>\$ 431,361</u>	<u>\$ 40,880</u>

See accompanying independent auditors' report.



CITY OF GOLETA

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

HOUSING IN-LIEU SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 1,073	\$ 1,073	\$ 11,902	\$ 10,829
Developer fees	-	-	273,933	273,933
TOTAL REVENUES	1,073	1,073	285,835	284,762
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,073	1,073	285,835	284,762
FUND BALANCE - BEGINNING OF YEAR	1,003,302	1,003,302	1,003,302	-
FUND BALANCE - END OF YEAR	\$ 1,004,375	\$ 1,004,375	\$ 1,289,137	\$ 284,762

See accompanying independent auditors' report.

CITY OF GOLETA

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

ENVIORNMENTAL PROGRAMS SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 1,778	\$ 1,778	\$ 3,274	\$ 1,496
TOTAL REVENUES	<u>1,778</u>	<u>1,778</u>	<u>3,274</u>	<u>1,496</u>
EXPENDITURES:				
Capital outlay	<u>49,000</u>	<u>189,101</u>	<u>64,140</u>	<u>124,961</u>
TOTAL EXPENDITURES	<u>49,000</u>	<u>189,101</u>	<u>64,140</u>	<u>124,961</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(47,222)	(187,323)	(60,866)	126,457
FUND BALANCE - BEGINNING OF YEAR	<u>373,497</u>	<u>373,497</u>	<u>373,497</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 326,275</u>	<u>\$ 186,174</u>	<u>\$ 312,631</u>	<u>\$ 126,457</u>

See accompanying independent auditors' report.

CITY OF GOLETA

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

PUBLIC SAFETY SPECIAL REVENUE FUND

For the year ended June 30, 2013

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

See accompanying independent auditors' report.

CITY OF GOLETA

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

SOLID WASTE RECYCLING SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 8,306	\$ 306
Investment income	100	100	183	83
TOTAL REVENUES	8,100	8,100	8,489	389
EXPENDITURES:				
Current:				
Public works	8,200	22,004	6,297	15,707
TOTAL EXPENDITURES	8,200	22,004	6,297	15,707
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(100)	(13,904)	2,192	16,096
FUND BALANCE - BEGINNING OF YEAR	22,805	22,805	22,805	-
FUND BALANCE - END OF YEAR	\$ 22,705	\$ 8,901	\$ 24,997	\$ 16,096

See accompanying independent auditors' report.

CITY OF GOLETA

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

RSTP STATE GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 270,680	\$ 534,596	\$ 427,870	\$ (106,726)
Investment income	-	-	542	542
TOTAL REVENUES	<u>270,680</u>	<u>534,596</u>	<u>428,412</u>	<u>(106,184)</u>
EXPENDITURES:				
Capital outlay	<u>270,680</u>	<u>660,914</u>	<u>371,683</u>	<u>289,231</u>
TOTAL EXPENDITURES	<u>270,680</u>	<u>660,914</u>	<u>371,683</u>	<u>289,231</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(126,318)	56,729	183,047
FUND BALANCE - BEGINNING OF YEAR	<u>84,397</u>	<u>84,397</u>	<u>84,397</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 84,397</u>	<u>\$ (41,921)</u>	<u>\$ 141,126</u>	<u>\$ 183,047</u>

See accompanying independent auditors' report.

CITY OF GOLETA

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

LOCAL LSTP SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 346,440	\$ 205,377	\$ (141,063)
TOTAL REVENUES	-	346,440	205,377	(141,063)
EXPENDITURES:				
Current:				
Public works	-	232,112	91,049	141,063
TOTAL EXPENDITURES	-	232,112	91,049	141,063
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	114,328	114,328	-
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(114,328)	(114,328)	(114,328)	-
FUND BALANCE - END OF YEAR	\$ (114,328)	\$ -	\$ -	\$ -

See accompanying independent auditors' report.

CITY OF GOLETA

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

MISCELLANEOUS GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 3,000,000	\$ 3,830,860	\$ 1,746,470	\$ (2,084,390)
Investment income	-	-	64	64
TOTAL REVENUES	<u>3,000,000</u>	<u>3,830,860</u>	<u>1,746,534</u>	<u>(2,084,326)</u>
EXPENDITURES:				
Current:				
Community services	-	209,164	140,325	68,839
Capital outlay	<u>3,000,000</u>	<u>3,555,873</u>	<u>1,531,382</u>	<u>2,024,491</u>
TOTAL EXPENDITURES	<u>3,000,000</u>	<u>3,765,037</u>	<u>1,671,707</u>	<u>2,093,330</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	65,823	74,827	9,004
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(65,868)</u>	<u>(65,868)</u>	<u>(65,868)</u>	-
FUND BALANCE - END OF YEAR	<u>\$ (65,868)</u>	<u>\$ (45)</u>	<u>\$ 8,959</u>	<u>\$ 9,004</u>

See accompanying independent auditors' report.

CITY OF GOLETA

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

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 254,500	\$ 583,441	\$ 387,172	\$ (196,269)
TOTAL REVENUES	254,500	583,441	387,172	(196,269)
EXPENDITURES:				
Current:				
Community development	87,325	33,590	30,425	3,165
Capital outlay	167,175	514,776	319,695	195,081
TOTAL EXPENDITURES	254,500	548,366	350,120	198,246
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	35,075	37,052	1,977
OTHER FINANCING USES:				
Transfers out		(35,075)	(37,052)	(1,977)
TOTAL OTHER FINANCING USES	-	(35,075)	(37,052)	(1,977)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditors' report.



CITY OF GOLETA

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

OTS PUBLIC SAFETY SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 75,000	\$ 187,688	\$ 61,294	\$ (126,394)
TOTAL REVENUES	75,000	187,688	61,294	(126,394)
EXPENDITURES:				
Current:				
Public safety	75,000	157,284	53,293	103,991
TOTAL EXPENDITURES	75,000	157,284	53,293	103,991
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	30,404	8,001	(22,403)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(30,404)	(30,404)	(30,404)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (30,404)	\$ -	\$ (22,403)	\$ (22,403)

See accompanying independent auditors' report.

CITY OF GOLETA

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

STE GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 61,340	\$ 23,311	\$ (38,029)
TOTAL REVENUES	-	61,340	23,311	(38,029)
EXPENDITURES:				
Capital outlay	-	51,444	13,415	38,029
TOTAL EXPENDITURES	-	51,444	13,415	38,029
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	9,896	9,896	-
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(9,896)	(9,896)	(9,896)	-
FUND BALANCE - END OF YEAR	\$ (9,896)	\$ -	\$ -	\$ -

See accompanying independent auditors' report.

CITY OF GOLETA

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

BPMP BRIDGE PREV. MAINTENANCE SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 39,838	\$ 26,812	\$ (13,026)
TOTAL REVENUES	-	39,838	26,812	(13,026)
EXPENDITURES:				
Capital outlay	-	26,473	23,420	3,053
TOTAL EXPENDITURES	-	26,473	23,420	3,053
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	13,365	3,392	(9,973)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(13,365)	(13,365)	(13,365)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (13,365)	\$ -	\$ (9,973)	\$ (9,973)

See accompanying independent auditors' report.

CITY OF GOLETA

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

LIBRARY SERVICES SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 252,000	\$ 252,000	\$ 247,244	\$ (4,756)
Investment income	-	-	841	841
TOTAL REVENUES	<u>252,000</u>	<u>252,000</u>	<u>248,085</u>	<u>(3,915)</u>
EXPENDITURES:				
Current:				
Community services	<u>252,000</u>	<u>252,000</u>	<u>243,499</u>	<u>8,501</u>
TOTAL EXPENDITURES	<u>252,000</u>	<u>252,000</u>	<u>243,499</u>	<u>8,501</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	4,586	4,586
FUND BALANCE - BEGINNING OF YEAR	<u>12</u>	<u>12</u>	<u>12</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 12</u>	<u>\$ 12</u>	<u>\$ 4,598</u>	<u>\$ 4,586</u>

See accompanying independent auditors' report.

CITY OF GOLETA

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

STREET LIGHTING SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 98,200	\$ 98,200	\$ 98,499	\$ 299
Investment income	-	-	23	23
TOTAL REVENUES	<u>98,200</u>	<u>98,200</u>	<u>98,522</u>	<u>322</u>
EXPENDITURES:				
Current:				
Public works	<u>98,200</u>	<u>98,200</u>	<u>98,522</u>	<u>(322)</u>
TOTAL EXPENDITURES	<u>98,200</u>	<u>98,200</u>	<u>98,522</u>	<u>(322)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

CITY OF GOLETA

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

COMSTOCK PLOVER ENDOWMENT SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 1,505	\$ 1,505	\$ 1,434	\$ (71)
TOTAL REVENUES	<u>1,505</u>	<u>1,505</u>	<u>1,434</u>	<u>(71)</u>
EXPENDITURES:				
Current:				
Community development	<u>1,505</u>	<u>2,936</u>	<u>2,865</u>	<u>71</u>
TOTAL EXPENDITURES	<u>1,505</u>	<u>2,936</u>	<u>2,865</u>	<u>71</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,431)	(1,431)	-
FUND BALANCE - BEGINNING OF YEAR	<u>1,431</u>	<u>1,431</u>	<u>1,431</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,431</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

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## AGENCY FUND

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



CITY OF GOLETA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DEVELOPER DEPOSITS AGENCY FUND

For the year ended June 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
ASSETS:				
Cash and investments	\$ 695,156	\$ 2,641,626	\$ (1,448,105)	\$ 1,888,677
LIABILITIES:				
Accounts payable	\$ -	\$ 1,087,153	\$ (1,026,894)	\$ 60,259
Deposits payable	695,156	2,120,995	(987,733)	1,828,418
TOTAL LIABILITIES	\$ 695,156	\$ 3,208,148	\$ (2,014,627)	\$ 1,888,677

See accompanying independent auditors' report.

## DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2013

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

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	108 - 115
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	116 - 121
<u>Debt Capacity</u> these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	122 - 125
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	126 - 127
<u>Operating Information</u> these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	128 - 131

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

CITY OF GOLETA

NET POSITION BY COMPONENT

Last Ten Fiscal Years  
(accrual bases of accounting)

	Fiscal Year Ended June 30,			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities:				
Net investment in capital assets	\$ 16,284,140	\$ 24,991,474	\$ 27,093,022	\$ 171,497,745
Restricted	5,738,058	5,932,908	10,787,824	10,792,609
Unrestricted	<u>4,284,637</u>	<u>5,729,507</u>	<u>6,839,388</u>	<u>8,838,623</u>
Total governmental activities net position	<u>\$ 26,306,835</u>	<u>\$ 36,653,889</u>	<u>\$ 44,720,234</u>	<u>\$ 191,128,977</u>

Fiscal Year Ended June 30,					
2008	2009	2010	2011	2012	2013
\$ 168,561,463	\$ 168,713,837	\$ 165,751,283	\$ 164,443,711	\$ 172,075,288	\$ 163,927,809
15,401,523	14,202,532	15,707,269	13,773,387	13,409,549	13,017,605
8,785,763	8,056,471	5,998,325	7,302,694	16,715,914	14,419,566
<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>	<u>\$ 191,364,980</u>

CITY OF GOLETA

CHANGES IN NET POSITION

Last Ten Fiscal Years  
(accrual basis of accounting)

Primary Government - Governmental Activities	Fiscal Year Ended June 30,			
	2004	2005	2006	2007
<b>Expenses:</b>				
General government	\$ 3,100,654	\$ 3,415,277	\$ 3,550,258	\$ 3,372,878
Public safety	4,751,782	5,273,087	5,539,496	5,617,168
Public works	4,404,746	5,538,722	4,595,206	10,581,153
Community development	2,723,339	2,036,243	3,667,575	1,177,266
Community services	774,233	727,856	1,133,688	2,584,997
Interest and other charges	114,431	39,416	33,320	130,839
Total expenses	<u>15,869,185</u>	<u>17,030,601</u>	<u>18,519,543</u>	<u>23,464,301</u>
<b>Program revenues:</b>				
<b>Charges for services:</b>				
General government	64,255	31,974	37,456	416,758
Public safety	126,037	206,399	201,787	225,986
Public works	702,404	141,814	2,304,882	711,443
Community development	1,693,003	959,273	-	-
Community services	13,656	193,710	734,277	690,879
<b>Operating grants and contributions:</b>				
Public safety	-	142,166	130,616	242,339
Public works	1,096,350	2,313,742	4,338,565	3,432,130
Community development	32,260	19,615	1,389,033	711,075
Community services	-	-	8,428	8,232
<b>Capital grants and contributions:</b>				
Public safety	101,735	19,200	-	-
Public works	1,390,379	902,820	232,141	989,205
Community development	-	8,521,192	1,689,883	21,203
Community services	-	-	542,413	23,976
Total program revenues	<u>5,220,079</u>	<u>13,451,905</u>	<u>11,609,481</u>	<u>7,473,226</u>
Net revenues (expenses)	<u>(10,649,106)</u>	<u>(3,578,696)</u>	<u>(6,910,062)</u>	<u>(15,991,075)</u>
<b>General revenues and other changes in net position:</b>				
<b>Taxes:</b>				
Sales taxes	3,623,036	3,864,389	4,039,979	4,116,748
Property taxes, levied for general purpose	3,040,880	4,893,131	4,867,360	4,359,151
Redevelopment Agency tax increment, restricted	-	-	-	2,252,723
Motor vehicle in lieu taxes, unrestricted	2,542,364	1,502,920	1,125,865	1,139,903
Transient occupancy tax	2,142,802	2,282,932	2,601,475	2,571,528
Franchise taxes	1,061,334	946,066	952,856	1,116,446
Other taxes	185,017	-	-	-
Investment income	97,278	280,398	646,378	1,152,334
Other	62,258	155,914	245,579	-
Special item - forgiveness of debt	-	-	-	-
Total general revenues	<u>12,754,969</u>	<u>13,925,750</u>	<u>14,479,492</u>	<u>16,708,833</u>
<b>Extraordinary item:</b>				
Gain on dissolution of Redevelopment Agency	-	-	-	-
Changes in net position	<u>\$ 2,105,863</u>	<u>\$ 10,347,054</u>	<u>\$ 7,569,430</u>	<u>\$ 717,758</u>

Fiscal Year Ended June 30,					
2008	2009	2010	2011	2012	2013
\$ 3,902,025	\$ 3,626,933	\$ 4,504,965	\$ 3,364,448	\$ 4,442,304	\$ 5,216,451
5,853,577	6,220,064	6,443,432	6,534,163	6,786,540	7,193,436
11,235,589	11,628,940	11,131,852	9,632,224	7,311,563	14,292,509
1,670,489	4,524,328	3,006,793	2,157,181	795,924	33,365
2,569,696	2,812,884	2,662,570	2,412,473	2,982,588	3,443,203
75,612	63,902	38,756	473,629	510,656	260
<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>	<u>30,179,224</u>
8,590	8,569	7,491	6,525	29,939	43,159
217,652	255,448	264,526	228,485	169,945	171,132
686,705	747,329	633,760	680,933	641,538	616,780
931,359	1,171,393	915,013	1,267,026	1,654,126	1,581,191
16,410	16,747	14,763	15,503	14,415	13,554
-	173,527	188,168	171,280	129,919	161,294
3,056,038	2,508,017	3,087,242	2,225,067	2,398,730	2,114,326
51,175	19,360	90,527	7,531	-	-
-	-	-	-	-	-
179,856	77,340	3,919	14,607	57,906	44,201
2,122,198	1,884,115	2,521,375	1,001,539	7,518,761	7,474,170
8,407	248,172	97,874	20,656	825,552	1,103,734
37,690	64,591	3,505	7,166	25,471	21,964
<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>	<u>13,345,505</u>
<u>(17,990,908)</u>	<u>(21,702,443)</u>	<u>(19,960,205)</u>	<u>(18,927,800)</u>	<u>(9,363,273)</u>	<u>(16,833,719)</u>
4,160,113	3,353,658	3,310,542	3,905,548	3,845,273	5,776,818
4,609,491	4,713,635	4,781,106	4,790,367	5,017,404	5,026,723
2,754,708	3,234,533	3,903,872	3,644,069	2,152,407	-
1,106,524	878,401	118,547	150,977	-	-
2,783,144	2,462,457	2,143,120	2,417,169	2,685,546	5,604,278
938,208	1,079,337	1,002,546	1,031,099	1,187,154	1,152,381
418,052	426,035	585,546	393,853	456,783	557,042
719,157	375,504	163,884	231,090	207,471	132,736
621,283	506,742	435,079	426,543	765,646	872,273
1,500,000	-	-	-	-	-
<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>	<u>19,122,251</u>
-	-	-	-	9,726,548	-
<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>	<u>\$ 2,288,532</u>

CITY OF GOLETA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2004	2005	2006	2007
General fund:				
Reserved	\$ 2,936,065	\$ 4,429,850	\$ 6,600,000	\$ 845,290
Unreserved	2,100,000	1,653,495	950,433	8,518,795
Total general fund	<u>\$ 5,036,065</u>	<u>\$ 6,083,345</u>	<u>\$ 7,550,433</u>	<u>\$ 9,364,085</u>
All other governmental funds:				
Reserved	\$ 3,841,795	\$ 3,652,802	\$ 5,434,747	\$ 3,591,210
Unreserved, reported in:				
Special revenue funds	3,095,160	3,961,067	5,759,397	5,450,614
Capital projects funds	-	-	(4,237)	2,827,773
Total all other governmental funds	<u>\$ 6,936,955</u>	<u>\$ 7,613,869</u>	<u>\$ 11,189,907</u>	<u>\$ 11,869,597</u>
General fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30,					
2008	2009	2010	2011	2012	2013
\$ 997,972	\$ 143,065	\$ 189,127	\$ -	\$ -	\$ -
9,087,093	8,813,424	7,807,167	-	-	-
<u>\$ 10,085,065</u>	<u>\$ 8,956,489</u>	<u>\$ 7,996,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,200,802	\$ 1,874,263	\$ 2,522,135	\$ -	\$ -	\$ -
7,622,276	8,606,741	8,392,385	-	-	-
810,000	3,398,377	3,480,094	-	-	-
<u>\$ 14,633,078</u>	<u>\$ 13,879,381</u>	<u>\$ 14,394,614</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 319,801	\$ 128,085	\$ 536,424
-	-	-	-	-	12,690,889
-	-	-	23,545,619	14,914,858	516,358
-	-	-	504,384	2,914,290	1,766,805
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,369,804</u>	<u>\$ 17,957,233</u>	<u>\$ 15,510,476</u>
\$ -	\$ -	\$ -	\$ 72,988	\$ 50,000	\$ 185
-	-	-	13,328,391	13,089,510	12,354,267
-	-	-	-	-	-
-	-	-	(424,952)	(527,586)	(645,505)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,976,427</u>	<u>\$ 12,611,924</u>	<u>\$ 11,708,947</u>



CITY OF GOLETA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2004	2005	2006	2007
<b>Revenues:</b>				
Taxes	\$ 11,835,023	\$ 14,124,469	\$ 16,173,369	\$ 17,181,587
Intergovernmental	3,627,332	4,285,249	4,585,024	4,160,756
Charges for services	1,263,348	1,040,105	1,593,377	2,138,814
Fines and forfeitures	145,273	206,399	201,787	225,986
Investment income	176,405	280,398	646,378	1,152,334
Developer fees	1,069,060	466,190	1,798,530	271,291
Other	62,257	155,914	245,579	189,602
Total revenues	<u>18,178,698</u>	<u>20,558,724</u>	<u>25,244,044</u>	<u>25,320,370</u>
<b>Expenditures</b>				
Current:				
General government	2,941,264	3,390,716	3,520,719	3,603,156
Public safety	4,749,255	5,289,121	5,579,362	5,725,768
Public works	4,430,225	5,385,700	5,395,431	7,066,796
Community development	2,677,083	2,306,787	3,791,902	1,177,266
Community services	748,508	734,783	1,136,769	3,295,355
Pass-through to other agencies	324,409	401,710	103,384	450,545
Capital outlay	250,197	866,484	197,500	597,627
Debt service:				
Principal	394,758	413,189	436,959	771,101
Interest	120,672	46,040	38,892	139,414
Bond issuance cost	-	-	-	-
Total expenditures	<u>16,636,371</u>	<u>18,834,530</u>	<u>20,200,918</u>	<u>22,827,028</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,542,327</u>	<u>1,724,194</u>	<u>5,043,126</u>	<u>2,493,342</u>
<b>Other financing sources (uses):</b>				
Tax allocation bonds issued	-	-	-	-
Discount on bonds issued	-	-	-	-
Transfers in	1,050,478	1,213,036	1,204,752	2,829,956
Transfers out	<u>(1,050,478)</u>	<u>(1,213,036)</u>	<u>(1,204,752)</u>	<u>(2,829,956)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances, before extraordinary item	1,542,327	1,724,194	5,043,126	2,493,342
Extraordinary loss on dissolution of Redevelopment Agency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,542,327</u>	<u>\$ 1,724,194</u>	<u>\$ 5,043,126</u>	<u>\$ 2,493,342</u>
Debt service as a percentage of noncapital expenditures	3.15%	2.56%	2.38%	4.10%

Fiscal Year Ended June 30,					
2008	2009	2010	2011	2012	2013
\$ 17,341,789	\$ 16,756,152	\$ 16,951,278	\$ 17,460,722	\$ 16,733,812	\$ 19,542,847
4,417,441	2,919,468	3,590,007	18,421,878	3,544,582	5,624,425
1,543,839	1,746,412	1,630,733	1,818,583	2,140,438	2,095,880
217,653	255,448	264,525	228,486	169,943	171,132
1,071,351	570,708	282,408	330,722	345,014	301,651
532,347	1,314,011	489,825	166,928	6,149,623	3,466,434
621,302	642,639	435,080	454,838	815,871	872,273
<u>25,745,722</u>	<u>24,204,838</u>	<u>23,643,856</u>	<u>38,882,157</u>	<u>29,899,283</u>	<u>32,074,642</u>
3,768,660	3,500,545	3,706,924	3,761,490	4,507,674	4,875,271
5,846,854	6,185,519	6,408,887	6,499,618	6,751,995	7,187,085
6,291,291	5,696,189	5,704,610	4,546,534	4,774,930	6,080,632
1,119,545	3,868,251	1,330,563	17,132,204	789,001	33,365
2,726,268	2,791,020	2,574,680	2,410,641	2,980,756	3,441,371
550,944	656,077	1,693,526	1,023,921	-	-
1,451,785	3,718,518	2,567,257	3,832,456	10,179,990	13,723,359
425,653	69,390	63,615	68,782	495,572	83,033
80,261	67,133	38,756	93,853	883,982	260
-	-	-	388,720	-	-
<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>35,424,376</u>
<u>3,484,461</u>	<u>(2,347,804)</u>	<u>(444,962)</u>	<u>(876,062)</u>	<u>(1,464,617)</u>	<u>(3,349,734)</u>
-	-	-	16,085,000	-	-
-	-	-	(253,615)	-	-
3,038,958	5,450,007	2,165,683	16,593,176	247,695	37,052
<u>(3,038,958)</u>	<u>(5,450,007)</u>	<u>(2,165,683)</u>	<u>(16,593,176)</u>	<u>(247,695)</u>	<u>(37,052)</u>
-	-	-	15,831,385	-	-
3,484,461	(2,347,804)	(444,962)	14,955,323	(1,464,617)	(3,349,734)
-	-	-	-	(5,312,457)	-
<u>\$ 3,484,461</u>	<u>\$ (2,347,804)</u>	<u>\$ (444,962)</u>	<u>\$ 14,955,323</u>	<u>\$ (6,777,074)</u>	<u>\$ (3,349,734)</u>
2.43%	0.60%	0.48%	0.45%	6.51%	0.38%

CITY OF GOLETA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year Ended June 30,	City		
	Secured and Unsecured	Less: Exemptions	Taxable Assessed Value
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
2013	5,321,655,710	228,041,081	5,093,614,629

Note:

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

Redevelopment Agency			
<u>Secured and Unsecured</u>	<u>Less: Exemptions</u>	<u>Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
\$ 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%
1,187,685,066	129,671,772	1,058,013,294	1.03868%

CITY OF GOLETA

DIRECT AND OVERLAPPING GOVERNMENTS PROPERTY TAX RATES

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

	Fiscal Year Ended June 30,			
	2004	2005	2006	2007
City Direct Rates:				
City of Goleta Basic Rate	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:				
Goleta Unified School District	0.01754	0.01746	0.01729	0.01677
Santa Barbara High School District	0.00955	0.01189	0.01248	0.01248
Santa Barbara City College	-	-	-	-
Santa Barbara Secondary/High School District	-	-	-	-
Total Direct Rate	<u>1.02709</u>	<u>1.02935</u>	<u>1.02977</u>	<u>1.02925</u>

Note:

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

Fiscal Year Ended June 30,					
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.01627	0.01627	0.01627	0.01627	0.01627	0.01627
0.01248	0.01248	0.01248	0.01248	0.01273	0.01298
-	0.00850	0.00850	0.00850	0.00850	0.00850
-	-	-	-	0.00093	0.00093
<u>1.02875</u>	<u>1.03725</u>	<u>1.03725</u>	<u>1.03725</u>	<u>1.03843</u>	<u>1.03868</u>

CITY OF GOLETA

PRINCIPAL PROPERTY TAX PAYERS

Current Fiscal Year and Ten Fiscal Years Ago

Taxpayer	Primary Use	2013	
		Taxable Assessed Value	Percent of Total City Taxable Assessed Value
SP Maravilla, LLC	Institutional	\$ 109,747,967	1.78%
BRS Investment Properties, LLC	Commercial	105,000,000	1.71%
Camino Real II LLC	Commercial	86,107,046	1.40%
Los Carneros Business Park LP	Commercial	50,000,000	0.81%
Sumida Family Limited Partnership	Residential	46,538,463	0.76%
Willow Springs, LP	Residential	40,127,905	0.65%
Nassau Land Co, LP	Commercial	39,457,653	0.64%
University Business Center Assoc.	Commercial	38,738,520	0.63%
IRE-SB Inc.	Commercial	38,615,380	0.63%
Rockbridge Investments, LP	Industrial	37,008,925	0.60%
Top Ten Total		<u>\$ 591,341,859</u>	<u>9.61%</u>

Taxpayer	Primary Use	2003	
		Taxable Assessed Value	Percent 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 Total		<u>\$ 428,141,818</u>	<u>11.78%</u>

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

Source: Santa Barbara Auditor-Controller

CITY OF GOLETA

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date (1)	
		Amount	Percent of Levy		Amount	Percent of Levy
2004	\$ 1,680,689	\$ 1,680,689	100.00%	\$ -	\$ 1,680,689	100.00%
2005	1,775,867	1,775,867	100.00%	-	1,775,867	100.00%
2006	1,901,688	1,901,688	100.00%	-	1,901,688	100.00%
2007	2,076,982	2,076,982	100.00%	-	2,076,982	100.00%
2008	1,984,793	1,984,793	100.00%	-	1,984,793	100.00%
2009	2,043,072	2,043,072	100.00%	-	2,043,072	100.00%
2010	2,081,000	2,081,000	100.00%	-	2,081,000	100.00%
2011	2,087,364	2,087,364	100.00%	-	2,087,364	100.00%
2012	2,162,721	2,162,721	100.00%	-	2,162,721	100.00%
2013	2,260,137	2,260,137	100.00%	-	2,260,137	100.00%

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

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



CITY OF GOLETA

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Loans Payable</u>	<u>Total Governmental Activities</u>	<u>Percentage of Personal Income</u>	<u>Debt per Capita</u>
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
2013	-	22,007	-	22,007	0.11%	1

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

CITY OF GOLETA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2013

2012-2013 Assessed Valuations:

2012-2013 City Assessed Valuation	\$ 5,321,655,710
Redevelopment Agency Incremental Valuation	<u>1,187,685,066</u>
Adjusted Assessed Valuation	<u><u>\$ 4,133,970,644</u></u>

	<u>Percentage Applicable</u>	<u>Total Outstanding Debt 6/30/13</u>	<u>City's Share of Overlapping Debt</u>
<u>Overlapping Debt Repaid with Property Taxes:</u>			
Goleta Unified School District	100.000%	\$ 18,440,000	\$ 18,440,000
Santa Barbara High School District	100.000%	128,435,157	128,435,157
Santa Barbara City College	100.000%	59,625,000	<u>59,625,000</u>
Total Overlapping Debt Repaid with Property Taxes			206,500,157
<u>Direct and Overlapping General Fund Obligation Debt:</u>			
Santa Barbara County General Fund Obligations	6.980%	\$ 70,450,000 (1)	4,920,333
Goleta Valley Community Center Lease	100.000%	22,007	<u>22,007</u>
Total Direct and Overlapping Other Debt			<u><u>\$ 211,442,497</u></u> (2)

Ratios to 2012-2013 Assessed Valuations:

Total Direct and Overlapping Tax and Assessment Debt	3.880%
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Ratios to Adjusted Assessed Valuations:

Combined Total Debt	5.110%
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Notes:

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

CITY OF GOLETA

COMPUTATION OF LEGAL DEBT MARGIN

Last Ten Fiscal Years

	Fiscal Year Ended June 30,			
	2004	2005	2006	2007
Assessed valuation	\$ 3,318,088,859	\$ 3,526,555,537	\$ 3,667,247,789	\$ 4,609,243,631
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	829,522,215	881,638,884	916,811,947	1,152,310,908
Debt limit percentage	15%	15%	15%	15%
Debt limit	124,428,332	132,245,833	137,521,792	172,846,636
Total net debt applicable to limitation	-	-	-	-
Legal debt margin	<u>\$ 124,428,332</u>	<u>\$ 132,245,833</u>	<u>\$ 137,521,792</u>	<u>\$ 172,846,636</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

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

Fiscal Year Ended June 30,					
2008	2009	2010	2011	2012	2013
\$ 4,846,111,226	\$ 5,037,169,032	\$ 5,149,233,266	\$ 5,199,860,164	\$ 5,333,232,339	\$ 5,321,655,710
25%	25%	25%	25%	25%	25%
1,211,527,807	1,259,292,258	1,287,308,317	1,299,965,041	1,333,308,085	1,330,413,928
15%	15%	15%	15%	15%	15%
181,729,171	188,893,839	193,096,247	194,994,756	199,996,213	199,562,089
-	-	-	-	-	-
<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>	<u>\$ 199,562,089</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF GOLETA

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population (1) City of Goleta	Santa Barbara County			
		Population (1) (in thousands)	Personal Income (2) (in thousands)	Per Capita Income (2) (in thousands)	Unemployment Rate (3)
2004	30,691	401	\$ 15,811,048	\$ 39,429	4.60%
2005	30,471	400	16,701,910	41,755	4.10%
2006	30,135	399	18,328,482	45,936	3.90%
2007	30,169	400	18,869,062	47,173	4.10%
2008	30,400	404	19,128,364	47,347	5.10%
2009	30,476	407	17,899,199	43,978	5.40%
2010	30,001	424	18,309,874	43,184	8.40%
2011	30,032	426	19,303,120	45,312	9.40%
2012	29,930	427	19,496,151 (4)	45,658	8.80%
2013	29,962	429	19,691,113 (4)	45,900	8.00%

Sources:

- (1) California Department of Finance
- (2) U.S. Department of Commerce, Bureau of Economic Analysis (Santa Barbara-Santa Maria-Goleta)
- (3) California Employment Development Department
- (4) Projected Amounts (with a 1% increase from prior year)

CITY OF GOLETA

PRINCIPAL EMPLOYERS

Current Fiscal Year and Nine Fiscal Years Ago

Employer	2013		2004	
	Number of Employees	Employment % to Total Population (1)	Number of Employees	Employment % to Total Population (1)
Raytheon	1300	4.34%	2004 Data not available	
Sansum clinic	1300	4.34%		
Barcara Resorts	620	2.07%		
Citrix Online	600	2.00%		
Goleta Unified School District	565	1.89%		
Yardi Systems	505	1.69%		
FLIR	375	1.25%		
Karl Storz Imaging	352	1.17%		
Goleta Valley Cottage Hospital	347	1.16%		
Allergan (Inamed)	299	1.00%		
Medtronic	279	0.93%		
Network Hardware Resale	271	0.90%		
Costco	258	0.86%		
Jordano's	257	0.86%		
Mentor Corp	220	0.73%		
Inogen Inc	200	0.67%		
The Home Depot	178	0.59%		

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

CITY OF GOLETA

FULL-TIME AND PART-TIME CITY EMPLOYEES  
BY FUNCTION

Last Ten Fiscal Years

Function	Authorized Positions for Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	4.00	6.50	6.00	6.25	4.75	7.00	8.00	7.40	8.40	8.40
Administrative Services	5.00	4.50	2.50	2.50	4.00	4.00	4.00	4.80	4.80	4.80
Finance Department	-	-	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00
Planning and Environmental Services	13.50	14.00	14.00	14.00	13.50	14.00	12.00	11.50	11.50	11.50
RDA and Neighborhood Services	-	1.00	4.00	4.50	4.00	4.00	4.00	4.00	4.00	4.00
Community Services	6.50	13.00	14.50	14.50	15.00	15.00	14.00	15.00	15.00	16.00
Total	29.00	39.00	44.50	45.25	45.25	48.00	46.00	46.70	47.70	48.70

Source: City of Goleta, Finance Department

CITY OF GOLETA

OPERATING INDICATORS  
BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police (1):										
Calls for Service	15,943	16,458	14,788	15,200	16,117	15,159	21,212	21,002	19,277	19,531
Citations	1,719	2,028	1,577	1,798	1,421	2,344	2,842	2,493	982	1,121
Reports Taken	3,458	3,884	3,927	3,748	3,186	3,176	3,230	2,875	3,052	2,857
Fire (2):										
Calls for Service	2,205	2,334	2,150	2,066	2,314	2,786	2,847	3,022	2,536	1,942
Public works (3):										
Street resurfacing (miles)	11.3	9.7	8.5	10.8	24.6	33.0	10.6	10.0	10.4	18.5

Sources:

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



CITY OF GOLETA  
CAPITAL ASSET STATISTICS  
BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,			
	2004	2005	2006	2007
<b>Public Safety:</b>				
Police Stations (1)	-	-	-	-
Fire Stations (2)	3	3	3	3
<b>Community Development and Community Services:</b>				
Parks and Open Space - Acreage	373	296	436	437
Community Center	1	1	1	1
Library	1	1	1	1
Historic Stowe House	1	1	1	1
Amtrak Restrooms	-	-	-	-
Elementary Schools (K - 6)	5	4	5	5
Middle Schools (6 - 8)	1	1	1	1
High Schools (9 - 12)	1	1	1	1
Private Schools	3	3	3	3
Special Needs Schools	-	-	-	-
<b>Public Works:</b>				
Area of City (Square Miles)	7.9	7.9	7.9	7.9
Miles of Streets	172.3	172.3	172.3	172.3
Number of Streetlights (3)	71	71	71	73
Number of Vehicles (City-wide)	3	9	9	13
Corporation Yard	-	-	-	-

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

Source: Various City of Goleta Departments

Fiscal Year Ended June 30,

2008	2009	2010	2011	2012	2013
-	-	-	-	-	-
3	3	3	3	3	3
438	440	440	457	477	477
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	
1	1	1	1	1	
5	5	5	5	5	5
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	4	3
-	-	-	-	-	-
7.9	7.9	7.9	8.0	8.0	8.0
172.3	172.3	172.3	174.0	174.0	174.0
85	85	85	89	98	89
15	15	14	14	14	14
-	1	1	1		

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