



Agenda Item A.2
CONSENT CALENDAR
Meeting Date: September 19, 2023

TO: Mayor and Councilmembers

FROM: Luke Rioux, Finance Director

CONTACT: Tony Gonzalez, Accounting Manager

SUBJECT: Annual Comprehensive Financial Report for the Year Ended June 30, 2022

RECOMMENDATION:

Accept the Annual Comprehensive Financial Report for the Year Ended June 30, 2022.

BACKGROUND:

The Annual Comprehensive Financial Report (ACFR) of the City of Goleta for the fiscal year ending June 30, 2022, has been prepared by the City's Finance Department and complies with principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB), the authoritative body establishing U.S. generally accepted accounting principles for local governments. The FY21-22 ACFR was audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants, Moss, Levy, and Hartzhiem, LLP (MLH).

While only certain financial statements and schedules are required by state law, other information and elements are needed for consideration of an award for excellence in financial reporting from the Government Finance Officers Association (GFOA), which recognizes the highest standards of financial reporting. As such, the expanded financial statements and other information included in the report are collectively referred to as an ACFR. In addition to allowing the ACFR to be considered for the GFOA award for financial reporting, the financial statements are expanded to enable the community and other interested parties to obtain a better and more complete understanding of the City's finances and operations.

These reports consist of management representations concerning the finances of the City. All disclosures necessary to enable an understanding of the City's financial activities have been included. The City received the highest audit opinion, an unmodified opinion, which is located in the ACFR Financial Section in the Independent Auditor's Report, provided in Attachment 1. An unmodified opinion indicates that the financial statements fairly present

the financial position of the City of Goleta as of June 30, 2022, and the results of operations, in accordance with generally accepted accounting principles.

In addition to fund-by-fund information presented in the ACFR, also included are government-wide financial statements. The government-wide financial statements include a Statement of Net Position that provides information about the City as a whole, including infrastructure and long-term liability and a Statement of Activities, which illustrates the cost of providing government services.

In summary, the ACFR is organized in three sections: introductory, financial, and statistical.

The *Introductory* section includes this transmittal memorandum and general information on the City's government structure and services provided. It includes a list of principal officials, an organizational chart, and the GFOA Certificate of Achievement for Excellence in Financial Reporting for the prior fiscal year.

The *Financial* section contains the independent auditor's report on the financial statement audit, the Management Discussion & Analysis (MD&A), basic financial statements, required supplementary information, and combining and individual fund presentations and supplementary information.

The *Statistical* section includes selected financial and demographic information generally presented on a multi-year basis. This information includes financial trends, revenue capacity, debt capacity, demographics and economic and operating information.

As part of the audit, MLH also reviewed and performed tests of the City's internal accounting control procedures to determine if there are any material weaknesses or instances of non-compliance. Based on the audit, no instances of non-compliance or material weaknesses were noted.

The Single Audit was not required this fiscal year due to the City not meeting the threshold amount of federal grant fund expenditures of \$750,000 or more in FY 2021/22. The City expended approximately \$560,194 and has notified the California State Controller's Office of the exempt status this fiscal year.

DISCUSSION:

ACFR Financial Overview

This year's audit resulted in no audit adjustments to the City's financial statements. As of June 30, 2022, the City's net position totaled \$269.25 million, an increase of approximately \$11.5 million or 4.5% from the prior fiscal year of \$257.73 million. The largest portion of the City's net position consisted of the City's net investment of \$195.8 million (72.7% in capital assets (i.e., land, buildings, machinery, equipment, and infrastructure). This component represents the total amount of funds required to acquire those assets, less outstanding debt and accumulated depreciation. Additional information

can be found in the Management's Discussion and Analysis (MD&A) section of the ACFR, provided in Attachment 1.

Citywide Highlights

The City's overall total revenues from all sources equaled approximately \$52.7 million, which was an increase of approximately \$3.91 million or 8% from the \$48.80 million in revenues the previous fiscal year. The increase is primarily related to transient occupancy taxes. Transient occupancy tax revenues increased by \$5.1 million, or 55.2%, in the 2022 fiscal year to \$14.34 million. The increase was due to tourism activity returning back to pre-pandemic levels, with higher average daily rates.

The City's overall total expenditures were \$41.18 million for the fiscal year, which was an increase of \$6.02 million or 17.1% when compared to last fiscal year. Expenses include a wide range of services such as general government, administration, community development, community services, public safety (police protection services), public works, and capital improvement projects. Public works had an increase of \$4.3 million or 34.8%, primarily related to pavement projects.

The unrestricted net position increased by \$9 million or 42.0% for a total of \$30.6 million (11.4% of total net position) and may be used at the City's discretion to meet ongoing operating needs.

General Fund Highlights

During the City's 20th full fiscal year, the General Fund reported total revenues of \$37.6 million and total expenditures of \$31.05 million, resulting excess revenues over expenditures of approximately \$6.55 million. The excess revenue is due to a combination of higher than anticipated revenues and decreased spending due to further department savings and deferred special projects and Capital Improvement Program (CIP) projects supported by the General Fund which will continue into FY 22/23.

Revenues: Actual revenues of \$37.6 million received came higher than the Final Budget of \$35.8 million by \$1.08 million, primarily as a result of higher tax receipts than anticipated. In comparison to FY 19/20, overall revenues increased by \$6.6 million. When compared to pre-pandemic levels in FY 18/19 overall revenues increased by \$838,335. The increase in revenues is primarily driven by new cannabis business tax revenues that was mostly experienced in FY 21/22 and gradual increases related to property tax. The City's largest revenue source, TOT, remained impacted at \$9.2 million, about \$2.3 million or 20.1% down from FY 18/19 pre pandemic levels of \$11.5 million.

Expenditures: Actual expenditures of \$31.05 million were under the Final Budget of \$42.33 million by \$11.29 million in all areas. Lower than anticipated expenditures were recognized by all departments. Various savings were recognized due to staff vacancies, lower expenditures associated with professional and contract services and deferred special and capital projects that are now carried over in FY 22/23. Carryovers from FY 21/22 was approximately \$1.9 million.

Fund Balance: The City continues to maintain sound fiscal integrity and healthy reserves, based upon conservative, prudent, and diligent efforts by the City Council and City Manager. The General Fund's total ending fund balance was \$39.27 million as of June 30, 2022. The ending fund balance amount was more than the final budget projection by \$13.57 million, because of lower than anticipated expenditure activity recognized by all departments, and special projects and capital projects that will continue in the next fiscal year. The fund balance categories and amounts at year-end are displayed below:

| | | |
|--------------------|----|-------------------|
| Fund Balance: | | |
| Non-spendable | | |
| Prepaid Items | \$ | 26,176 |
| Committed | | 12,753,580 |
| Assigned | | 7,006,229 |
| Unassigned | | 19,482,955 |
| Total Fund Balance | \$ | <u>39,268,940</u> |

When comparing the total audited ending fund balance of \$32.79 million to the estimated ending fund balance amount of \$32.82 million provided to City Council in September 2021 during the 4th Quarter Financial Review (Unaudited), the amount is slightly lower by \$31,381 due to year-end adjustments.

Included in the General Fund's fund balance categories are City Council's established fiscal reserve policies for funding Compensated Absences, Risk Management, Equipment Acquisition and Replacement, Public Facilities, City Hall solar removal, Litigation Defense Reserves and a Contingency Reserve set at a minimum of 33% of total budgeted ongoing operating expenditures. These reserve policy amounts are reflected in the "Committed" category. In addition, the City maintained reserves of \$170,000 assigned for the CalPERS Unfunded Accrued Liability (UAL) and \$333,500 assigned for other-postemployment benefits (OPEB) UAL, which was transferred into the City's Section 115 Trusts this current FY 2021/22. There are also other assigned fund balance category amounts, which include carryovers of unexpended funds of \$1.17 million for special projects and purchase order obligations and \$762,774 related to capital improvement projects. The carryover amounts for special projects and capital projects were finalized in October 2021 and have since been included in the FY 22/23 budget. All remaining fund balance is placed in the Unassigned Fund Balance, which stood at \$19.48 million at fiscal year-end June 30, 2022.

Gann Spending Limit

Each fiscal year the City Council adopts the Gann Appropriations Limit by resolution during the budget adoption process, which establishes a maximum amount for tax-funded government services. The Gann Appropriations Limit calculation is then reviewed by the City's external audit firm as part of the annual audit process. As of June 30, 2022, the City had not reached its Article XIIIB spending limitation. For FY 2021/22 this limit was

approximately \$67.3 million, with total annual appropriations subject to this limit being \$19.53 million. The Independent Auditor's Report on the Gann Spending Limit calculation can be viewed in Attachment 4.

Other Information

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 20th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Staff believes that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements. Due to timing and receiving the final report back, staff will not be able to submit for this period but will continue to do so the following year.

The entire ACFR is available for viewing at City Hall, on the City's website, and has been distributed to the City Council.

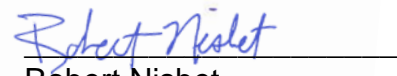
FISCAL IMPACTS:

There is no fiscal impact associated with this item.

Reviewed by:


Kristine Schmidt
Assistant City Manager

Approved by:


Robert Nisbet
City Manager

ATTACHMENTS:

1. Annual Comprehensive Financial Report for June 30, 2022
2. Government Auditing Standards Letter
3. Statement of Auditing Standards Letter
4. Independent Accountant's Report on Gann Spending Limit
5. Presentation

ATTACHMENT 1:

Annual Comprehensive Financial Report for June 30, 2022

CITY OF GOLETA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**Fiscal Year Ended
June 30, 2022**

130 Cremona Drive, Suite B, Goleta, California 93117
p: 805-961-7500 w: www.CityofGoleta.org

CITY OF GOLETA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
YEAR ENDED JUNE 30, 2022

Prepared by:
Finance Department

INTRODUCTORY SECTION

CITY OF GOLETA

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June 23, 2023

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

CITY COUNCIL

Paula Perotte
Mayor

Kyle Richards
Mayor Pro Tempore

Stuart Kasdin
Councilmember

James Kyriaco
*Councilmember
District 2*

Luz Reyes-Martín
*Councilmember
District 1*

CITY MANAGER

Robert Nisbet

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Goleta (City) for the fiscal year ended June 30, 2022. The report was prepared by the City's Finance Department in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB), the authoritative body establishing U.S. generally accepted accounting principles for local governments and was audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

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

AUDITED FINANCIAL STATEMENTS

The City's financial statements have been audited by Moss, Levy, & Hartzheim, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2022 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the overall accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2022, and that these statements are fairly presented in conformity with GAAP. The independent auditor's report is located at the front of the financial section of this report.

This ACFR has been prepared using the financial reporting requirements as prescribed by GASB Statement No. 34. GASB 34 requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found beginning on page 3.

Report Organization:

The report is organized in three sections: introductory, financial, and statistical.

1. The *Introductory* section includes this transmittal memorandum and general information on the City's government structure and services provided. It includes a list of principal officials, an organizational chart, and the Government Finance Officers Associations (GFOA) Certificate of Achievement for Excellence in Financial Reporting.
2. The *Financial* section contains the independent auditor's report on the financial statement audit, the Management Discussion & Analysis (MD&A), basic financial statements, required supplementary information, and combined and individual fund presentations and supplementary information.
3. The *Statistical* section includes selected financial and demographic information generally presented on a multi-year basis. This information includes financial trends, revenue capacity, debt capacity, demographics and economic and operating information.

PROFILE OF THE CITY OF GOLETA

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 32,591. The City is adjacent to both the City of Santa Barbara and UC Santa Barbara and is approximately 90 miles northwest from Los Angeles.

Form of Government

The City operates under the council-manager form of government. The City Council is comprised of four members elected at large for staggered four-year terms of office, and one Mayor elected at large to serve a four-year term. Starting in November of 2022, councilmembers will be elected by district for staggered four-year terms of office. A Mayor Pro Tempore is selected by the Council from among its members to serve a one-year term. 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 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 and ordinances established by the City Council. The City Attorney serves under contract and is appointed by the City Council. All other staff are appointed by the City Manager.

City Services

The City provides municipal services through contracts for such services 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 through the Santa Barbara County Fire Protection District which has a service area that includes the City of Goleta. There are approximately 550 acres of parks and open space within City limits. The City owns the Goleta Public Library and assumed direct management and operation of the Goleta Library in FY 2018/19 and created a new Library Zone 4 on behalf of the County of Santa Barbara. Starting July 1, 2019, the City also assumed to provide direct management and operations of the libraries located in the City of Buellton and City of Solvang. Starting January 1, 2023 the City will provide direct management and operation of the Goleta Valley Community Center.

Budget Process and Budgetary Control

The City Council adopts a two-year budget plan at the beginning of each two-year cycle in conjunction with a two-year strategic plan and adopts an annual operating and capital budget prior to July 1st of each year in conjunction with annual work programs of each of the departments. As such, the adopted two-year budget plan includes the operating and capital budget for the first year of the two-year plan. The operating and capital budget for the second year is adopted the following year as part of the mid-cycle budget review and is referred to as the Mid-Cycle Budget. The adopted budget serves as the foundation for the City of Goleta's financial planning and control system. All departments of the City submit requests for appropriations to the City Manager. The City Manager uses these requests as a starting point for developing a proposed budget. The Council holds public workshops on the proposed budget and then ultimately adopts a formal budget at a public hearing. The budget is adopted by fund, department, program, and line-item.

The Council periodically reviews the City's actual financial activity in relationship to the original budget, and as necessary, adjustments are made to ensure that expenditures are not outpacing anticipated revenues. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the fund and department level with more stringent control over capital assets and fund balance categories, which are maintained at the line-item level. The City Council must approve amendments or transfers of appropriations between funds or departments as well as items related to capital assets or fund balances. The City Council has delegated authority to the City Manager to approve transfers of appropriations between programs and divisions within a City department and between appropriation units (e.g., salaries and benefits, services and supplies, and capital outlay) within programs, excluding special designation or project appropriations.

Any unexpended appropriation balances for capital projects, one-time special projects, and grant programs that lapse at the end of the fiscal year, unless adopted on a "project-length" basis, are then recommended to be carried forward to the next fiscal year, subject City Manager review and City Council approval.

Internal Controls

The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or other misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP and GASB. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs of a control should not exceed the

benefits likely to be achieved, and the valuation of costs and benefits requires estimates and judgments by management.

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

ECONOMIC CONDITION AND OUTLOOK

Local Economy

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. The City of Goleta and its immediate vicinity provide a significant share of the Santa Barbara County South Coast and County's basic economic activity in the form of educational services, intellectual services, tourism, retail and manufacturing. The City has historically enjoyed a strong economic base resulting in stable property tax revenue, growing transient occupancy taxes (TOT) and diverse sales tax revenues. After facing the fiscal challenges of the COVID-19 pandemic and the related economic impacts, the City of Goleta experienced recovery of its largest revenue sources, Transient Occupancy Tax (TOT) and higher than anticipated sales tax growth. Early indicators suggest the City's finances are tracking towards solid financial recovery, surpassing original expectations formed in June 2021. The phase out of state and local public health restrictions combined with pent-up demand for consumer spending further bolstered by federal government relief programs facilitated a strong economic recovery in FY 2021/22. However, the economic uncertainties seem far from over heading into FY 2022/23, with continued inflation and supply chain disruptions, elevated energy and fuel prices, Federal Reserve tightening, unforeseen consequences related to future COVID-19 variants, and geopolitical concerns resulting from the war in Ukraine. Thus, the City of Goleta remains attentive to our finances as we look forward to a post pandemic future.

According to the labor market data released by the California Employment Development Department (EDD), Goleta's annual unemployment rate for calendar year 2021 was 3.9%, down from previous high of 6.3% in 2020 due to the pandemic. At the time of preparing this report, the annual unemployment rate for 2022 was 2.3% for Goleta, which corresponds with pre-pandemic levels. For the same annual 2022 period, the unemployment rate for Santa Barbara County was at 3.5% and California at 4.2%.

Tourism related revenues, such as transient occupancy tax (TOT), generated \$14.3 million by the end of FY 2021/22, due to higher average daily rates and average occupancy levels returning to pre-pandemic levels. Pre-pandemic, occupancy rates were on average around 78% with an average daily rate (ADR) around \$245/night. For FY 2021/22 occupancy rates were on average around 76%, with ADR around \$333. Going forward, TOT is expected to remain volatile as continued uncertainty is anticipated with inflationary factors and other economic conditions. These types of revenues are vulnerable in certain types of economic downturns.

Property tax revenues continued to remain stable and experienced growth due to inflation adjustment of 2% and transfer of ownerships. During the pandemic, mortgage rates dropped to historic lows and demand for housing remained high with low supply, driving the average and median price of detached single-family home to new historic highs. The average price for calendar year 2022 was \$1.5 million and the median price was \$1.35 million. Pre-pandemic, for calendar year 2019, the average price was \$937,760 and the median was \$898,000.

Sales tax through FY 2021/22 recovered faster than anticipated, and growth was experienced across all major industries, with those specifically impacted by the shutdown orders during the pandemic, such as fuel and service stations and restaurants and hotels. Sales tax revenues received by the general fund were up 13% when compared to FY 2020/21. Going forward, sales tax revenue growth is anticipated to gradually slow down in the next fiscal year.

In summary, the City's economic climate and fiscal condition continues to be complex with many moving parts. The City's fiscal situation faces ongoing pressures that forces the City to have a prudent strategy to address current and future operational needs and investments. While the underlying financial foundation of the City remains solid, the impacts of the local economic slowdown along with significant expenditure pressures, including unfunded priorities with capital projects and deferred maintenance, continue to require the City to exercise careful budgeting.

It should be noted, on June 21, 2022, Measure B2022 was placed on the ballot by the Goleta City Council in order to ask the voters to consider a 1% general transaction and use tax, with an operative date of January 1, 2024, which would be a 1% increase to the overall sales tax rate in Goleta. If approved, Measure B2022 would increase Goleta's sales tax rate from 7.75% to 8.75%, starting January 1, 2024. From the current sales tax rate of 7.75%, only 0.70% is locally returned to Goleta, with 7.05% kept by the State, County and other government agencies. All revenues raised by the new 1% increase would remain in Goleta and would not be shared with the State, County, or any other agency. The increase is currently estimated to add \$10.6 million annually to the general fund. At the time of preparing this report, Goleta voters passed Measure B2022 on November 8, 2022. Revenues from this new measure will be reflected in the FY 2023/24 report.

Challenges

Like all government agencies throughout California, the City is faced with increased ongoing annual operating costs and rising retirement related liabilities. For Goleta, some of the significant challenges include increased ongoing funding needs for deferred maintenance items, such as with pavement maintenance, facility and park maintenance, and implementation of major management and master plan documents, such as the Homelessness Strategic Plan, the Bicycle and Pedestrian Master Plan, and the Creeks and Watershed Management Plan and contract service cost. Additionally, major capital improvement program (CIP) projects are projected to remain underfunded and face risk of increased funding gaps due to increased construction costs.

While the City has been successful over the years in balancing these issues with its strategic use of contract staffing and services and having additional one-time savings available, the City will continue to experience rising costs. Additionally, with the uncertainty of significant impacts to revenues in the future years, coupled with ongoing growth in expenditures over the next five years, the City will be challenged. The continued economic uncertainty in the near future with inflation and Federal Reserve action also adds another layer of complexity to the City's finances.

Long-Term Financial Planning

The City incorporates long-term financial planning into its budget process in several ways. Each year, during the budget process the City Council receives an updated General Fund Five-Year Forecast and CIP Five-Year Forecast that includes all special revenue funds associated with each project. The forecast model used for the General Fund and CIP looks forward five years, rather than ten years, because of the volatile nature of tax revenues in a tourist-based economy, and various one-time special revenue funds associated with development activity making it

difficult to predict revenues with any certainty beyond five years. The forecast is used as a tool and maintained by Finance staff. These projections allow management to see what the future could look like given a set of assumptions and are evaluated in the context of whether decisions are sustainable over the long term. In December 2020, Finance staff had prepared a long-range financial forecast for the General Fund going out twenty years. The long-range financial forecast is a tool for strategic decision making and presents further context for balancing short-term and long-term goals and provides an “order of magnitude” feel for the General Fund’s ability to continue services and preserve fiscal sustainability. In FY 21/22, staff also started preliminary work in developing a CIP, Capital Maintenance, and Other Priorities Funding Plan that provides a pathway to help close the funding gaps in future years, which will be a continued ongoing work effort as information becomes updated and known.

Relevant Financial Policies

The City of Goleta has adopted a comprehensive set of financial policies to provide guidance for all fiscal activities and resource allocation decisions. Some of the major financial policies the City has adopted include the Debt Management Policy, City’s Investment Policy, Purchasing Policy, Capitalization Policy, and Fund Balance Reserve Policies.

Debt Management Policy: The City’s Debt Management Policy contains general guidelines and parameters for issuing and refunding debt, including guiding decisions related to future debt to ensure adequate financial resources are available to support the City’s long-term capital needs.

Investment Policy: The City’s Investment Policy establishes guidelines, strategies, practices, and procedures to be used in investment of public funds in accordance with California Government Code sections 53600-53610, which establish legally permitted investments for local governments statewide. The policy is reviewed, updated if needed and adopted annually.

Capitalization Policy: The City’s Capitalization Policy sets thresholds at \$5,000 for assets with a minimal useful life of three years while identifying fixed asset categories as either land, buildings and improvements, infrastructure, furniture and equipment, motorized vehicles, and construction in progress. Additional information can be found in Note 1 – Summary of Significant Accounting Policies in the Notes to the Basic Financial Statements document.

Fund Balance Reserve Policies: The City recognizes the importance of long-range planning in managing the City’s fiscal affairs to provide for stable operations and assure the City’s long-term financial health. The reserves contained in the General Fund play a pivotal role in this strategy. The reserve policies require a contingency reserve balance of a minimum of 33% of the General Fund’s ongoing expenditures budget. Additionally, other reserve categories have been established for capital equipment, compensated leave, risk management, litigation defense, sustainability, CalPERS pension and Other Post Employee Benefits (OPEB) for retiree health unfunded accrued liability. It should be noted that in FY 21/22, the City has set up Section 115 Trusts for both pensions and retiree health care liabilities and has transferred reserves held to these trusts. Future funding policies will be considered and implemented.

OTHER INFORMATION

Spending Limitation

Article XIIIB of the California Constitution, also known as the Gann spending limit, restricts the amount of “proceeds of taxes” California governments may spend. As of June 30, 2022, the City had not reached its Article XIIIB spending limitation of \$67,304,450.

AWARDS AND ACKNOWLEDGEMENTS

We are very proud of this ACFR and all the City's award-winning financial reporting publications. Each publication has been prepared with great care and expertise with the goal of meeting the highest level of financial reporting preparation standards.

GFOA Financial Reporting Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Goleta, California for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the 19th consecutive year the City has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

GFOA Budget Presentation Award

The GFOA also awarded a Certificate of Achievement for Distinguished Budget Presentation to the City of Goleta for its Operating and Capital Budgets for fiscal years 2021/22 and 2022/23. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communication device. This award is valid for a period of two years only.

Acknowledgements

The preparation of this ACFR and its timely issuance could not have been accomplished without the hard work and team effort of the Finance Department. We also wish to express appreciation to all other City departments that helped in its preparation.

Respectfully submitted,



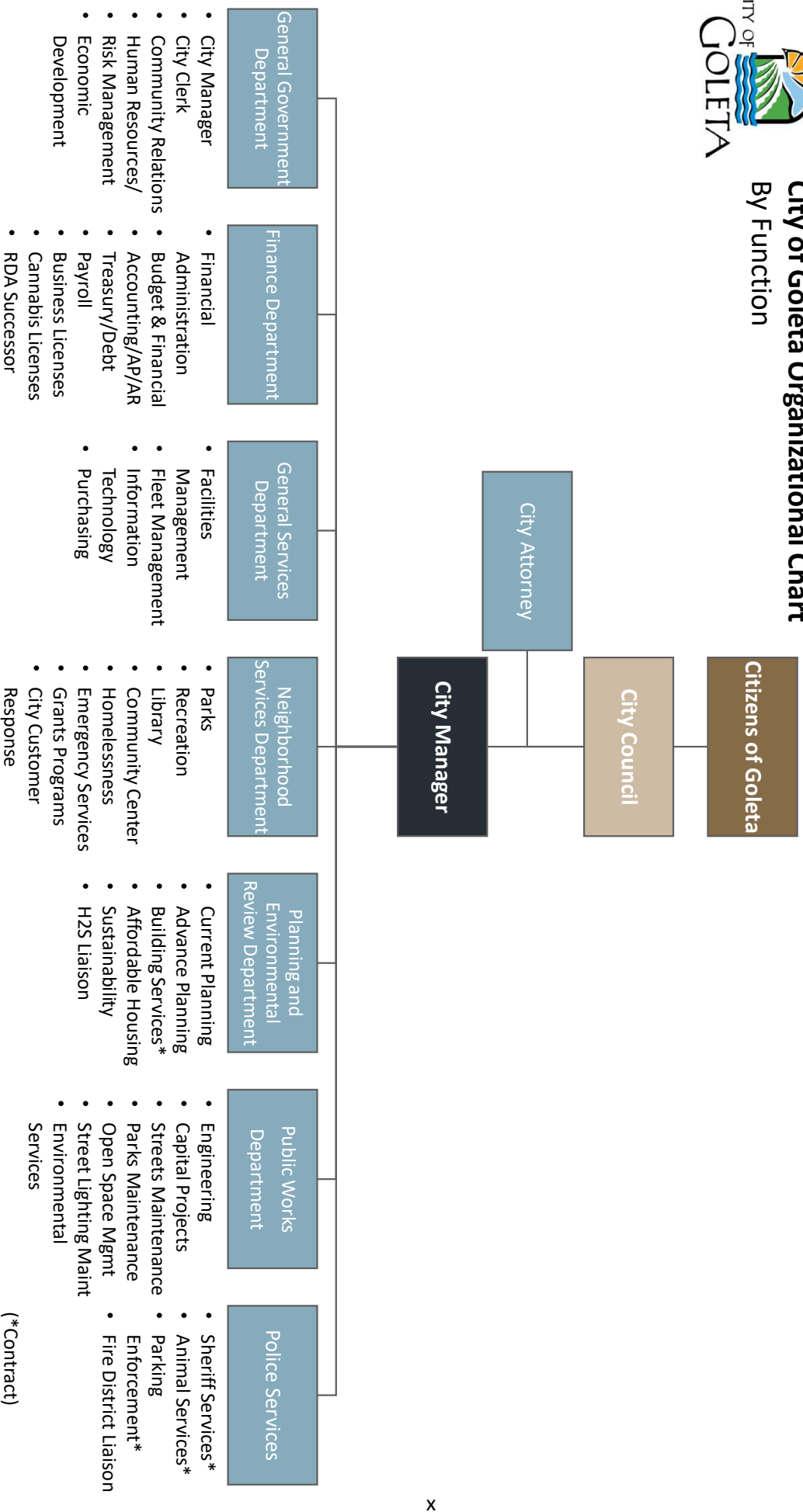
Robert Nisbet
City Manager



Luke Rioux
Finance Director



City of Goleta Organizational Chart By Function



City of Goleta

List of Principal Officials Fiscal Year Ended June 30, 2022

CITY COUNCIL

Paula Perotte, Mayor
Stuart Kasdin, Mayor Pro Tempore
Roger Aceves, Councilmember
James Kyriaco, Councilmember
Kyle Richards, Councilmember

CITY MANAGER

Michelle Greene

CITY ATTORNEY

Megan Garibaldi

EXECUTIVE MANAGEMENT

Winnie Cai, Assistant City Attorney
Charlie Ebeling, Public Works Director
Allison Gray, Library Director
Matthew Fore, General Services Director
Kelly Hoover, Community Relations Manager
Peter Imhof, Planning & Environmental Review Director
Deborah Lopez, City Clerk
Todd Mitchell, Human Resources/Risk Manager
Luke Rioux, Finance Director
Kristine Schmidt, Assistant City Manager
Jaime Valdez, Neighborhood Services Director
Lt. Rich Brittingham, Chief of Police



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Goleta
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

City Council of the City of Goleta
Goleta, California

Report on the Audit of the Financial Statements

Opinions

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 fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City of Goleta, as of June 30, 2022, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Goleta and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Goleta's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 of Goleta's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Goleta's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information for the General and Major Special Revenue Funds, the schedule of changes in the OPEB liability and related ratios, the schedule of proportionate share of net pension liability, and the schedule of pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements 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 and individual nonmajor fund financial statements 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 June 23, 2023, on our consideration of the City of Goleta's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mosa, Remy & Hargrave LLP

Santa Maria, California
June 23, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2022

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

This discussion and analysis of the City of Goleta's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. The City encourages readers to consider the information presented here in conjunction with the letter of transmittal (in the Introductory Section) and the accompanying basic financial statements, which follows this section. .

FINANCIAL HIGHLIGHTS

- At the end of fiscal year 2022, the City's net position totaled \$269.26 million, an increase of approximately \$11.53 million or 4.5% from the prior fiscal year. Of the total net position, approximately \$30.58 million is unrestricted and thus may be used to meet the City's ongoing obligations and operating expenses for the next fiscal year.
- The City's total revenue from all governmental activities equaled \$52.70 million, an increase of \$3.91 million or approximately 8.0% compared to \$48.80 million from last fiscal year. The increase is primarily related to transient occupancy taxes.
- Transient occupancy tax revenues increased by \$5.1 million, or 55.2%, in the 2022 fiscal year to \$14.34 million. The increase was due to tourism activity returning to pre-pandemic levels, with higher average daily rates.
- The City's total expenditures of all programs equaled approximately \$41.18 million, an increase of 17.1% or approximately \$6.02 million when compared to the previous fiscal year at \$35.16 million. This was mostly due to increases in general government, public safety, and public works spending.
- The General Fund reported an ending fund balance of approximately \$39.27 million, which was an increase of \$6.48 million from the \$32.79 million ending fund balance of fiscal year 2021. The increase was due to total revenues exceeding expenditures. The City's three largest revenue sources, property tax, sales tax, and transient occupancy tax, all saw an increase when compared to the prior fiscal year. While total expenditures were more than the previous fiscal year, expenditures fell short of budget projections due to ongoing staff vacancies and savings in various services and supplies. In addition, expenditure budgeted for capital projects were delayed and will be re-appropriated in the following fiscal year.

USING THIS ANNUAL FINANCIAL REPORT

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

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

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

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

All the City's basic services are considered to be governmental activities. The Statement of Net Position and the Statement of Activities present information about these Governmental activities, including General Government, Community Development, Community Services (Planning and Environmental Review and Neighborhood Services), Public Safety, and Public Works. Property Tax, Sales Tax, Transient Occupancy Tax, Franchise Fees, and Cannabis Business Tax finance approximately 65% of these activities.

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

The Fund Financial Statements provide detailed information about the most significant funds, not the City as a whole. Included are the General Fund, Goleta Transportation Improvement Program (GTIP), Park Development Impact Fees (Park DIF), Active Transportation Program, Coronavirus State & Local Fiscal Recovery, 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 fiscal 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 as well as money set aside in the Section 115 Pension and OPEB Trusts. The City's fiduciary activities are reported in separate Fiduciary Fund Statements. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Notes to the Basic Financial Statements

The notes provide additional detailed information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 27 of this report.

Required Supplementary Information

In addition to the basic financial statements, this report also presents certain Required Supplementary Information (RSI), including the City's budgetary comparison schedules, schedule of changes in net pension liability and related ratios, schedule of pension constitutions, schedule of changes in net Other Post-Employment Benefits (OPEB) liability and related ratios, and schedule of OPEB contributions. RSI can be found starting on page 53 of this report.

Supplementary Information

This report also presents certain other supplementary information including combining fund statements for the City's non-major governmental funds, including budget and actual statements. The supplementary information section can be found starting on page 63 of this report.

Statistical Section

Statistical tables regarding financial trends, revenue capacity, debt capacity, demographics and economic information, and operating information can be found starting on page 131 of this report.

THE CITY AS A WHOLE – GOVERNMENT WIDE FINANCIAL ANALYSIS

Summary of Net Position

The analysis focuses on the net position (See Table 1) and changes in net position (Table 2) of the City's governmental activities. The City does not have any business-type activities. Table 1 below summarizes the Statement of Net Position for Governmental Activities as of June 30, 2022, with comparative totals as of June 30, 2021. As previously stated, the net position at fiscal year-end serves as a useful indicator over time whether the City's financial position is improving or deteriorating.

Table 1
Summary of Net Position
As of June 30, 2022 and 2021

| | Governmental Activities | |
|---|-------------------------|-----------------------|
| | 2022 | 2021 |
| Assets: | | |
| Current and other assets | \$ 89,316,074 | \$ 74,963,997 |
| Capital assets | 205,577,607 | 206,120,737 |
| Total Assets | 294,893,681 | 281,084,734 |
| Deferred Outflow of Resources: | | |
| Deferred pension | 1,799,404 | 1,733,485 |
| Deferred OPEB | 316,055 | 317,174 |
| Total Deferred Outflow of Resources: | 2,115,459 | 2,050,659 |
| Liabilities: | | |
| Current and other liabilities: | 9,894,060 | 4,687,688 |
| Long Term Liabilities: | | |
| Due in one year | 1,167,604 | 1,160,326 |
| Due in more than one year | 13,393,296 | 19,054,002 |
| Total Liabilities | 24,454,960 | 24,902,016 |
| Deferred Inflows of Resources: | | |
| Deferred pension | 878,165 | 25,221 |
| Deferred OPEB | 2,418,482 | 476,139 |
| Total Deferred Inflow of Resources | 3,296,647 | 501,360 |
| Net Position: | | |
| Net investment in capital assets | 195,800,347 | 196,120,737 |
| Restricted | 42,881,716 | 40,085,550 |
| Unrestricted | 30,575,470 | 21,525,730 |
| Total Net Position | \$ 269,257,533 | \$ 257,732,017 |

As of June 30, 2022, the City's net position totaled \$269.3 million, an increase of \$11.5 million or approximately 4.5% in comparison to the prior fiscal year. The largest portion of net position consisted of the City's net investment of \$195.8 million (72.7%) in capital assets (i.e., land, buildings, machinery, equipment, and infrastructure) less depreciation and any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its community. The change in the net position can be caused by all elements of the financial statements, which include the assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Assets can primarily be affected by its current assets such as cash and investments and investments in capital assets. In this fiscal year, total assets experienced an increase of \$13.8 million or 4.9% for total of \$294.9 million and was primarily due to higher cash and investment balances at fiscal year-end. The increase is due to a combination of increased revenues and less expenditures, increasing the overall cash and investment balances.

The City's total liabilities decreased by approximately \$447,000 or -1.8% for a total of \$24.5 million. Within this category, the City's current and other liabilities increased by \$5.2 million or 111.1% due to a \$2.2 million increase in accounts payable due to timing of processing fiscal year-end invoices and unearned revenue of \$3.05 million,

primarily related to the Coronavirus State and Local Fiscal Recovery funds (SLFRF) received by the City but not recognized yet. Total long-term liabilities due in more than one year had a decrease of \$5.5 million or -28.9% due to significant decreases in OPEB liability and net pension liability.

The restricted net position increased by approximately \$2,796,000 or -7.0% for a total of \$42.88 million (15.9% of total net position), which are funds subject to external restrictions on how the funds may be used, such as development impact fees programmed for capital projects. The unrestricted net position increased by \$9.0 million or 42.0% for a total of \$30.6 million (11.4% of total net position) and may be used at the City's discretion to meet ongoing operating needs.

Changes in Net Position

The following table provides a summary of how the City's net position changed from the prior fiscal year and summarizes the Statement of Activities for Governmental Activities for the fiscal year ended June 30, 2022 with comparative totals for the fiscal year ended June 30, 2021. Generally, it indicates whether the financial health of the City as a whole is better, unchanged, or worse at June 30, 2022, in relation to a year earlier. For the fiscal year ended June 30, 2022, the total net position increased by \$11.5 million or 4.5%, which shows the City's financial health is better than the previous fiscal year.

Table 2
Changes in Net Position
Fiscal Year Ended June 30, 2022 and 2021

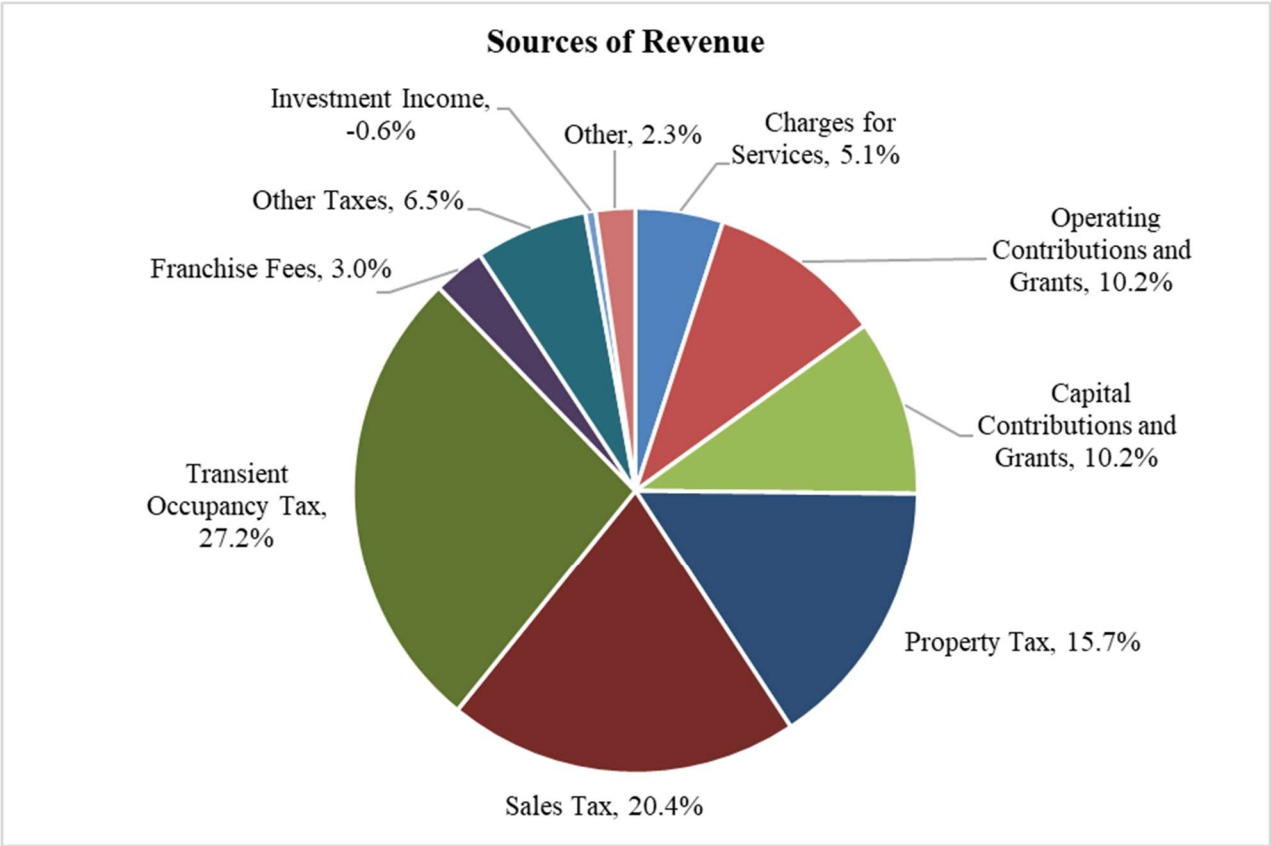
| | Governmental Activities | |
|--|------------------------------|------------------------------|
| | 2022 | 2021 |
| Revenues | | |
| Program Revenues: | | |
| Charges for services | \$ 2,676,453 | \$ 2,056,659 |
| Operating contributions and grants | 5,364,218 | 2,808,072 |
| Capital contributions and grants | 5,381,590 | 11,435,184 |
| General Revenues | | |
| Taxes: | | |
| Property taxes levied for general purposes | 8,299,838 | 7,578,502 |
| Sales and use taxes | 10,733,246 | 9,391,156 |
| Transient occupancy tax | 14,341,129 | 9,239,079 |
| Franchise taxes | 1,577,968 | 1,478,848 |
| Other taxes | 3,437,524 | 3,935,165 |
| Fines and Forfeitures | 169,201 | 119,026 |
| Use of money and property | (314,219) | 310,821 |
| Other | 1,036,124 | 445,183 |
| Total Revenues | <u>52,703,072</u> | <u>48,797,695</u> |
| Expenses | | |
| General government | 7,637,311 | 6,552,687 |
| Community development | 1,014,887 | 463,691 |
| Community services | 7,051,170 | 8,394,651 |
| Public safety | 8,695,216 | 7,262,255 |
| Public works | 16,520,360 | 12,255,501 |
| Interest on long-term debt | 258,610 | 227,333 |
| Total Expenses | <u>41,177,554</u> | <u>35,156,118</u> |
| Change in Net Position | <u>\$ 11,525,518</u> | <u>\$ 13,641,577</u> |
| Beginning Net Position | 257,732,015 | 244,090,438 |
| Ending Net Position | <u>\$ 269,257,533</u> | <u>\$ 257,732,015</u> |

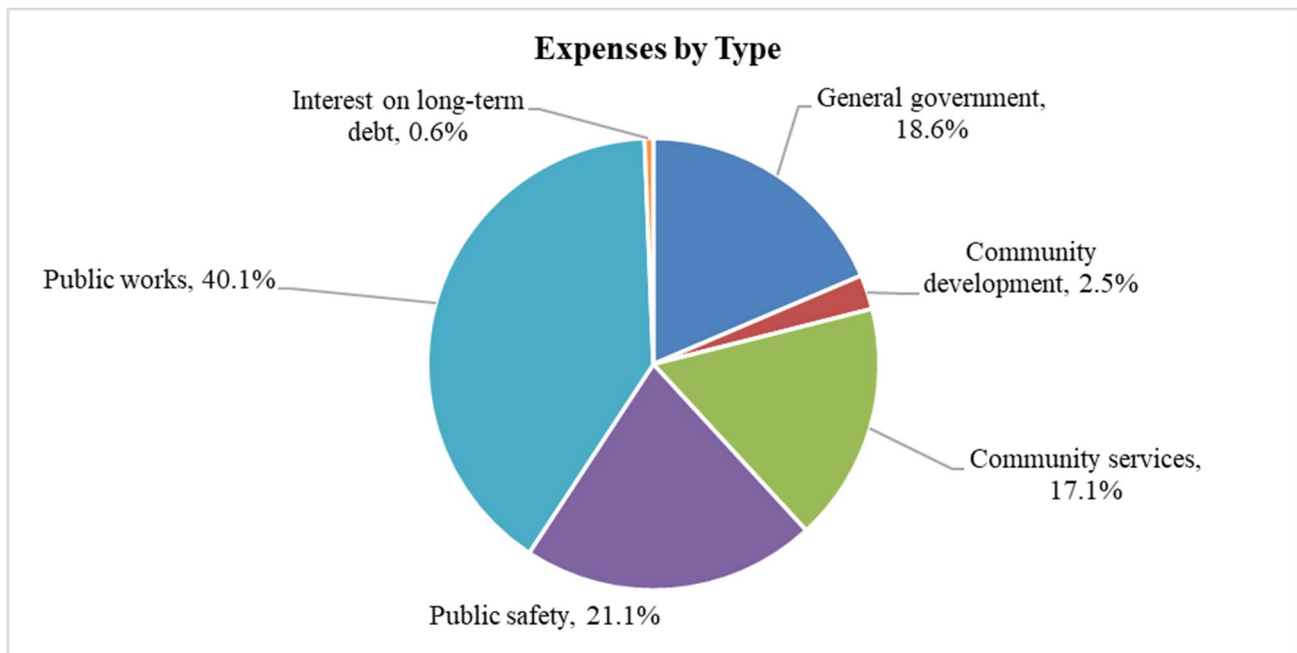
Revenues: The City's total revenues were \$52.7 million for the fiscal year ended June 30, 2022, an increase of approximately \$3.9 million or 8.0% when compared to last fiscal year. Approximately 73% of the City's revenue comes from some type of tax revenue including property, sales, transient occupancy taxes (TOT) and other taxes, totaling \$38.4 million this fiscal year. This is an increase of approximately \$6.8 million when compared to the last fiscal year. This increase is primarily due to the City's transient occupancy tax returning to pre-pandemic levels, which is generated from hotel stays. The City receives 12% of the total taxable hotel revenue within city limits. California's stay at home order was lifted at the end of June 2021, and hotel occupancy rates increased along with higher hotel prices. The other 27% of revenues comes from fees charged for services, development impact fees, state, local and federal grants and contributions, and investment earnings.

Expenses: The total cost of all programs was \$41.18 million for the fiscal year ended June 30, 2022, an increase of \$6.02 million or 17.1% when compared to last fiscal year. Expenses include a wide range of services such as general government administration, community development, community services, public safety (police protection services), public works and interest on long-term det related to the IBank financing for City Hall building. The increase in expenditures is largely due to increases in general government, public safety, and public works spending. Public works had an increase of \$4.3 million or 34.8%, primarily related to pavement projects.

The sources of the City’s major types of revenue and the areas where such resources are used are shown below in the charts below.

City’s Major Revenue Sources and Expenses by Type
(See Table 2)





Governmental Activities

Table 3 presents the cost of each of the City's major programs, General Government, Community Development, Community Services, Public Safety, 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
Fiscal Year Ended June 30, 2022

| | Total Cost of Services | Net Cost of Services |
|----------------------------|---------------------------|-------------------------|
| General Government | \$ 7,637,311 | \$ (4,518,146) |
| Community Development | 1,014,887 | 387,277 |
| Community Services | 7,051,170 | (5,446,964) |
| Public Safety | 8,695,216 | (7,981,078) |
| Public Works | 16,520,360 | (9,937,772) |
| Interest on long-term debt | 258,610 | (258,610) |
| Totals | <u>\$ 41,177,554</u> | <u>\$ (27,755,293)</u> |

- General Government expenses comprise approximately 18.5% of the governmental expenses and include City Council, City Manager, City Clerk, City Attorney, Community Relations, Support Services, Finance, and Risk Management. Charges for services and other fees partially offset the cost of this program.

- Community Development and Community Services expenses comprise approximately 2.5% and 17.1%, respectively, of the governmental expenses. Related fees and charges for services partially offset the cost of this program. Community Development reflects economic development costs and community development block grant program. Community Services reflects activities related to Planning, Building and Safety, Library, and the Neighborhood Services department.
- Public Safety expenses comprise approximately 21.1% of the governmental expenses and reflect the police services contract with the County of Santa Barbara's Sheriff's Office.
- Public Works expenses comprise approximately 40.1% of the governmental expenses. Revenues from charges for services, operating and capital contributions and grants offset the cost of this program. Public Works includes administration, engineering, facilities maintenance, parks maintenance, street maintenance, solid waste, street lighting, and capital improvement activities.
- Interest on long-term debt reflects the interest expense related the IBank financing of \$10 million related to the purchase of the City Hall property of \$11.5 million. The lease will be repaid in semi-annual payments for a term of 30 years through August 1, 2050 at an interest rate of 2.64%.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At the fiscal year-end the City's governmental funds reported a combined fund balance of \$76.5 million, an increase of \$6.2 million or 8.8% over the prior fiscal year. The General Fund increased \$6.5 million or 19.7%. The GTIP Fund experienced a decrease of \$569 thousand or -4.0% because of developer impact fees collected for the fiscal year, and projects carried over from the prior fiscal year. The Park DIF Fund Balance decreased by \$671 thousand or -7.4%, due to developer impact fees collected and spent for the fiscal year, which are programmed towards park related capital projects. The Active Transportation Program Fund increased \$1.8 million or 99.2% change from the prior fiscal year due to the receipt of grants that were originally expected in the prior fiscal year. The Federal Transportation Program (FTP) Fund accounts for federal grant funds for transportation projects and primarily reflects the Federal Highway Bridge Program (HBP) activity for the Hollister Avenue Bridge Replacement project. The fund balance of the FTP Fund increased by \$1,207 or 1.2% change from the prior fiscal year mainly due to timing of grant revenue receipts received. A new major fund was established for the Coronavirus State & Local Fiscal Recovery funds, which has an asset balance of \$5.9 million and reflects the total allocation provided from the federal government when the American Rescue Plan Act (ARPA) was signed. The City has elected the standard allowance of \$10 million for revenue loss due to the COVID-19 pandemic and has programmed those funds towards governmental services and City projects. Overtime, the balance will deplete as the funding is utilized on various City programs.

General Fund Budgetary Highlights

Over the course of the fiscal year, the City Council revised the City budget several times. These budget amendments fall into three categories: 1) changes made during the fiscal year for unanticipated revenues and costs, 2) increases in appropriations to prevent budget overruns, and 3) carry over budgets for one-time use for capital projects and special projects.

Revenues: Actual revenues of \$37.60 million received came higher than the Final Budget by \$1.80 million, primarily because of higher tax receipts than anticipated with property tax, sales tax, and transient occupancy tax. Overall actuals revenues increased \$6.6 million or 21.4% when compared to the prior fiscal year. The following discussed key revenue variances, when compared to the budget and prior fiscal year actuals.

Property tax exceeded budgeted projections by 5.6% or 5.1% when compared to the prior fiscal year actuals. Property tax experienced higher assessed valuations due to a combination of a 2% inflation adjustment on assessed values for all property types and changes in the assessed value due to transfer of ownership. In addition, the property transfer tax revenues from property sales remained elevated above \$300,000 for the fiscal year. During the start of the pandemic mortgage rates dropped to historic lows and the demand for housing remained high with

low supply, driving the average and median price of housing up to historic highs. The median price of a detached single family residential home was at \$1.1 million in calendar year 2021 an increase of 18.41% and \$1.4 million by February 2022, an increase of 24.50%.

Sales tax exceeded budgeted projections by 5.8% or 13% when compared to the prior fiscal year actuals. Sales tax growth was experienced across all major industries, and specifically those impacted by the shutdown orders during the pandemic, such as fuel and service stations and restaurants and hotels.

Transient occupancy tax (TOT) is the largest general fund revenue source and exceeded budgeted projections by 10.3% or 55.2% when compared to the prior fiscal year actuals. TOT revenues exceeded pre-pandemic revenues by approximately 24%, when compared to the \$11.6 million received in FY 18/19. The City receives 12% of the total taxable hotel revenue within City limits. The significant increase was due to the “return to travel”, as California’s stay at home order was lifted at the end of June 2021, and hotel occupancy rates increased along with higher hotel prices.

Expenditures: Actual expenditures of \$31.05 million were under the Final Budget amounts by \$11.29 million or 26.7% under budget. This was primarily due to less spending activity experienced across the departments due to staff vacancies, deferred projects, and program spending that will be carried forward into the next fiscal year. Additionally, various service and supplies line items or time and material related contracts were not fully spent. Approximately \$2 million was related to a pavement project and \$3.2 million for capital improvement program projects that will be reappropriated in the following 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 fiscal year, as well as new appropriations made by the City Council during the fiscal year. New budget appropriations were the result of higher than anticipated costs after receiving bids and proposals, or unanticipated expenditures. All new appropriations get evaluated if one-time or ongoing, and analyzed against the City’s unassigned fund balance, that may be available. Some significant budget appropriations included additional pavement budget of \$3.9 million, additional \$800,000 to incorporate salary and benefit updates from adopting a new memorandum of understanding with the union and \$1.3 million towards construction cost for the Goleta Valley Community Center. Additionally, revenues were projected conservatively due to the pandemic and volatility at the time of adopting the original budget. Adjustments were recommended by mid-year (second quarter) and third quarter when actual data was known.

Ending Fund Balance: The General Fund Ending Balance was \$39.27 million as of June 30, 2022. This amount was higher than the final budget projection by \$13.57 million or higher by \$6.5 million when compared to the prior fiscal year. This increase was a result of higher revenues and less expenditure activity experienced in the fiscal year as described above. The table below summarizes the fund balance by classification:

| | | |
|---------------------------|-----------|--------------------------|
| Fund Balance: | | |
| Non-spendable: | | |
| Prepaid Items | \$ | 26,176 |
| Committed | | 12,753,580 |
| Assigned | | 7,006,229 |
| Unassigned | | <u>19,482,955</u> |
| Total Fund Balance | \$ | <u>39,268,940</u> |

The Council has established fiscal policies and funding amounts for Compensated Absences, Risk Management, Equipment Acquisition and Replacement, Public Facilities, Sustainability, and Litigation Defense reserves. These fiscal policies also specify that a minimum of 33% of total ongoing operating budget would be maintained as a Contingency Reserve. Based upon final budgeted General Fund expenditures and transfers, the Contingency Reserve is \$10.1 million. Additionally, the City Manager and City Council have approved the continuing designation of unexpended funds of \$6.58 million assigned for special projects into the next fiscal year. Per Council direction, all remaining fund balance is to be placed in the unassigned fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains. These are assets that are used in the operations of the City's functions. The City has valued these assets at \$350.18 million at the end of fiscal year 2022. After accumulated depreciation, the net book value of these infrastructure improvements totals \$205.6 million. Additional information on the City of Goleta's capital assets can be found in Note 1F and Note 4.

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

| <u>Asset Type</u> | |
|------------------------------------|------------------------------|
| Land | \$ 48,016,810 |
| Infrastructure and right of way | 258,432,892 |
| Construction in progress | 33,873,212 |
| Vehicles | 791,649 |
| Furniture and equipment | 1,340,544 |
| Building and improvements | 7,728,584 |
| Total capital assets | <u>350,183,691</u> |
| Less depreciation | <u>144,606,084</u> |
| Capital Assets net of Depreciation | <u><u>\$ 205,577,607</u></u> |

Long-Term Debt

At fiscal year-end the long-term debt reported by the City included compensated absences, successor agency settlement agreement, Ibank lease, other post-employment benefits (OPEB) liability (retiree health care) and net pension liability. The following table summarizes the long-term debt for the fiscal year ended June 30, 2022. Additional information on the City of Goleta's long-term debt can be found in Notes 1I, 1K, 1L, 5, 6, 7, 8 and 9.

Table 5
Long-Term Debt

| <u>Governmental Activities</u> | |
|---------------------------------------|-----------------------------|
| Compensated absences | \$ 815,213 |
| Successor Agency settlement agreement | 2,327,823 |
| Ibank lease payable | 9,777,260 |
| OPEB liability | 634,626 |
| Net pension liability | 1,005,978 |
| Total | <u><u>\$ 14,560,900</u></u> |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The fiscal year 2021/22 economic indicators point to a solid financial recovery, surpassing original expectations for FY 2022/23. The phase out of state and local public health restrictions combined with pent-up demand for consumer spending further bolstered by the federal government relief programs facilitated a strong economic recovery in 2021. However, the economic uncertainties seem far from over with continued inflation and supply chain disruptions, elevated energy and fuel prices, Federal Reserve tightening unforeseen consequences related to future COVID-19 variants, and geopolitical concerns resulting from the war in Ukraine. The City's primary revenue sources (sales tax, property tax, TOT, cannabis business tax and franchise fees) are all potentially affected by fluctuations in the economy, with TOT, sales tax and cannabis business tax affected the most. The cannabis business tax was a new revenue source for the City and continues to be extremely volatile and started to experienced declines at the end of June 30, 2022. In a normal fiscal year, those five primary revenue sources provide funding for approximately 90% of City operations. Management continues to monitor these revenues closely and regularly for any trends that could negatively impact or improve the City's financial condition. To hedge against these uncertainties, staff continue to budget conservatively and ensure reserves are funded at policy level and forecast various revenue scenarios for a potential economic downturn.

On June 21, 2022, the City Council adopted an operationally balanced budget of \$81.21 million for FY 2022/23. Of that amount, \$44.1 million is related to the General Fund. The adopted budget restored existing levels of services that were temporarily reduced due to the financial impacts and economic uncertainty caused by the COVID-19 pandemic, including programs and projects that were deferred. Additionally, the budget addressed policy direction provided in the City's Strategic Plan and each department's annual work program. Updates to personnel to address critical staffing deficiencies in departments that had continued ongoing workload impacts prior to the pandemic were also programmed. This included adding an additional 15.75 full-time equivalent (FTE) positions for a total of 115.78 FTEs. When including the new positions and vacancies at the time of adoption, the City had approximately 27.00 vacant positions to start the new fiscal year.

As we look forward, Goleta is faced with continued challenges with filling staff vacancies and addressing unfunded priorities, which include a backlog of deferred maintenance and implementation of master plan and management plan documents and related unfunded capital improvement program (CIP) projects. One of the major deferred maintenance items included the additional pavement budget needed of approximately \$3.3 million on top of the current budget of \$2.5 million to help maintain average pavement condition index (PCI) levels of 67. Some of the master plan and management plan documents include the Homelessness Strategic Plan, the Bicycle and Pedestrian Master Plan, and the Creek and Watershed Plan. At the time, the estimated unfunded CIP amount was \$104 million. During FY 2021/22, the City held workshops and conducted polling on evaluating long-term revenue enhancement options to help address the City's unfunded priorities. Staff continued its analysis with consultants on the feasibility of various tax measures and options, and ultimately City Council approved on June 21, 2022, to place Measure B2022 (a 1 % general transaction and use tax) with an operative date of January 1, 2024, on the ballot for the November 8, 2022, election. The tax measure was estimated to generate \$10.6 million annually to the general fund. At the time of preparing this report, Goleta voters passed Measure B2022, with 64.39% voting in favor of the tax. Revenues from this new measure will be reflected in the FY 2023/24 report and will go to help ensure the long-term fiscal sustainability of the City of Goleta and its community.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT STAFF

This financial report is designed to provide Goleta residents, 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 Finance Department, City of Goleta, 130 Cremona Dr. Suite B, Goleta, California 93117, (805) 961-7500 or email financegroup@cityofgoleta.org. Additional information can also be found on the City's website at www.cityofgoleta.org.

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CITY OF GOLETA
STATEMENT OF NET POSITION
June 30, 2022

| | Governmental Activities |
|--|------------------------------------|
| ASSETS: | |
| Cash and investments | \$ 78,527,058 |
| Receivables: | |
| Accounts | 8,633,321 |
| Interest | 72,251 |
| Deposits | 2,055,156 |
| Prepaid items | 28,288 |
| Capital assets: | |
| Non Depreciable: | |
| Land | 48,016,810 |
| Rights of way | 11,395,313 |
| Construction in progress | 33,873,212 |
| Depreciable: | |
| Infrastructure | 247,037,579 |
| Vehicles | 791,649 |
| Furniture and equipment | 1,340,544 |
| Buildings and improvements | 7,728,584 |
| Accumulated depreciation | (144,606,084) |
| Total assets | <u>294,893,681</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | |
| Deferred pension | 1,799,404 |
| Deferred OPEB | 316,055 |
| Total deferred outflows of resources | <u>2,115,459</u> |
| LIABILITIES: | |
| Accounts payable | 4,759,888 |
| Accrued salaries and benefits | 428,853 |
| Retentions payable | 106,053 |
| Interest payable | 107,550 |
| Deposits payable | 1,445,892 |
| Unearned revenue | 3,045,824 |
| Noncurrent liabilities: | |
| Due within one year | 1,167,604 |
| Due in more than one year | 11,752,692 |
| OPEB liability | 634,626 |
| Net pension liability | 1,005,978 |
| Total liabilities | <u>24,454,960</u> |
| DEFERRED INFLOWS OF RESOURCES: | |
| Deferred pension | 878,165 |
| Deferred OPEB | 2,418,482 |
| Total deferred inflows of resources | <u>3,296,647</u> |
| NET POSITION: | |
| Net investment in capital assets | 195,800,347 |
| Restricted for: | |
| Public works | 30,497,604 |
| Community development | 10,810,280 |
| Community services | 1,573,832 |
| Unrestricted | 30,575,470 |
| Total net position | <u>\$ 269,257,533</u> |

The notes to basic financial statements are an integral part of this statement.

CITY OF GOLETA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

| | | | Program Revenues | | Net (Expenses) Revenue and Changes in Net Position |
|--|----------------------|-------------------------|--|--|---|
| | Expenses | Charges for Services | Operating Contributions and Grants | Capital Contributions and Grants | Governmental Activities |
| Governmental activities: | | | | | |
| General government | \$ 7,637,311 | \$ 98,700 | \$ 3,020,465 | \$ - | \$ (4,518,146) |
| Community development | 1,014,887 | 1,103,385 | - | 298,779 | 387,277 |
| Community services | 7,051,170 | 6,704 | 1,581,633 | 15,869 | (5,446,964) |
| Public safety | 8,695,216 | - | - | 714,138 | (7,981,078) |
| Public works | 16,520,360 | 1,467,664 | 762,120 | 4,352,804 | (9,937,772) |
| Interest on long-term debt | 258,610 | - | - | - | (258,610) |
| Total governmental activities | <u>\$ 41,177,554</u> | <u>\$ 2,676,453</u> | <u>\$ 5,364,218</u> | <u>\$ 5,381,590</u> | <u>(27,755,293)</u> |
| General Revenues | | | | | |
| Taxes: | | | | | |
| Property taxes | | | | | 8,299,838 |
| Sales and use taxes | | | | | 10,733,246 |
| Transient lodging tax | | | | | 14,341,129 |
| Franchise fees | | | | | 1,577,968 |
| Other taxes | | | | | 3,437,524 |
| Fines and forfeitures | | | | | 169,201 |
| Use of money and property | | | | | (314,219) |
| Other general revenues | | | | | <u>1,036,124</u> |
| Total general revenues | | | | | <u>39,280,811</u> |
| Change in net position | | | | | 11,525,518 |
| Net position, beginning of fiscal year | | | | | <u>257,732,015</u> |
| Net position, end of fiscal year | | | | | <u>\$ 269,257,533</u> |

The notes to basic financial statements are an integral part of this statement.

CITY OF GOLETA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2022

| | Special Revenue Funds | | | |
|--|-----------------------|----------------------|---------------------|-------------------------------|
| | General Fund | GTIP | Park DIF | Active Transportation Program |
| ASSETS: | | | | |
| Cash and investments | \$ 36,520,237 | \$ 11,905,361 | \$ 8,563,565 | \$ - |
| Receivables: | | | | |
| Accounts | 4,429,597 | - | - | 40,000 |
| Interest | 36,604 | 11,055 | 7,965 | - |
| Deposits | 50,000 | 2,005,156 | - | - |
| Prepaid items | 26,176 | - | - | - |
| Due from other funds | 2,544,997 | - | - | - |
| TOTAL ASSETS | \$ 43,607,611 | \$ 13,921,572 | \$ 8,571,530 | \$ 40,000 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES: | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 2,613,177 | \$ 341,588 | \$ 110,602 | \$ - |
| Accrued salaries and benefits | 363,825 | - | - | - |
| Retentions payable | 34,053 | - | 24,784 | - |
| Deposits payable | 1,295,392 | - | - | - |
| Unearned revenue | 32,224 | - | - | - |
| Due to other funds | - | - | - | 14,755 |
| TOTAL LIABILITIES | 4,338,671 | 341,588 | 135,386 | 14,755 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenues | - | - | - | 40,000 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | - | - | - | 40,000 |
| FUND BALANCES | | | | |
| Nonspendable | 26,176 | - | - | - |
| Restricted | - | 13,579,984 | 8,436,144 | - |
| Committed | 12,753,580 | - | - | - |
| Assigned | 7,006,229 | - | - | - |
| Unassigned | 19,482,955 | - | - | (14,755) |
| TOTAL FUND BALANCES (DEFICITS) | 39,268,940 | 13,579,984 | 8,436,144 | (14,755) |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 43,607,611 | \$ 13,921,572 | \$ 8,571,530 | \$ 40,000 |

The notes to basic financial statements are an integral part of this statement.

| <u>Special Revenue Funds</u> | | | |
|--|---|---|----------------------|
| <u>Coronavirus State & Local Fiscal Recovery</u> | <u>Federal Transportation Program</u> | <u>Other Governmental Funds</u> | <u>Totals</u> |
| \$ 2,966,995 | \$ - | \$ 18,570,900 | \$ 78,527,058 |
| 2,966,995 | 254,067 | 942,662 | 8,633,321 |
| - | - | 16,627 | 72,251 |
| - | - | - | 2,055,156 |
| - | - | 2,112 | 28,288 |
| - | - | - | 2,544,997 |
| <u>\$ 5,933,990</u> | <u>\$ 254,067</u> | <u>\$ 19,532,301</u> | <u>\$ 91,861,071</u> |
| | | | |
| \$ - | \$ 100,253 | \$ 1,594,268 | \$ 4,759,888 |
| - | - | 65,028 | 428,853 |
| - | - | 47,216 | 106,053 |
| - | - | 150,500 | 1,445,892 |
| 2,966,995 | - | 46,605 | 3,045,824 |
| - | 257,226 | 2,273,016 | 2,544,997 |
| <u>2,966,995</u> | <u>357,479</u> | <u>4,176,633</u> | <u>12,331,507</u> |
| | | | |
| <u>2,966,995</u> | <u>-</u> | <u>-</u> | <u>3,006,995</u> |
| | | | |
| <u>2,966,995</u> | <u>-</u> | <u>-</u> | <u>3,006,995</u> |
| | | | |
| - | - | 1,545 | 27,721 |
| - | - | 17,857,048 | 39,873,176 |
| - | - | - | 12,753,580 |
| - | - | - | 7,006,229 |
| - | (103,412) | (2,502,925) | 16,861,863 |
| <u>-</u> | <u>(103,412)</u> | <u>15,355,668</u> | <u>76,522,569</u> |
| | | | |
| <u>\$ 5,933,990</u> | <u>\$ 254,067</u> | <u>\$ 19,532,301</u> | <u>\$ 91,861,071</u> |

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CITY OF GOLETA**RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

June 30, 2022

| | | |
|--|----|------------|
| Total fund balances - governmental funds | \$ | 76,522,569 |
|--|----|------------|

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

| | | |
|-----------------------------------|----|-------------|
| Capital assets at historical cost | \$ | 350,183,691 |
|-----------------------------------|----|-------------|

| | | |
|--------------------------|--|----------------------|
| Accumulated depreciation | | <u>(144,606,084)</u> |
|--------------------------|--|----------------------|

| | | |
|-----|--|-------------|
| Net | | 205,577,607 |
|-----|--|-------------|

| | | |
|--|--|-----------|
| Certain revenues in the governmental receivables are unavailable because they cannot be used to meet current financial obligations. In the Statement of Net Position, revenues are recognized when earned. | | 3,006,995 |
|--|--|-----------|

| | | |
|---|--|-----------|
| In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. | | (107,550) |
|---|--|-----------|

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

| | | |
|------------------------------|----|-----------|
| Compensated absences payable | \$ | (815,213) |
|------------------------------|----|-----------|

| | | |
|---------------------------------------|--|-------------|
| Successor Agency settlement agreement | | (2,327,823) |
|---------------------------------------|--|-------------|

| | | |
|-----------------------|--|-------------|
| Capital lease payable | | (9,777,260) |
|-----------------------|--|-------------|

| | | |
|--------------------|--|-----------|
| Net OPEB liability | | (634,626) |
|--------------------|--|-----------|

| | | |
|-----------------------|--|--------------------|
| Net pension liability | | <u>(1,005,978)</u> |
|-----------------------|--|--------------------|

| | | |
|-------|--|--------------|
| Total | | (14,560,900) |
|-------|--|--------------|

In governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions and OPEB are reported.

Deferred outflows of resources relating:

| | | |
|-------------|----|-----------|
| to pensions | \$ | 1,799,404 |
|-------------|----|-----------|

| | | |
|---------|--|---------|
| to OPEB | | 316,055 |
|---------|--|---------|

Deferred inflows of resources relating:

| | | |
|-------------|--|-----------|
| to pensions | | (878,165) |
|-------------|--|-----------|

| | | |
|---------|--|--------------------|
| to OPEB | | <u>(2,418,482)</u> |
|---------|--|--------------------|

| | | |
|--|--|--------------------|
| | | <u>(1,181,188)</u> |
|--|--|--------------------|

| | | |
|--|----|---------------------------|
| Total net position - governmental activities | \$ | <u><u>269,257,533</u></u> |
|--|----|---------------------------|

The notes to basic financial statements are an integral part of this statement.

CITY OF GOLETA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2022

| | Special Revenue Funds | | | |
|--|------------------------------|----------------------|---------------------|--------------------------------------|
| | General Fund | GTIP | Park DIF | Active Transportation Program |
| REVENUES: | | | | |
| Taxes | \$ 34,805,610 | \$ - | \$ - | \$ - |
| Intergovernmental | 53,470 | - | - | 1,815,379 |
| Charges for services | 1,412,413 | - | - | - |
| Licenses and permits | 515,712 | - | - | - |
| Fines and forfeitures | 168,350 | - | - | - |
| Use of money and property | (105,800) | (70,229) | (50,901) | - |
| Developer fees | - | 1,232,026 | - | - |
| Donations | 61,948 | - | - | - |
| Other | 687,077 | - | - | - |
| Total revenues | <u>37,598,780</u> | <u>1,161,797</u> | <u>(50,901)</u> | <u>1,815,379</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 8,920,270 | - | - | - |
| Public safety | 8,470,638 | - | - | - |
| Public works | 7,525,226 | 4,860 | - | - |
| Community development | 106,184 | - | - | - |
| Community services | 5,289,443 | - | 371,434 | - |
| Capital outlay | 251,641 | 1,726,776 | 248,545 | - |
| Debt service: | | | | |
| Principal | 222,740 | - | - | - |
| Interest | 261,060 | - | - | - |
| Total expenditures | <u>31,047,202</u> | <u>1,731,636</u> | <u>619,979</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>6,551,578</u> | <u>(569,839)</u> | <u>(670,880)</u> | <u>1,815,379</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 24,704 | - | - | - |
| Transfers out | <u>(100,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(75,296)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 6,476,282 | (569,839) | (670,880) | 1,815,379 |
| Fund balances (deficits) - July 1 | <u>32,792,658</u> | <u>14,149,823</u> | <u>9,107,024</u> | <u>(1,830,134)</u> |
| Fund balances (deficits) - June 30 | <u>\$ 39,268,940</u> | <u>\$ 13,579,984</u> | <u>\$ 8,436,144</u> | <u>\$ (14,755)</u> |

The notes to basic financial statements are an integral part of this statement.

| Special Revenue Funds | | | |
|--|---|---|----------------------|
| Coronavirus State & Local Fiscal Recovery | Federal Transportation Program | Other Governmental Funds | Totals |
| \$ - | \$ - | \$ 3,068,383 | \$ 37,873,993 |
| - | 254,067 | 4,239,808 | 6,362,724 |
| - | - | 1,264,040 | 2,676,453 |
| - | - | - | 515,712 |
| - | - | 851 | 169,201 |
| - | - | (87,289) | (314,219) |
| - | - | 110,738 | 1,342,764 |
| - | - | 11,377 | 73,325 |
| - | - | 349,047 | 1,036,124 |
| - | 254,067 | 8,956,955 | 49,736,077 |
| - | - | 404 | 8,920,674 |
| - | - | 197,647 | 8,668,285 |
| - | - | 3,822,377 | 11,352,463 |
| - | - | 908,703 | 1,014,887 |
| - | - | 2,161,318 | 7,822,195 |
| - | 252,860 | 2,817,689 | 5,297,511 |
| - | - | - | 222,740 |
| - | - | - | 261,060 |
| - | 252,860 | 9,908,138 | 43,559,815 |
| - | 1,207 | (951,183) | 6,176,262 |
| - | - | 100,000 | 124,704 |
| - | - | (24,704) | (124,704) |
| - | - | 75,296 | - |
| - | 1,207 | (875,887) | 6,176,262 |
| - | (104,619) | 16,231,555 | 70,346,307 |
| <u>\$ -</u> | <u>\$ (103,412)</u> | <u>\$ 15,355,668</u> | <u>\$ 76,522,569</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 Fiscal Year Ended June 30, 2022**

| | |
|---|-----------------------------|
| Total net change in fund balances - governmental funds | \$ 6,176,262 |
| Capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$5,840,641) exceeds additions to capital assets of \$5,297,511. | (543,130) |
| In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, vacation earned exceeded the amounts used by \$6,990. | (6,990) |
| In governmental funds, repayments of long-term liabilities are reported as expenditures. In the government-wide statements, repayments of long-term liabilities are reported as reductions of liabilities. | 998,681 |
| In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was: | 2,450 |
| In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis OPEB costs and actual employer contribution was: | 188,111 |
| Certain revenues in the governmental funds are unavailable because they cannot be used to meet current financial obligations. In the Statement of Activities, revenues are recognized when earned. | 2,966,995 |
| In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: | <u>1,743,139</u> |
| Changes in net position - governmental activities | <u><u>\$ 11,525,518</u></u> |

The notes to basic financial statements are an integral part of this statement.

CITY OF GOLETA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2022

| | Successor Agency to the Goleta Redevelopment Agency Private-Purpose Trust Fund | Section 115 Pension Trust Fund | Section 115 OPEB Trust Fund |
|---|---|---|--|
| ASSETS: | | | |
| Cash and investments | \$ 1,207,376 | \$ 153,548 | \$ 301,225 |
| Receivables: | | | |
| Interest | 1,087 | - | - |
| Settlement receivable - City of Goleta | 2,327,823 | - | - |
| Bond insurance premium | 57,207 | - | - |
| Restricted assets: | | | |
| Cash and investments with fiscal agent | 2,900 | - | - |
| TOTAL ASSETS | 3,596,393 | 153,548 | 301,225 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Loss on bond refunding | 596,502 | - | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 596,502 | - | - |
| LIABILITIES: | | | |
| Accrued interest bond payable | 39,496 | - | - |
| Bonds payable, current portion | 361,811 | - | - |
| Bonds payable, net of current portion | 11,986,966 | - | - |
| Unearned revenue | 538,425 | - | - |
| TOTAL LIABILITIES | 12,926,698 | - | - |
| NET POSITION: | | | |
| Restricted in trust for: | | | |
| Successor Agency to the Goleta RDA | (8,733,803) | - | - |
| Pension benefits | - | 153,548 | - |
| OPEB benefits | - | - | 301,225 |
| Total net position | \$ (8,733,803) | \$ 153,548 | \$ 301,225 |

The notes to basic financial statements are an integral part of this statement.

CITY OF GOLETA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2022

| | Successor Agency to the Goleta Redevelopment Agency Private-Purpose Trust Fund | Section 115 Pension Trust Fund | Section 115 OPEB Trust Fund |
|---------------------------------------|---|---|--|
| ADDITIONS: | | | |
| Property taxes | \$ 1,291,764 | \$ - | \$ - |
| Use of money and property | (9,429) | (16,200) | (31,781) |
| Miscellaneous | 2,000 | - | - |
| Contributions from the City of Goleta | | 170,000 | 333,500 |
| Total additions | <u>1,284,335</u> | <u>153,800</u> | <u>301,719</u> |
| DEDUCTIONS: | | | |
| Administration | 131,906 | 252 | 494 |
| Community development | 334,369 | - | - |
| Distribution to Santa Barbara County | 775,941 | - | - |
| Debt service: | | | |
| Interest | <u>387,575</u> | <u>-</u> | <u>-</u> |
| Total deductions | <u>1,629,791</u> | <u>252</u> | <u>494</u> |
| Change in net position | (345,456) | 153,548 | 301,225 |
| Net position - July 1 | <u>(8,388,347)</u> | <u>-</u> | <u>-</u> |
| Net position - June 30 | <u><u>\$ (8,733,803)</u></u> | <u><u>\$ 153,548</u></u> | <u><u>\$ 301,225</u></u> |

The notes to basic financial statements are an integral part of this statement.

NOTE 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 Presentation

Government-wide Statements

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

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

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 as 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

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 funds.

Governmental Funds

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

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated* and *voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met. Revenues, expenditures, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, which requires that local governments defer grant revenue that is not received within their availability period of 120 days after the fiscal year ends to meet the “available” criteria of revenue recognition.

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

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

Recognition of governmental fund type revenue represented by noncurrent receivables are deferred and are shown as unavailable revenues until they become current receivables.

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

Amounts expended to acquire capital assets are recorded as *expenditures* in the fiscal 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.

The fiduciary fund is accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Fiduciary Net Position. The Statement of Changes in Fiduciary Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which the revenues are earned while expenses are recognized in the period in which the liability is incurred.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Classifications

GASB Statement No. 34 defines major funds and requires that the City's major funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column in the Fund Statements as Other Governmental Funds, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund-type total. The General Fund is always a major fund. The City may also voluntarily select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

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. The General Fund also accounts for deposits advanced to the City to fund development-related services provided by the City's Planning and Environmental Review Department and Public Works Department.

GTIP Special Revenue Fund – Accounts for traffic development impact fees.

Park Development Impact Fees (DIF) Special Revenue Fund – Accounts for park development impact fees.

Active Transportation Program Special Revenue Fund – Accounts for State grant funds for transportation projects.

Coronavirus State & Local Fiscal Recovery – Accounts for the funding from the American Rescue Plan Act to support expenditures or losses incurred due to the COVID-19 public health emergency.

Federal Transportation Program Fund – Accounts for federal grant funds for transportation projects.

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.

Fiduciary Fund Type:

Private-Purpose Trust Fund – This fund accounts for the activities of the Successor Agency to the Goleta Redevelopment Agency. The fund's primary purpose is to expedite the dissolution of the former Agency's net position in accordance with ABx1 26, AB 1484, and SB 107. The Private-Purpose Trust Fund is omitted from the government-wide financial statements.

Section 115 Pension Trust Fund – This Section 115 Pension Trust was established to prefund the City's outstanding pension obligation and can only be used to offset California Public Employees' Retirement System pension costs.

Section 115 OPEB Trust Fund – This Section 115 OPEB Trust was established to prefund the City's outstanding OPEB obligation and can only be used to offset California Public Employees' Medical and Hospital Care Act OPEB costs.

D. Property Taxes

California Constitution Article XIII A limits the combined property tax rate to one percent of a property's assessed valuation. Additional taxes may be imposed with voters' approval. Assessed value is calculated at one hundred percent of a property's fair value, as defined by Article XIII A, and may be increased no more than two percent per year, unless a change in ownership or new construction occurs. The State legislature has determined the method of distributing the one percent tax levy among the various taxing jurisdictions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Property Taxes (Continued)

Property tax revenues are recognized in the fiscal year for which taxes have been levied and collected within sixty days of fiscal year end. Property taxes are billed and collected as follows:

| | <u>Secured</u> | <u>Unsecured</u> |
|----------------------|---------------------------------------|------------------|
| Valuation/Lien Dates | January 1 | January 1 |
| Levy Dates | July 1 | July 1 |
| Due Dates | November 1 (50%) February 1 (50%) | August 1 |
| Delinquency Dates | December 10 (Nov.) April 10 (Feb.) | August 31 |

E. Cash and Investments

Investments are reported in the accompanying financial statements at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings and changes in fair value. The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the General Fund.

F. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at acquisition value at the date of contribution. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of three years or more. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*,” and GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*,” the City recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The City has two items that qualify for reporting in this category; refer to Notes 7 and 8 for detailed listing of the deferred outflows of resources the City has reported.

In addition to liabilities, the Statement of Net Position and the Governmental Funds – Balance Sheet will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the City that is applicable to a future reporting period. The City has two items that qualify for reporting in this category; refer to Notes 7 and 8 for detailed listing of the deferred inflows of resources the City has reported.

H. Prepaid Items

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

I. Compensated Absences

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

J. Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue.

K. Pensions

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

L. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s plan (OPEB Plan) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Balances

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or are legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the City’s governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action, such as by an ordinance or resolution. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts that the City intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund’s primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the City.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

N. Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources, and liabilities added to the deferred inflows of resources, be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislations. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

O. Interfund Balances/Internal Balances

Advances to and advances from other funds represent interfund loans in the fund financial statements. Advances between funds are offset by a fund liability or by deferred revenue in the applicable governmental funds to indicate that they are not expendable available financial resources. Any unpaid interest due to lack of funds in the borrowing fund increases the principal owed and is reported in the lending fund as deferred revenue. All other outstanding balances between funds are reported as due to and due from other funds. These are generally repaid within the following fiscal year.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Budgetary Accounting

The City Council establishes budgets for the General Fund and all Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code. The City Council may amend the budget by motion during the fiscal year. Only the Council can authorize transfers between funds and approve inter-fund loans. The City Manager is authorized to transfer budgeted amounts within a fund without formal council action or approval. The City Manager is authorized to increase expenditures in relation to revenues in funds receiving assigned revenues without approval by the City Council.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. There were no material supplemental appropriations made for the fiscal year ended June 30, 2022. Budget information is presented for the General and budgeted Special Revenue Funds in the fund financial statements. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year.

Appropriations lapse at the end of the fiscal year and then are re-budgeted for the coming year. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following fiscal year. For the fiscal year ended June 30, 2022, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit. Budgeted appropriations for the various governmental funds become effective each July 1.

Q. 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.

R. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

| | | |
|------------------|---|--|
| Statement No. 91 | "Conduit Debt Obligations" | The provisions of this statement are effective for fiscal years beginning after December 15, 2021. |
| Statement No. 93 | "Replacement of Interbank Offered Rates" | The provisions of this statement except for paragraphs 11b, 13, and 14 are effective for fiscal years beginning after June 15, 2020. Paragraph 11b is effective for fiscal years beginning after December 31, 2021. Paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021. |
| Statement No. 94 | "Public-Private and Public-Public Partnerships and Availability Payment Arrangements" | The provisions of this statement are effective for fiscal years beginning after June 15, 2022. |
| Statement No. 96 | "Subscription-Based Information Technology Arrangements" | The provisions of this statement are effective for fiscal years beginning after June 15, 2022. |
| Statement No. 98 | "The Annual Comprehensive Financial Report" | The provisions of this statement are effective for fiscal years beginning after December 15, 2021. |

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Future Accounting Pronouncements (Continued)

| | | |
|-------------------|--|---|
| Statement No. 99 | "Omnibus 2022" | The provisions of this statement are effective in April 2022 except for the provisions related to leases, PPPs, SBITAs, financial guarantees and derivative instruments. The provisions related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The provisions related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023. |
| Statement No. 100 | "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62" | The provisions of this statement are effective for fiscal years beginning after June 15, 2023. |
| Statement No. 101 | "Compensated Absences" | The provisions of this statement are effective for fiscal years beginning after December 15, 2023. |

NOTE 2 – CASH AND INVESTMENTS

The composition of cash and investments as of June 30, 2022, is as follows:

| | |
|--------------------------------------|----------------------|
| Cash on hand | \$ 1,378 |
| Deposits with financial institutions | 590,247 |
| Investments | <u>79,600,482</u> |
| Total cash and investments | <u>\$ 80,192,107</u> |

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of the City's debt instruments or Agency's agreements:

| | |
|--|----------------------|
| Statement of Net Position: | |
| Cash and investments | \$ 78,527,058 |
| Fiduciary Funds: | |
| Cash and investments | 1,662,149 |
| Cash and investments with fiscal agent | <u>2,900</u> |
| Total cash and investments | <u>\$ 80,192,107</u> |

Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurements and Application," provides the framework for measuring fair value. The framework categorizes a fair value hierarchy that is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has recurring fair value measurements as of June 30, 2022 as shown on the following page:

NOTE 2 – CASH AND INVESTMENTS (Continued)

| Investments by fair value | Total | Fair Value Measurement Using | | |
|---|----------------------|--|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Negotiable certificates of deposit | \$ 4,772,719 | \$ 4,772,719 | \$ - | \$ - |
| PARS | 454,773 | - | 454,773 | - |
| Total investments measured at fair value | 5,227,492 | <u>\$ 4,772,719</u> | <u>\$ 454,773</u> | <u>\$ -</u> |
| <u>Investments measured at amortized cost</u> | | | | |
| Money market funds | 23,557,784 | | | |
| LAIF | 50,812,306 | | | |
| Held by fiscal agent: | | | | |
| Money market funds | 2,900 | | | |
| Total investments | <u>\$ 79,600,482</u> | | | |

A. Investments Authorized by the California Government Code and the City's Investment Policy

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

The table on the 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 | 10% |
| U.S. Treasury Obligations | Yes | 5 years | None | None |
| U.S. Government-Sponsored | | | | |
| Agency Securities | Yes | 5 years | None | None |
| Banker's Acceptances | No | 180 days | 40% | 10% |
| Commercial Paper | Yes | 180 days | 15% | 10% |
| Certificates of Deposit | Yes | 5 years | 30% | 10% |
| Negotiable Certificates of Deposit | No | 5 years | 30% | 10% |
| Repurchase Agreements | No | 1 year | None | 10% |
| Reverse Repurchase Agreements | No | 92 days | 20% of base value | 10% |
| Medium-Term Notes | No | 5 years | 30% | 10% |
| Mutual Funds | No | N/A | 20% | 10% |
| Money Market Mutual Funds | Yes | N/A | 20% | 10% |
| Mortgage Pass-Through Securities | No | 5 years | 20% | 10% |
| County Pooled Investment Funds | No | N/A | None | None |
| Local Agency Investment Fund | Yes | N/A | None | \$75,000,000 |
| JPA Pools (other investment pools) | Yes | None | None | None |
| Passbook Accounts | Yes | N/A | None | None |

NOTE 2 – CASH AND INVESTMENTS (Continued)

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

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

Investments of bond funds will be made in conformance with the trust indenture for each issue. Such investments shall be held separately when required. It is the City’s intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars; however, sales prior to maturity are permitted. Investment maturities can also be based on a review of cash flow forecasts. Maturities will be scheduled to permit the City to meet all projected cash obligations.

B. 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 flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the City’s investments 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>Carrying Amount</u> | <u>Remaining Maturity (in Months)</u> | | | |
|-------------------------|------------------------|---------------------------------------|---------------------|---------------------|----------------------------|
| | | <u>12 Months Or Less</u> | <u>13-24 Months</u> | <u>25-60 Months</u> | <u>More than 60 Months</u> |
| Certificates of deposit | \$ 4,772,719 | \$ 247,077 | \$ 246,814 | \$ 4,278,828 | \$ - |
| PARS | 454,773 | 454,773 | - | - | - |
| LAIF | 50,812,306 | 50,812,306 | - | - | - |
| Money market funds | 23,557,784 | 23,557,784 | - | - | - |
| Held by fiscal agent: | | | | | |
| Money market funds | 2,900 | 2,900 | - | - | - |
| Total | \$ 79,600,482 | \$ 75,074,840 | \$ 246,814 | \$ 4,278,828 | \$ - |

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 rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, and the actual rating as of fiscal year end for each investment type.

| <u>Investment Type</u> | <u>Carrying Amount</u> | <u>Minimum Legal Rating</u> | <u>Exempt From Disclosure</u> | <u>Rating as of Fiscal Year End</u> | |
|-------------------------|------------------------|-----------------------------|-------------------------------|-------------------------------------|----------------------|
| | | | | <u>AAA</u> | <u>Not Rated</u> |
| Certificates of deposit | \$ 4,772,719 | N/A | \$ - | \$ - | \$ 4,772,719 |
| PARS | 454,773 | | - | - | 454,773 |
| LAIF | 50,812,306 | N/A | - | - | 50,812,306 |
| Money market funds | 23,557,784 | N/A | - | - | 23,557,784 |
| Held by fiscal agent: | | | | | |
| Money market funds | 2,900 | N/A | - | - | 2,900 |
| Total | \$ 79,600,482 | | \$ - | \$ - | \$ 79,600,482 |

C. 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, 2022, the City did not hold any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 10% or more of total City investments.

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 2 – CASH AND INVESTMENTS (Continued)

D. 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 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, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by State or local 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 fair 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, 2022, the City had deposits of \$23,421,126 with financial institutions in excess of federal depository insurance limits that were held in collateralized accounts.

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 investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or governmental investment pools (such as LAIF).

E. 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 basic financial statements at the 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.

NOTE 3 – INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are netted and eliminated as part of the reconciliation to the government-wide financial statements.

A. Due From/To Other Funds

Due to and from balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 3 – INTERFUND TRANSACTIONS (Continued)

A. Due From/To Other Funds (Continued)

Individual fund interfund receivable and payable balances at June 30, 2022, are as follows:

| <u>Fund</u> | <u>Due From</u> | <u>Due To</u> |
|--|---------------------|---------------------|
| Major Governmental Funds: | | |
| General Fund | \$ 2,544,997 | \$ - |
| Active Transportation Program Fund | - | 14,755 |
| Federal Transportation Program Fund | - | 257,226 |
| Nonmajor Governmental Funds: | | |
| CDBG Fund | - | 53,477 |
| County Fire DIF Fund | - | 91,753 |
| HMGP Grant Fund | - | 5,560 |
| Housing & Community Development State Grant Fund | - | 86,331 |
| HSIP Fund | - | 9,135 |
| LSTP State Grant Fund | - | 122,356 |
| Local STIP Fund | - | 4,309 |
| Measure A Grants Fund | - | 555,648 |
| Miscellaneous Grants Fund | - | 60,778 |
| Monarch Butterfly Habitat Management Plan Fund | - | 472,940 |
| OBF - Southern California Edison Fund | - | 3,201 |
| OTS Public Safety Fund | - | 4,537 |
| Planning Grants Program Fund | - | 107,790 |
| Public Administration Facilities DIF Fund | - | 1,725 |
| Public Safety Fund | - | 3 |
| RSTP State Grant Fund | - | 415,736 |
| SSARP Grant Fund | - | 49,404 |
| TIRCP Grant Fund | - | 228,333 |
| Total | <u>\$ 2,544,997</u> | <u>\$ 2,544,997</u> |

B. Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the 2021-2022 fiscal year are as follows:

| <u>Fund</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------------|---------------------|----------------------|
| Major Governmental Fund: | | |
| General Fund | \$ 24,704 | \$ 100,000 |
| Nonmajor Governmental Fund: | | |
| CDBG Fund | - | 24,704 |
| Solid Waste Program Fund | 100,000 | - |
| | <u>\$ 124,704</u> | <u>\$ 124,704</u> |

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2022, was as follows:

| | Balance July 1, 2021 | Additions | Deletions | Transfers | Balance June 30, 2022 |
|-------------------------------------|----------------------------|-----------------------|-------------|---------------------|-----------------------------|
| Governmental Activities | | | | | |
| Nondepreciable capital assets: | | | | | |
| Land | \$ 47,299,457 | \$ - | \$ - | \$ 717,353 | \$ 48,016,810 |
| Right of way | 11,395,313 | - | - | - | 11,395,313 |
| Construction in progress | 29,764,786 | 5,215,733 | - | (1,107,307) | 33,873,212 |
| Total nondepreciable capital assets | <u>\$ 88,459,556</u> | <u>\$ 5,215,733</u> | <u>\$ -</u> | <u>\$ (389,954)</u> | <u>\$ 93,285,335</u> |
| Depreciable capital assets: | | | | | |
| Infrastructure | \$ 246,647,625 | \$ - | \$ - | \$ 389,954 | \$ 247,037,579 |
| Vehicles | 791,649 | - | - | - | 791,649 |
| Furniture and equipment | 1,258,766 | 81,778 | - | - | 1,340,544 |
| Buildings and improvements | 7,728,584 | - | - | - | 7,728,584 |
| Total depreciable capital assets | <u>256,426,624</u> | <u>81,778</u> | <u>-</u> | <u>389,954</u> | <u>256,898,356</u> |
| Less accumulated depreciation: | | | | | |
| Infrastructure | 135,767,314 | 5,546,241 | - | - | 141,313,555 |
| Vehicles | 658,579 | 42,598 | - | - | 701,177 |
| Furniture and equipment | 930,298 | 65,236 | - | - | 995,534 |
| Buildings and improvements | 1,409,252 | 186,566 | - | - | 1,595,818 |
| Total accumulated depreciation | <u>138,765,443</u> | <u>5,840,641</u> | <u>-</u> | <u>-</u> | <u>144,606,084</u> |
| Net depreciable capital assets | <u>\$ 117,661,181</u> | <u>\$ (5,758,863)</u> | <u>\$ -</u> | <u>\$ 389,954</u> | <u>\$ 112,292,272</u> |
| Net capital assets | <u>\$ 206,120,737</u> | <u>\$ (543,130)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 205,577,607</u> |

Depreciation expense was charged to function and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

Governmental Activities:

| | |
|--|---------------------|
| General government | \$ 168,612 |
| Public safety | 26,931 |
| Public works | 5,628,161 |
| Community services | 16,937 |
| Total depreciation expense-governmental activities | <u>\$ 5,840,641</u> |

NOTE 5 – LONG-TERM LIABILITIES

A. Compensated Absences

The City's policies relating to compensated absences are described in Note 1, I. Compensated Absences. The liability in the amount of \$815,213 at June 30, 2022, is expected to be paid in future years from future resources. Compensated absences have typically been liquidated from the General Fund.

B. Claims and Judgments Payable

Per review of the insurance policy agreements, it was determined that there was no City liability for claims and judgments of the insurance pool.

C. Successor Agency Settlement Agreement

On September 24, 2018, the City agreed to a settlement agreement to transfer \$6,431,587 to the Successor Agency to the Goleta Redevelopment Agency. The payments will then be distributed out to the taxing agencies as consistent with California Health and Safety Code sections 34179.5 and 34179.6. The City paid \$1,000,000 within 90 days of the settlement date and then pays \$775,941 annually by June 30th of each fiscal year for seven years.

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 6 – CHANGES IN LONG-TERM LIABILITIES

The following is a summary of long-term liability activities for the fiscal year ended June 30, 2022:

| | Balance July 1, 2021 | Additions | Deletions | Balance June 30, 2022 | Due Within One Year |
|---------------------------------------|-------------------------|-------------------|---------------------|--------------------------|------------------------|
| Compensated absences | \$ 808,223 | \$ 497,216 | \$ 490,226 | \$ 815,213 | \$ 163,043 |
| Successor Agency settlement agreement | 3,103,764 | - | 775,941 | 2,327,823 | 775,941 |
| IBank lease payable | 10,000,000 | - | 222,740 | 9,777,260 | 228,620 |
| OPEB liability | 2,766,199 | - | 2,131,573 | 634,626 | - |
| Net pension liability | 3,536,142 | - | 2,530,164 | 1,005,978 | - |
| Total | <u>\$ 20,214,328</u> | <u>\$ 497,216</u> | <u>\$ 6,150,644</u> | <u>\$ 14,560,900</u> | <u>\$ 1,167,604</u> |

NOTE 7 – PENSION PLAN

A. General Information about the Pension Plans

Plan Descriptions

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

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

| | Miscellaneous | |
|---|-----------------------------|--------------------------------|
| Hire Date | Prior to January 1, 2013 | On or after January 1, 2013 |
| Benefit vesting schedule | 2% @ 55 | 2% @ 62 |
| Proportion-June 30, 2021 | 2% @ 55 | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50-63 | 52-67 |
| Monthly benefits, as a % of eligible compensation | 1.426% to 2.418% | 1.0% to 2.5% |
| Required employee contribution rates | 7.00% | 6.75% |
| Required employer contribution rates | 10.88% + \$255,699 | 7.59% + \$9,213 |

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7 – PENSION PLAN (Continued)

A. General Information about the Pension Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the City were \$1,072,458 for the fiscal year ended June 30, 2022 and were paid primarily from the City's General Fund.

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

At June 30, 2022, the City reported a liability of \$1,005,978 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. The City's proportionate share of net pension liability for miscellaneous plans as of June 30, 2021 and 2020 was as follows:

| | <u>Miscellaneous</u> |
|----------------------------|----------------------|
| Proportion-June 30, 2020 | 0.08383% |
| Proportion-June 30, 2021 | 0.05298% |
| Change-Increase (Decrease) | <u>-0.03085%</u> |

For the fiscal year ended June 30, 2022, the City recognized pension expense of \$(670,681). Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 112,810 | \$ - |
| Net difference between projected and actual earnings on retirement plan investments | - | 878,165 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 151,076 | - |
| Adjustment due to differences in proportion | 463,060 | - |
| City contributions subsequent to the measurement date | 1,072,458 | - |
| | <u>\$ 1,799,404</u> | <u>\$ 878,165</u> |

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability, to be recognized in future periods in a systematic and rational manner.

\$1,072,458 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending June 30, 2023.

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7 – PENSION PLAN (Continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expenses as follows:

| <u>Fiscal year Ending June 30,</u> | <u>Amount</u> |
|------------------------------------|---------------------|
| 2023 | \$ 136,633 |
| 2024 | 48,664 |
| 2025 | (93,837) |
| 2026 | (242,679) |
| | <u>\$ (151,219)</u> |

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

| | |
|----------------------------------|---|
| | <u>Miscellaneous</u> |
| Valuation Date | June 30, 2020 |
| Measurement Date | June 30, 2021 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Payroll Growth | 3.00% |
| Projected Salary Increase | Varies by Entry Age and Service |
| Investment Rate of Return | 7.00% |
| Mortality | Derived using CalPERS' Membership Data for all Funds (1) |
| Post Retirement Benefit Increase | Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies; 2.75% thereafter |

- (1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale-MP 2016. For more details on this table please refer to the December 2017 experience study report.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on testing the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund, including PERF C. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB No. 68 section.

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7 – PENSION PLAN (Continued)

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

Discount Rate (Continued)

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2022. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB No. 67 and No. 68 calculations through at least the 2021-22 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as it has changed its methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

| <u>Asset Class</u> | <u>New Strategic Allocation</u> | <u>Real Return Years 1-10(a)</u> | <u>Real Return Years 11+(b)</u> |
|---------------------|---|--------------------------------------|-------------------------------------|
| Global Equity | 50.0% | 4.80% | 5.98% |
| Global Fixed Income | 28.0% | 1.00% | 2.62% |
| Inflation Assets | 0.0% | 0.77% | 1.81% |
| Private Equity | 8.0% | 6.30% | 7.23% |
| Real Assets | 13.0% | 3.75% | 4.93% |
| Liquidity | 1.0% | 0.00% | -0.92% |
| Total | <u>100.0%</u> | | |

(a) An expected inflation of 2.00% was used for this period.

(b) An expected inflation of 2.92% was used for this period.

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

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.15 percent) or one percentage point higher (8.15 percent) than the current rate:

| | <u>1% Decrease 6.15%</u> | <u>Current Discount Rate 7.15%</u> | <u>1% Increase 8.15%</u> |
|---|------------------------------|--|------------------------------|
| City's proportionate share of net pension plan liability (asset) | \$ 3,987,493 | \$ 1,005,978 | \$ (1,458,799) |

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7 – PENSION PLAN (Continued)

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

Pension Plan Fiduciary Net Position

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

C. Payable to the Pension Plan

At June 30, 2022, the City had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2022.

NOTE 8 – POSTEMPLOYMENT HEALTH CARE BENEFITS (OPEB)

A. Plan Description

The City provides postemployment health care benefits through the CalPERS cost-sharing multiple employer health care program (PEMHCA) to eligible employees. The City pays the PEMHCA minimum of \$143/month for 2021 and \$149/month for 2022. To be eligible for postretirement health benefits, employees must complete at least 5 years of continuous service and be a minimum of 50 years of age. The City created a Section 115 Trust Fund with PARS in their Moderate Portfolio in the fiscal year ended June 30, 2022 to set aside funds restricted to use for the City's OPEB benefits.

B. Employees Covered

As of June 30, 2022, actuarial valuation, the following current and former employees were covered by the benefit terms under the City's Plan:

| | |
|---|------------|
| Active plan members | 86 |
| Inactive plan members or beneficiaries currently receiving benefits | 10 |
| Inactive plan members entitled to but not yet receiving benefits | 12 |
| Total | <u>108</u> |

C. Contributions

The City currently finances benefits on a pay-as-you-go basis primarily from the City's General Fund. The City created a Section 115 Trust Fund to set aside funds restricted to use for the City's OPEB benefits. During the fiscal year ended June 30, 2022, the City contributed \$170,000 to the PARS Section 115 Trust Fund.

D. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2022 and the net OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation as of June 30, 2022.

Actuarial assumptions. The net OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|----------------------------|--|
| Salary increases | 2.75% |
| Discount rate | 5.50% |
| Healthcare cost trend rate | Non-Medicare - 8.50% through 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.50% through 2024 decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% through 2024 decreasing to an ultimate rate of 3.45% in 2076 |

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 8 – POSTEMPLOYMENT HEALTH CARE BENEFITS (OPEB) (Continued)

D. Net OPEB Liability (Continued)

Pre-retirement and post-retirement mortality rates were based on the CalPERS 2000-2019 experience study. Mortality improvement was projected fully generational with Scale MP-2021.

Actuarial assumptions used in the June 30, 2022 valuation were based on a review of plan experience during the period July 1, 2021 to June 30, 2022.

Discount rate. GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments — to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher — to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the City's net OPEB liability is based on these requirements and the following information:

| Reporting Date | Measurement Date | Long-Term Expected Return of Plan Investments (if any) | Municipal Bond 20 Year High Grade Rate Index | Discount Rate |
|----------------|------------------|---|--|---------------|
| June 30, 2022 | June 30, 2022 | 5.50% | 3.54% | 5.50% |
| June 30, 2021 | June 30, 2021 | 2.25% | 2.25% | 2.25% |
| June 30, 2020 | June 30, 2020 | 2.25% | 2.25% | 2.25% |

E. Changes in the Net OPEB Liability

| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
|--|-------------------------|--------------------------------|-----------------------|
| Balance at June 30, 2021 (Valuation Date June 30, 2020) | \$ 2,766,199 | \$ - | \$ 2,766,199 |
| Changes recognized for the measurement period: | | | |
| Service cost | 328,789 | - | 328,789 |
| Interest | 69,274 | - | 69,274 |
| Difference between expected and actual experience | (516,973) | - | (516,973) |
| Changes in assumptions | (1,679,171) | - | (1,679,171) |
| Contributions - employer | - | 365,823 | (365,823) |
| Net investment income | - | (32,007) | 32,007 |
| Administrative expense | - | (324) | 324 |
| Benefit payments | (32,268) | (32,268) | - |
| Net Changes | (1,830,349) | 301,224 | (2,131,573) |
| Balance at June 30, 2022 (Measurement Date June 30, 2022) | \$ 935,850 | \$ 301,224 | \$ 634,626 |

Sensitivity of the OPEB liability to changes in the discount rate. The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.50 percent) or 1 percentage point higher (6.50 percent) than the current discount rate:

| | 1% Decrease 4.50% | Discount Rate 5.50% | 1% Increase 6.50% |
|----------------|----------------------|------------------------|----------------------|
| OPEB Liability | \$ 762,455 | \$ 634,626 | \$ 529,329 |

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 8 – POSTEMPLOYMENT HEALTH CARE BENEFITS (OPEB) (Continued)

E. Changes in the Net OPEB Liability (Continued)

Sensitivity of the OPEB liability to changes in the healthcare cost trend rates. The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

| | <u>1% Decrease</u> | <u>Trend Rate</u> | <u>1% Increase</u> |
|----------------|--------------------|-------------------|--------------------|
| OPEB Liability | \$ 506,586 | \$ 634,626 | \$ 795,569 |

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$177,712. As of the fiscal year ended June 30, 2022, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Difference between expected and actual experience | \$ 284,585 | \$ 698,607 |
| Net difference between projected and actual earnings | 31,470 | - |
| Changes in assumptions | - | 1,719,875 |
| | <u>\$ 316,055</u> | <u>\$ 2,418,482</u> |

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

| <u>Fiscal Year Ending June 30,</u> | <u>Amount</u> |
|------------------------------------|-----------------------|
| 2023 | \$ (213,345) |
| 2024 | (213,345) |
| 2025 | (213,345) |
| 2026 | (213,345) |
| 2027 | (221,212) |
| Thereafter | (1,027,835) |
| | <u>\$ (2,102,427)</u> |

NOTE 9 – LEASE PAYABLE

On August 1, 2020, the City entered into a lease financing agreement with the California Infrastructure and Economic Development Bank or the IBank for \$10,000,000 at an interest rate of 2.64% to reimburse the City for \$10,000,000 of the total acquisition of the City Hall property of \$11,500,000. The City has a lease to IBank, and then IBank leases back the property upon which the City Hall and related improvements are located. The lease will be repaid in semi-annual payments for a term of 30 years through August 1, 2050. The future lease payments are as follows:

| <u>Fiscal Year Ending June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|---------------------|---------------------|----------------------|
| 2023 | \$ 228,620 | \$ 255,102 | \$ 483,722 |
| 2024 | 234,655 | 248,987 | 483,642 |
| 2025 | 240,850 | 242,710 | 483,560 |
| 2026 | 247,209 | 236,267 | 483,476 |
| 2027 | 253,735 | 229,655 | 483,390 |
| 2028-2032 | 1,372,762 | 1,042,815 | 2,415,577 |
| 2033-2037 | 1,563,791 | 849,264 | 2,413,055 |
| 2038-2042 | 1,781,401 | 628,781 | 2,410,182 |
| 2043-2047 | 2,029,294 | 377,615 | 2,406,909 |
| 2048-2051 | 1,824,943 | 97,925 | 1,922,868 |
| Total | <u>\$ 9,777,260</u> | <u>\$ 4,209,121</u> | <u>\$ 13,986,381</u> |

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

At June 30, 2022, deferred inflows of resources, reported in the governmental fund financial statements, consisted of the following:

| | |
|--|---------------------|
| Deferred Inflows of Resources | |
| Unavailable Revenue: | |
| Major Governmental Fund: | |
| Active Transportation Program Fund | \$ 40,000 |
| Coronavirus State & Local Fiscal Recovery Fund | 2,966,995 |
| Total Deferred Inflows of Resources | <u>\$ 3,006,995</u> |

At June 30, 2022, deferred outflows and inflows of resources, reported on the Statement of Net Position, consisted of the following:

| | |
|--------------------------------------|---------------------|
| | Governmental |
| | Activities |
| Deferred Outflows of Resources | |
| Deferred Pension | \$ 1,799,404 |
| Deferred OPEB | 316,055 |
| Total Deferred Outflows of Resources | <u>\$ 2,115,459</u> |
| Deferred Inflows of Resources | |
| Deferred Pension | \$ 878,165 |
| Deferred OPEB | 2,418,482 |
| Total Deferred Inflows of Resources | <u>\$ 3,296,647</u> |

NOTE 11 – FUND BALANCES

Nonspendable, Restricted, Committed, Assigned, and Unassigned (deficit) fund balances consisted of the following at June 30, 2022:

| | General Fund | GTIP Special Revenue Fund | Park DIF Special Revenue Fund | Active Transportation Program Special Revenue Fund | Coronavirus State & Local Fiscal Recovery Special Revenue Fund | Federal Transportation Program Special Revenue Fund | Other Governmental Funds | Total Governmental Funds |
|-------------------------|----------------------|------------------------------|-------------------------------------|--|---|---|--------------------------------|--------------------------------|
| Nonspendable | | | | | | | | |
| Prepaid items | \$ 26,176 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,545 | \$ 27,721 |
| Restricted | | | | | | | | |
| Public works | - | 13,579,984 | - | - | - | - | 13,910,625 | 27,490,609 |
| Community development | - | - | 8,436,144 | - | - | - | 1,572,287 | 10,008,431 |
| Community services | - | - | - | - | - | - | 2,374,136 | 2,374,136 |
| Committed | | | | | | | | |
| Public facilities | 830,108 | - | - | - | - | - | - | 830,108 |
| Capital equipment | 791,653 | - | - | - | - | - | - | 791,653 |
| Compensated leave | 407,606 | - | - | - | - | - | - | 407,606 |
| Risk management | 200,000 | - | - | - | - | - | - | 200,000 |
| Litigation defense | 300,000 | - | - | - | - | - | - | 300,000 |
| Contingency | 10,129,713 | - | - | - | - | - | - | 10,129,713 |
| City Hall solar removal | 94,500 | - | - | - | - | - | - | 94,500 |
| Assigned | | | | | | | | |
| CIP Projects | 3,165,761 | - | - | - | - | - | - | 3,165,761 |
| Encumbrances | 3,410,472 | - | - | - | - | - | - | 3,410,472 |
| FMV adjustment | 429,996 | - | - | - | - | - | - | 429,996 |
| Unassigned (deficit) | 19,482,955 | - | - | (14,755) | - | (103,412) | (2,502,925) | 16,861,863 |
| Total | <u>\$ 39,268,940</u> | <u>\$ 13,579,984</u> | <u>\$ 8,436,144</u> | <u>\$ (14,755)</u> | <u>\$ -</u> | <u>\$ (103,412)</u> | <u>\$ 15,355,668</u> | <u>\$ 76,522,569</u> |

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 12 – RISK MANAGEMENT

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City is a member of the California Joint Powers Insurance Authority (Authority). The Insurance Authority is composed of more than 120 California public entities and is organized under a joint powers agreement pursuant to California Government Code Section 6500 et. seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

B. Self-Insurance Programs of the Authority

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

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 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 \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 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 \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2020-21 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

C. Purchased Insurance

Pollution Legal Liability Insurance

The City of Goleta participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Goleta. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has a per member limit of \$5 million.

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 12 – RISK MANAGEMENT (Continued)

C. Purchased Insurance (Continued)

Property Insurance

The City of Goleta participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Goleta property is currently insured according to a schedule of covered property submitted by the City of Goleta to the Authority. City of Goleta property currently has all-risk property insurance protection in the amount of \$22,553,495. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$5,000 deductible.

Crime Insurance

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

Earthquake and Flood Insurance

The City of Goleta purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Goleta property currently has earthquake protection in the amount of Non Participant. There is a deductible of 5% per unit of value.

D. 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 2021-22.

NOTE 13 – CONTINGENCIES AND COMMITMENTS

A. Legal

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.

B. Grant Programs

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Construction and Other Significant 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 ensure that the effect of incorporation was neutral as to the County, the parties agreed to have the following allocations of tax revenues in perpetuity:

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

Encumbrances

All encumbrances include carryover budgets from the fiscal year ended June 30, 2021. Encumbrances as of June 30, 2022, are as shown on the following page:

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 13 – CONTINGENCIES AND COMMITMENTS (Continued)

C. Construction and Other Significant Commitments (Continued)

Major Funds:

| | |
|---|----------------------|
| General Fund | \$ 6,576,233 |
| GTIP Special Revenue Fund | 15,027,781 |
| Park Development Impact Fees Special Revenue Fund | 4,888,993 |
| Other Governmental Funds | 51,755,419 |
| Total Encumbrances | <u>\$ 78,248,426</u> |

Construction

Listed below are the projects for uncompleted contracts outstanding as of June 30, 2022.

FY 2021-22 Projects \$ 5,902,007

NOTE 14 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Deficit Fund Balances

The following funds reported deficit fund balances at June 30, 2022:

Major Funds:

| | |
|---|-----------|
| Active Transportation Grant Special Revenue Fund | \$ 14,755 |
| Federal Transportation Program Special Revenue Fund | 103,412 |

Nonmajor Governmental Funds:

| | |
|--|---------|
| County Fire DIF Special Revenue Fund | 125,564 |
| Measure A Grants Special Revenue Fund | 590,631 |
| Planning Grants Program Special Revenue Fund | 107,790 |
| Monarch Butterfly Habitat Management Plan Special Revenue Fund | 592,760 |
| RSTP State Grant Special Revenue Fund | 495,495 |
| Miscellaneous Grants Special Revenue Fund | 51,313 |
| Local STIP Special Revenue Fund | 4,309 |
| SSARP Grant Special Revenue Fund | 49,404 |
| LSTP State Grant Special Revenue Fund | 186,933 |
| Housing & Community Development State Grant Special Revenue Fund | 53,331 |
| OTS Public Safety Special Revenue Fund | 4,537 |
| OBF – Southern California Edison Special Revenue Fund | 3,201 |
| TIRCP Grant Special Revenue Fund | 230,458 |
| HMGP Grant Special Revenue Fund | 5,560 |
| Public Administration DIF Special Revenue Fund | 1,639 |

Excess Expenditures over Appropriations

The following funds reported excess expenditures over appropriations at June 30, 2022:

Nonmajor Governmental Funds:

| | |
|---|------------|
| OBF – Southern California Edison Special Revenue Fund | \$ 131,411 |
|---|------------|

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 15 – SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported a redevelopment agency (RDA) within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of State and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City Resolution No. 4420.

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

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

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

As of February 1, 2012, the housing assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

A. Settlement Receivable – City of Goleta

The Agency has a settlement receivable from the City of Goleta with a balance of \$2,327,823 as of June 30, 2022. See Note 5(C) for further detail.

B. 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 2011 Tax Allocation Bonds were refunded in full in the fiscal year ended June 30, 2020 with the issuance of the 2020 Tax Allocation Refunding Bonds by reducing the interest rate for a net present value of savings of \$8,874,835. The debt of the Successor Agency as of June 30, 2022, is as follows:

| | Balance July 1, 2021 | Additions | Deletions | Balance June 30, 2022 | Due Within One Year |
|-------------------------|-------------------------|-------------|-------------------|--------------------------|------------------------|
| Tax allocation bonds | \$ 11,310,000 | \$ - | \$ 285,000 | \$ 11,025,000 | \$ 300,000 |
| Less deferred amount: | | | | | |
| Premium on bonds issued | 1,385,588 | - | 61,811 | 1,323,777 | 61,811 |
| Total | <u>\$ 12,695,588</u> | <u>\$ -</u> | <u>\$ 346,811</u> | <u>\$ 12,348,777</u> | <u>\$ 361,811</u> |

Tax Allocation Refunding Bonds 2020

The annual requirements to amortize the Tax Allocation Bonds outstanding as of June 30, 2022, are shown on the following page:

CITY OF GOLETA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 15 – SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY (Continued)

B. Long-Term Liabilities (Continued)

| Fiscal Year Ending June 30 | Principal | Interest | Total |
|----------------------------------|----------------------|---------------------|----------------------|
| 2023 | \$ 300,000 | \$ 466,450 | \$ 766,450 |
| 2024 | 315,000 | 451,075 | 766,075 |
| 2025 | 325,000 | 435,075 | 760,075 |
| 2026 | 345,000 | 418,325 | 763,325 |
| 2027 | 365,000 | 400,575 | 765,575 |
| 2028-2032 | 2,110,000 | 1,705,825 | 3,815,825 |
| 2033-2037 | 2,620,000 | 1,199,000 | 3,819,000 |
| 2038-2042 | 3,185,000 | 620,500 | 3,805,500 |
| 2043-2044 | 1,460,000 | 59,000 | 1,519,000 |
| Total | <u>\$ 11,025,000</u> | <u>\$ 5,755,825</u> | <u>\$ 16,780,825</u> |

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF GOLETA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Budgeted Amounts | | | Variance with Final Budget |
|---|------------------|---------------|----------------|-------------------------------|
| | Original | Final | Actual Amounts | Positive (Negative) |
| REVENUES: | | | | |
| Taxes | \$ 29,242,000 | \$ 32,769,400 | \$ 34,805,610 | \$ 2,036,210 |
| Intergovernmental | 30,000 | 56,000 | 53,470 | (2,530) |
| Charges for services | 1,204,300 | 1,394,300 | 1,412,413 | 18,113 |
| Licenses and permits | 382,900 | 475,900 | 515,712 | 39,812 |
| Fine and forfeitures | 140,600 | 140,600 | 168,350 | 27,750 |
| Use of money and property | 147,500 | 355,500 | (105,800) | (461,300) |
| Donations | 53,000 | 65,000 | 61,948 | (3,052) |
| Other | 306,000 | 546,000 | 687,077 | 141,077 |
| Total revenues | 31,506,300 | 35,802,700 | 37,598,780 | 1,796,080 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 8,253,200 | 9,658,719 | 8,920,270 | 738,449 |
| Public safety | 8,626,600 | 8,639,819 | 8,470,638 | 169,181 |
| Public works | 7,619,600 | 11,974,418 | 7,525,226 | 4,449,192 |
| Community development | 460,200 | 483,178 | 106,184 | 376,994 |
| Community services | 6,139,000 | 7,683,980 | 5,289,443 | 2,394,537 |
| Capital outlay | 500,000 | 3,417,402 | 251,641 | 3,165,761 |
| Debt service: | | | | |
| Principal | 222,740 | 222,740 | 222,740 | - |
| Interest | 261,060 | 261,060 | 261,060 | - |
| Total expenditures | 32,082,400 | 42,341,316 | 31,047,202 | 11,294,114 |
| Excess of revenues over (under) expenditures | (576,100) | (6,538,616) | 6,551,578 | 13,090,194 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 43,800 | 43,800 | 24,704 | (19,096) |
| Transfers out | (100,000) | (603,500) | (100,000) | 503,500 |
| Total other financing sources (uses) | (56,200) | (559,700) | (75,296) | 484,404 |
| Net change in fund balance | (632,300) | (7,098,316) | 6,476,282 | 13,574,598 |
| Fund balance - July 1 | 32,792,658 | 32,792,658 | 32,792,658 | - |
| Fund balance - June 30 | \$ 32,160,358 | \$ 25,694,342 | \$ 39,268,940 | \$ 13,574,598 |

CITY OF GOLETA
GTIP SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|----------------------------|-------------------------|-------------------|-----------------------|---|
| | Original | Final | Actual Amounts | |
| REVENUES: | | | | |
| Use of money and property | \$ 60,000 | \$ 60,000 | \$ (70,229) | \$ (130,229) |
| Developer fees | 3,015,100 | 3,015,100 | 1,232,026 | (1,783,074) |
| Total revenues | 3,075,100 | 3,075,100 | 1,161,797 | (1,913,303) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 110,000 | 110,000 | 4,860 | 105,140 |
| Capital outlay | 2,702,865 | 16,754,557 | 1,726,776 | 15,027,781 |
| Total expenditures | 2,812,865 | 16,864,557 | 1,731,636 | 15,132,921 |
| Net change in fund balance | 262,235 | (13,789,457) | (569,839) | 13,219,618 |
| Fund balance - July 1 | 14,149,823 | 14,149,823 | 14,149,823 | - |
| Fund balance - June 30 | <u>\$ 14,412,058</u> | <u>\$ 360,366</u> | <u>\$ 13,579,984</u> | <u>\$ 13,219,618</u> |

CITY OF GOLETA
PARK DIF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|----------------------------|-------------------------|---------------------|-----------------------|---|
| | Original | Final | Actual Amounts | |
| REVENUES: | | | | |
| Use of money and property | \$ 35,000 | \$ 35,000 | \$ (50,901) | \$ (85,901) |
| Developer fees | 811,000 | 811,000 | - | (811,000) |
| Total revenues | 846,000 | 846,000 | (50,901) | (896,901) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Community services | - | 344,989 | 371,434 | (26,445) |
| Capital outlay | 455,000 | 5,163,983 | 248,545 | 4,915,438 |
| Total expenditures | 455,000 | 5,508,972 | 619,979 | 4,888,993 |
| Net change in fund balance | 391,000 | (4,662,972) | (670,880) | 3,992,092 |
| Fund balance - July 1 | 9,107,024 | 9,107,024 | 9,107,024 | - |
| Fund balance - June 30 | <u>\$ 9,498,024</u> | <u>\$ 4,444,052</u> | <u>\$ 8,436,144</u> | <u>\$ 3,992,092</u> |

CITY OF GOLETA**ACTIVE TRANSPORTATION PROGRAM SPECIAL REVENUE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|----------------------------|-------------------------|--------------|-----------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ - | \$ 4,524,379 | \$ 1,815,379 | \$ (2,709,000) |
| Total revenues | - | 4,524,379 | 1,815,379 | (2,709,000) |
| EXPENDITURES: | | | | |
| Capital outlay | - | 2,694,245 | - | 2,694,245 |
| Total expenditures | - | 2,694,245 | - | 2,694,245 |
| Net change in fund balance | - | 1,830,134 | 1,815,379 | (14,755) |
| Fund balance - July 1 | (1,830,134) | (1,830,134) | (1,830,134) | - |
| Fund balance - June 30 | <u>\$ (1,830,134)</u> | <u>\$ -</u> | <u>\$ (14,755)</u> | <u>\$ (14,755)</u> |

CITY OF GOLETA**CORONAVIRUS STATE & LOCAL FISCAL RECOVERY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022**

| | Budgeted Amounts | | Actual Amounts | Variance with |
|----------------------------|-------------------------|--------------|-----------------------|---|
| | Original | Final | | Final Budget Positive (Negative) |
| REVENUES: | | | | |
| Intergovernmental | \$ 2,966,995 | \$ 2,966,995 | \$ - | \$ (2,966,995) |
| Total revenues | 2,966,995 | 2,966,995 | - | (2,966,995) |
| Net change in fund balance | 2,966,995 | 2,966,995 | - | (2,966,995) |
| Fund balance - July 1 | - | - | - | - |
| Fund balance - June 30 | \$ 2,966,995 | \$ 2,966,995 | \$ - | \$ (2,966,995) |

CITY OF GOLETA**FEDERAL TRANSPORTATION PROGRAM SPECIAL REVENUE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|----------------------------|-------------------------|---------------|-----------------------|---|
| | Original | Final | | Final Budget Positive (Negative) |
| REVENUES: | | | | |
| Intergovernmental | \$ 290,000 | \$ 14,064,123 | \$ 254,067 | \$ (13,810,056) |
| Total revenues | 290,000 | 14,064,123 | 254,067 | (13,810,056) |
| EXPENDITURES: | | | | |
| Capital outlay | 290,000 | 13,959,503 | 252,860 | 13,706,643 |
| Total expenditures | 290,000 | 13,959,503 | 252,860 | 13,706,643 |
| Net change in fund balance | - | 104,620 | 1,207 | (103,413) |
| Fund balance - July 1 | (104,619) | (104,619) | (104,619) | - |
| Fund balance - June 30 | <u>\$ (104,619)</u> | <u>\$ 1</u> | <u>\$ (103,412)</u> | <u>\$ (103,413)</u> |

CITY OF GOLETA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Years*
As of June 30, 2022

The following table provides required supplementary information regarding the City's Pension Plan.

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Proportion of the net pension liability | 0.01860% | 0.03250% | 0.02990% | 0.02760% | 0.02772% |
| Proportionate share of the net pension liability | \$ 1,005,978 | \$ 3,536,142 | \$ 3,064,002 | \$ 2,659,577 | \$ 2,749,352 |
| Covered payroll | \$ 7,906,471 | \$ 7,514,719 | \$ 6,613,453 | \$ 5,897,673 | \$ 5,464,417 |
| Proportionate share of the net pension liability as percentage of covered payroll | 12.72% | 47.06% | 46.33% | 45.10% | 50.31% |
| Plan's total pension liability | \$ 46,174,942,264 | \$ 43,702,930,887 | \$ 41,426,453,489 | \$ 38,944,855,364 | \$ 37,161,348,332 |
| Plan's fiduciary net position | \$ 40,766,653,876 | \$ 32,822,501,335 | \$ 31,179,414,067 | \$ 29,308,589,559 | \$ 27,244,095,376 |
| Plan fiduciary net position as a percentage of the total pension liability | 88.29% | 75.10% | 75.26% | 75.26% | 73.31% |
| | 2017 | 2016 | 2015 | | |
| Proportion of the net pension liability | 0.02565% | 0.02318% | 0.02586% | | |
| Proportionate share of the net pension liability | \$ 2,219,286 | \$ 1,590,804 | \$ 1,609,229 | | |
| Covered payroll | \$ 5,180,046 | \$ 4,778,639 | \$ 4,819,034 | | |
| Proportionate share of the net pension liability as percentage of covered payroll | 42.84% | 33.29% | 33.39% | | |
| Plan's total pension liability | \$ 33,358,627,624 | \$ 31,771,217,402 | \$ 30,829,966,631 | | |
| Plan's fiduciary net position | \$ 24,705,532,291 | \$ 24,907,305,871 | \$ 24,607,502,515 | | |
| Plan fiduciary net position as a percentage of the total pension liability | 74.06% | 78.40% | 79.82% | | |

Notes to Schedule:

There were no changes in assumptions or benefit terms for the fiscal year ended June 30, 2022.

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

CITY OF GOLETA
SCHEDULE OF PENSION CONTRIBUTIONS
Last 10 Years*
As of June 30, 2022

The following table provides required supplementary information regarding the City's Pension Plan.

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution (actuarially determined) | \$ 1,072,458 | \$ 975,305 | \$ 843,932 | \$ 696,782 | \$ 591,252 |
| Contribution in relation to the actuarially determined contributions | (1,072,458) | (975,305) | (843,932) | (696,782) | (591,252) |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 8,645,140 | \$ 7,906,471 | \$ 7,514,719 | \$ 6,613,453 | \$ 5,897,673 |
| Contributions as a percentage of covered payroll | 12.41% | 12.34% | 11.23% | 10.54% | 10.03% |
| | 2017 | 2016 | 2015 | | |
| Contractually required contribution (actuarially determined) | \$ 535,490 | \$ 491,157 | \$ 528,634 | | |
| Contribution in relation to the actuarially determined contributions | (535,490) | (491,157) | (528,634) | | |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | | |
| Covered payroll | \$ 5,464,417 | \$ 5,180,046 | \$ 4,778,639 | | |
| Contributions as a percentage of covered payroll | 9.80% | 9.48% | 11.06% | | |

Notes to Schedule:

There were no changes in assumptions or benefit terms for the fiscal year ended June 30, 2022.

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

CITY OF GOLETA
SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS

Last 10 Years*

As of June 30, 2022

| Measurement Period | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | | | |
| Service cost | \$ 328,789 | \$ 319,989 | \$ 348,492 | \$ 318,822 | \$ 290,904 |
| Interest on the total OPEB liability | 69,274 | 54,866 | 84,042 | 67,773 | 48,449 |
| Difference between expected and actual experience | (516,973) | (16,631) | 33,392 | 43,923 | 223,452 |
| Changes in assumptions | (1,679,171) | - | (237,684) | - | - |
| Changes in benefit terms | - | - | - | - | - |
| Benefit payments | (32,268) | (30,499) | (30,876) | (16,745) | (27,438) |
| Net change in total OPEB Liability | (1,830,349) | 327,725 | 197,366 | 413,773 | 535,367 |
| Total OPEB liability - beginning | 2,766,199 | 2,438,474 | 2,241,108 | 1,827,335 | 1,291,968 |
| Total OPEB liability - ending [A] | \$ 935,850 | \$ 2,766,199 | \$ 2,438,474 | \$ 2,241,108 | \$ 1,827,335 |
| Plan Fiduciary Net Position | | | | | |
| Contributions - employer | \$ 365,823 | \$ - | \$ - | \$ - | \$ - |
| Contributions - employee | - | - | - | - | - |
| Net investment income (loss) | (32,007) | - | - | - | - |
| Administrative/trustee expenses | (324) | - | - | - | - |
| Benefit payments | (32,268) | - | - | - | - |
| Net change in plan fiduciary net position | 301,224 | | | | |
| Total plan fiduciary net position - beginning | - | - | - | - | - |
| Total plan fiduciary net position - ending [B] | \$ 301,224 | \$ - | \$ - | \$ - | \$ - |
| Net OPEB Liability - ([A]-[B]) | \$ 634,626 | \$ 2,766,199 | \$ 2,438,474 | \$ 2,241,108 | \$ 1,827,335 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 32.19% | 0.00% | 0.00% | 0.00% | 0.00% |
| Covered payroll | \$10,242,422 | \$ 8,897,999 | \$ 6,733,325 | \$ 6,923,683 | \$ 6,317,404 |
| Total net OPEB liability as a percentage of covered payroll | 6.20% | 31.09% | 36.22% | 32.37% | 28.93% |

Notes to Schedule:

For the fiscal year ended June 30, 2022:

The discount rate was changed from 2.25% to 5.50%.

The mortality tables were updated from the RP2014 Mortality Table to the CalPERS 2000-2019 Experience Study.

The pre-Medicare healthcare cost trend rates increased from 3.00% to 8.50% ultimately decreasing to 3.45% for 2076.

The Medicare healthcare cost trend rates increased from 3.00% to 7.50% ultimately decreasing to 3.45% for 2076.

See Note 8 in the Notes to the Basic Financial Statements for further detail.

*- Fiscal year 2018 was the 1st year of implementation, therefore only five years are shown.

CITY OF GOLETA
SCHEDULE OF OPEB CONTRIBUTIONS
 Last 10 Years*
 As of June 30, 2022

The following table provides required supplementary information regarding the City's OPEB.

| | <u>2022</u> |
|--|-------------------|
| Actuarially Determined Contribution (ADC) | \$ 169,638 |
| Contributions in relation to the ADC | <u>(32,268)</u> |
| Contribution deficiency (excess) | <u>\$ 137,370</u> |
| Covered payroll | \$ 10,242,422 |
| Contributions as a percentage of covered payroll | 0.32% |

Notes to Schedule:

The City opened a Section 115 Trust account administered through Public Agency Retirement Services (PARS) during the fiscal year ended June 30, 2022.

Through June 30, 2021, the plan was not administered through a qualified trust. Therefore, there was no Actuarially Determined Contribution (ADC). Benefit payments of \$30,499, \$30,876, \$16,745 and \$27,438 were made on a pay-as-you-go-basis for the fiscal years ended June 30, 2021, 2020, 2019, and 2018 respectively.

See Note 8 in the Notes to the Basic Financial Statements for further detail.

*- Fiscal year 2018 was the 1st year of implementation, therefore only five years are shown.

SUPPLEMENTAL INFORMATION SECTION

NONMAJOR 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.

Road Maintenance and Rehabilitation - This fund is used to account for the Road Maintenance and Rehabilitation additional gas tax funding as authorized by State Bill 1 which can be used for road maintenance and construction.

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.

Public Safety Donations - This fund is used to account for revenue received for public safety at the Market Place Shopping Center.

County Fire DIF - This fund is used to account for County fire development impact fees that help construct Fire Station 10.

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.

Storm Drain DIF - This fund is used to account for storm drain development impact fees.

Planning Grants Program - This fund is to account for California Planning Grants Program Award.

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

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

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

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

Monarch Butterfly Habitat Management Plan - This fund is to account for state grant funds for the enhancement of the monarch butterfly habitat.

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

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

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

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

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

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

Bicycle and Pedestrian DIF - This fund is used to account for bicycle and pedestrian development impact fees.

Isla Vista Library Grant - This fund is used to account for state grant to fund library services in the Isla Vista area.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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

HSIP - This fund is used to account for improvements for Hollister and Goleta Valley Center Community Center Crosswalk.

SSARP Grant - This fund for the Systemic Safety Analysis Report Program Grant is used to assist cities in performing a collision analysis and identifying safety roadway issues.

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

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

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

LSTP State Grant - This fund is used to account for the Local Surface Transportation Program State grant funds for use in transit and highway projects including streets and roads.

Housing and Community Development State Grant - This fund is used to account for funding from the Housing Related Parks Program to assist with new residential housing to lower-income households.

Cal OES - This fund is used to account for funding through the California Office of Emergency Services for emergency preparedness, response, recovery, and homeland security activities.

FHWA – FEMA Reimbursement - This fund is used to account for the Federal Highway Administration Emergency Relief Funds used for repair or construction of federal-aid highways on federal lands which have suffered serious damage as a result of natural disasters.

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

OBF – Southern California Edison - This fund is used to account for special funding from the Southern California Edison On-Bill Financing program for the street lighting project.

Certified Access Specialist - This fund is used to account for fees collected to increase disability access and compliance with construction-related accessibility requirements. These fees are set by Senate Bill 1186.

TIRCP Grant - This fund for the Transit and Intercity Rail Capital Program (TIRCP) was created by Senate Bill (SB) 862 and modified by Senate Bill 9 to provide grants from the Greenhouse Gas Reduction Fund to fund transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems to reduce emissions of greenhouse gases by reducing congestion and vehicle miles traveled throughout California.

HMGP Grant - This fund for the Hazard Mitigation Grant Program is used for seismic retrofit to meet ADA standards.

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.

County per Capita – Goleta Library - This fund is used for Funds received from the County of Santa Barbara on a per capita basis to support Goleta Library operations.

Buellton Library - This fund is used to account for funding received directly from the City of Buellton for Buellton Library operations.

County per Capita - Buellton Library - This fund is used for Funds received from the County of Santa Barbara on a per capital basis to support Buellton Library operations.

Solvang Library - This fund is used to account for funding received directly from the City of Solvang for Solvang Library operations.

County per Capital - Solvang Library - This fund is used for Funds received from the County of Santa Barbara on a per capital basis to support Solvang Library operations.

Miscellaneous Grants Library - This fund is used to account for various minor grants that support the Goleta, Buellton, and Solvang Library branches.

Public Administration Facilities DIF - This fund accounts for the public administration facilities development impact fees.

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CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2022

| | Special Revenue Funds | | | | | |
|--|-----------------------|-------------------|--|---------------------|---------------------|------------------------|
| | Gas Tax | Transportation | Road Maintenance and Rehabilitation | Measure A | Measure A Grants | Solid Waste Program |
| ASSETS: | | | | | | |
| Cash and investments | \$ 2,151,137 | \$ 212,425 | \$ 1,186,441 | \$ 4,738,080 | \$ - | \$ 1,454,373 |
| Receivables: | | | | | | |
| Accounts | 60,938 | - | 115,937 | 649 | - | 127,964 |
| Interest | 2,128 | 192 | 1,204 | 4,155 | - | 1,314 |
| Prepaid items | - | - | - | - | - | - |
| TOTAL ASSETS | \$ 2,214,203 | \$ 212,617 | \$ 1,303,582 | \$ 4,742,884 | \$ - | \$ 1,583,651 |
| LIABILITIES AND FUND BALANCES: | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 421,655 | \$ - | \$ 306,740 | \$ 126,416 | \$ 27,317 | \$ 40,341 |
| Accrued salaries and benefits | - | - | - | - | - | 9,977 |
| Retentions payable | 13,091 | - | 11,901 | 12,178 | 7,666 | - |
| Deposits payable | - | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | 555,648 | - |
| TOTAL LIABILITIES | 434,746 | - | 318,641 | 138,594 | 590,631 | 50,318 |
| FUND BALANCES | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | 1,779,457 | 212,617 | 984,941 | 4,604,290 | - | 1,533,333 |
| Unassigned | - | - | - | - | (590,631) | - |
| TOTAL FUND BALANCES | 1,779,457 | 212,617 | 984,941 | 4,604,290 | (590,631) | 1,533,333 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 2,214,203 | \$ 212,617 | \$ 1,303,582 | \$ 4,742,884 | \$ - | \$ 1,583,651 |

Special Revenue Funds

| Public Safety Donations | County Fire DIF | Library Facilities DIF | Sheriff Facilities DIF | Housing In-Lieu | Storm Drain DIF | Planning Grants Program |
|------------------------------------|--------------------------------|-----------------------------------|-----------------------------------|----------------------------|----------------------------|------------------------------------|
| \$ 29,590 | \$ - | \$ 220,513 | \$ 139,373 | \$ 1,248,843 | \$ 531,613 | \$ - |
| - | - | - | - | - | - | - |
| 28 | - | 206 | 129 | 1,158 | 490 | - |
| - | - | - | - | - | - | - |
| <u>\$ 29,618</u> | <u>\$ -</u> | <u>\$ 220,719</u> | <u>\$ 139,502</u> | <u>\$ 1,250,001</u> | <u>\$ 532,103</u> | <u>\$ -</u> |
| | | | | | | |
| \$ - | \$ 33,811 | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 91,753 | - | - | - | - | 107,790 |
| - | 125,564 | - | - | - | - | 107,790 |
| | | | | | | |
| - | - | - | - | - | - | - |
| 29,618 | - | 220,719 | 139,502 | 1,250,001 | 532,103 | - |
| - | (125,564) | - | - | - | - | (107,790) |
| <u>29,618</u> | <u>(125,564)</u> | <u>220,719</u> | <u>139,502</u> | <u>1,250,001</u> | <u>532,103</u> | <u>(107,790)</u> |
| <u>\$ 29,618</u> | <u>\$ -</u> | <u>\$ 220,719</u> | <u>\$ 139,502</u> | <u>\$ 1,250,001</u> | <u>\$ 532,103</u> | <u>\$ -</u> |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Continued)
June 30, 2022

| | Special Revenue Funds | | | | | |
|--|---------------------------|------------------------|-----------------------------------|------------------|--|--------------------------|
| | Environmental Programs | Fire Facilities DIF | Long Range Development Plan | Public Safety | Monarch Butterfly Habitat Management Plan | Solid Waste Recycling |
| ASSETS: | | | | | | |
| Cash and investments | \$ 171,043 | \$ 3,385,551 | \$ 171,169 | \$ - | \$ - | \$ 85,939 |
| Receivables: | | | | | | |
| Accounts | - | - | - | - | - | - |
| Interest | 159 | 3,140 | 162 | 3 | - | - |
| Prepaid items | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 171,202</u> | <u>\$ 3,388,691</u> | <u>\$ 171,331</u> | <u>\$ 3</u> | <u>\$ -</u> | <u>\$ 85,939</u> |
| LIABILITIES AND FUND BALANCES: | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ 1,040 | \$ 11,135 | \$ - | \$ 119,820 | \$ - |
| Accrued salaries and benefits | - | - | - | - | - | - |
| Retentions payable | - | - | - | - | - | - |
| Deposits payable | - | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - | 46,605 |
| Due to other funds | - | - | - | 3 | 472,940 | - |
| TOTAL LIABILITIES | <u>-</u> | <u>1,040</u> | <u>11,135</u> | <u>3</u> | <u>592,760</u> | <u>46,605</u> |
| FUND BALANCES | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | 171,202 | 3,387,651 | 160,196 | - | - | 39,334 |
| Unassigned | - | - | - | - | (592,760) | - |
| TOTAL FUND BALANCES (DEFICITS) | <u>171,202</u> | <u>3,387,651</u> | <u>160,196</u> | <u>-</u> | <u>(592,760)</u> | <u>39,334</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 171,202</u> | <u>\$ 3,388,691</u> | <u>\$ 171,331</u> | <u>\$ 3</u> | <u>\$ -</u> | <u>\$ 85,939</u> |

Special Revenue Funds

| RSTP State Grant | Comstock Plover Endowment | Miscellaneous Grants | Local STIP | Developer Agreement | Bicycle Pedestrian DIF | Isla Vista Library Grant |
|-------------------------|----------------------------------|-----------------------------|-------------------|----------------------------|-------------------------------|---------------------------------|
| \$ - | \$ 150,237 | \$ 10,005 | \$ - | \$ 615,163 | \$ 221,412 | \$ 54,462 |
| - | 1,239 | - | - | - | - | - |
| - | 138 | - | - | - | 264 | - |
| - | - | - | - | - | - | - |
| <u>\$ -</u> | <u>\$ 151,614</u> | <u>\$ 10,005</u> | <u>\$ -</u> | <u>\$ 615,163</u> | <u>\$ 221,676</u> | <u>\$ 54,462</u> |
| | | | | | | |
| \$ 79,759 | \$ 1,114 | \$ 540 | \$ - | \$ - | \$ - | \$ 177 |
| - | - | - | - | - | - | 2,415 |
| - | - | - | - | - | - | - |
| - | 150,500 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 415,736 | - | 60,778 | 4,309 | - | - | - |
| <u>495,495</u> | <u>151,614</u> | <u>61,318</u> | <u>4,309</u> | <u>-</u> | <u>-</u> | <u>2,592</u> |
| | | | | | | |
| - | - | - | - | - | - | - |
| - | - | - | - | 615,163 | 221,676 | 51,870 |
| (495,495) | - | (51,313) | (4,309) | - | - | - |
| <u>(495,495)</u> | <u>-</u> | <u>(51,313)</u> | <u>(4,309)</u> | <u>615,163</u> | <u>221,676</u> | <u>51,870</u> |
| <u>\$ -</u> | <u>\$ 151,614</u> | <u>\$ 10,005</u> | <u>\$ -</u> | <u>\$ 615,163</u> | <u>\$ 221,676</u> | <u>\$ 54,462</u> |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Continued)
June 30, 2022

| | Special Revenue Funds | | | | | |
|--|------------------------------|------------------|------------------------|----------------------------|------------------------|-------------------|
| | CDBG | HSIP | SSARP Grant | Street Lighting | TIGER Grant | PEG |
| ASSETS: | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ 194,468 | \$ - | \$ 161,460 |
| Receivables: | | | | | | |
| Accounts | 108,560 | 14,771 | - | - | - | 15,969 |
| Interest | - | - | - | 197 | - | 145 |
| Prepaid items | 567 | - | - | - | - | - |
| TOTAL ASSETS | \$ 109,127 | \$ 14,771 | \$ - | \$ 194,665 | \$ - | \$ 177,574 |
| LIABILITIES AND FUND BALANCES: | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 55,650 | \$ - | \$ - | \$ 3,938 | \$ - | \$ - |
| Accrued salaries and benefits | - | - | - | - | - | - |
| Retentions payable | - | - | - | - | - | - |
| Deposits payable | - | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - | - |
| Due to other funds | 53,477 | 9,135 | 49,404 | - | - | - |
| TOTAL LIABILITIES | 109,127 | 9,135 | 49,404 | 3,938 | - | - |
| FUND BALANCES | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | - | 5,636 | - | 190,727 | - | 177,574 |
| Unassigned | - | - | (49,404) | - | - | - |
| TOTAL FUND BALANCES (DEFICITS) | - | 5,636 | (49,404) | 190,727 | - | 177,574 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 109,127 | \$ 14,771 | \$ - | \$ 194,665 | \$ - | \$ 177,574 |

| Special Revenue Funds | | | | | |
|-----------------------|---|------------------|---------------------------|-------------------|----------------------------------|
| LSTP State Grant | Housing & Community Development State Grant | Cal OES | FHWA - FEMA Reimbursement | OTS Public Safety | OBF - Southern California Edison |
| \$ - | \$ - | \$ 44,001 | \$ 58,107 | \$ - | \$ - |
| - | 54,708 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ -</u> | <u>\$ 54,708</u> | <u>\$ 44,001</u> | <u>\$ 58,107</u> | <u>\$ -</u> | <u>\$ -</u> |

| | | | | | |
|-------------|------------------|------------------|------------------|-------------|-------------|
| \$ 62,197 | \$ 21,708 | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| 2,380 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 122,356 | 86,331 | - | - | 4,537 | 3,201 |
| 186,933 | 108,039 | - | - | 4,537 | 3,201 |
| - | - | - | - | - | - |
| - | - | 44,001 | 58,107 | - | - |
| (186,933) | (53,331) | - | - | (4,537) | (3,201) |
| (186,933) | (53,331) | 44,001 | 58,107 | (4,537) | (3,201) |
| <u>\$ -</u> | <u>\$ 54,708</u> | <u>\$ 44,001</u> | <u>\$ 58,107</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Continued)
June 30, 2022

| Special Revenue Funds | | | | | | |
|--|--|------------------------|-----------------------|-----------------------------|---|-----------------------------|
| | Certified Access Specialist | TIRCP Grant | HMGP Grant | Library Services | County Per Capita - Goleta Library | Buellton Library |
| ASSETS: | | | | | | |
| Cash and investments | \$ 29,477 | \$ - | \$ - | \$ 700,535 | \$ 198,041 | \$ 49,216 |
| Receivables: | | | | | | |
| Accounts | - | 228,777 | - | 213,101 | 1 | 48 |
| Interest | 27 | - | - | 683 | 246 | 57 |
| Prepaid items | - | - | - | 705 | 276 | - |
| TOTAL ASSETS | \$ 29,504 | \$ 228,777 | \$ - | \$ 915,024 | \$ 198,564 | \$ 49,321 |
| LIABILITIES AND FUND BALANCES: | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 28,972 | \$ 230,902 | \$ - | \$ 3,142 | \$ 11,894 | \$ 32 |
| Accrued salaries and benefits | - | - | - | 15,159 | 22,738 | 6,253 |
| Retentions payable | - | - | - | - | - | - |
| Deposits payable | - | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - | - |
| Due to other funds | - | 228,333 | 5,560 | - | - | - |
| TOTAL LIABILITIES | 28,972 | 459,235 | 5,560 | 18,301 | 34,632 | 6,285 |
| FUND BALANCES | | | | | | |
| Nonspendable | - | - | - | 705 | 276 | - |
| Restricted | 532 | - | - | 896,018 | 163,656 | 43,036 |
| Unassigned | - | (230,458) | (5,560) | - | - | - |
| TOTAL FUND BALANCES (DEFICITS) | 532 | (230,458) | (5,560) | 896,723 | 163,932 | 43,036 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 29,504 | \$ 228,777 | \$ - | \$ 915,024 | \$ 198,564 | \$ 49,321 |

| Special Revenue Funds | | | | | |
|--|--------------------|---|------------------------------------|--|--|
| County Per Capita - Buellton Library | Solvang Library | County Per Capita - Solvang Library | Miscellaneous Grants Library | Public Administration Facilities DIF | Total Nonmajor Governmental Funds |
| \$ 151,729 | \$ 30,295 | \$ 132,989 | \$ 43,213 | \$ - | \$ 18,570,900 |
| - | - | - | - | - | 942,662 |
| 146 | 43 | 127 | - | 86 | 16,627 |
| 282 | - | 282 | - | - | 2,112 |
| <u>\$ 152,157</u> | <u>\$ 30,338</u> | <u>\$ 133,398</u> | <u>\$ 43,213</u> | <u>\$ 86</u> | <u>\$ 19,532,301</u> |

| | | | | | |
|-------------------|------------------|-------------------|------------------|----------------|----------------------|
| \$ 2,154 | \$ 35 | \$ 1,418 | \$ 2,361 | \$ - | \$ 1,594,268 |
| - | 8,486 | - | - | - | 65,028 |
| - | - | - | - | - | 47,216 |
| - | - | - | - | - | 150,500 |
| - | - | - | - | - | 46,605 |
| - | - | - | - | 1,725 | 2,273,016 |
| <u>2,154</u> | <u>8,521</u> | <u>1,418</u> | <u>2,361</u> | <u>1,725</u> | <u>4,176,633</u> |
| 282 | - | 282 | - | - | 1,545 |
| 149,721 | 21,817 | 131,698 | 40,852 | - | 17,857,048 |
| - | - | - | - | (1,639) | (2,502,925) |
| <u>150,003</u> | <u>21,817</u> | <u>131,980</u> | <u>40,852</u> | <u>(1,639)</u> | <u>15,355,668</u> |
| <u>\$ 152,157</u> | <u>\$ 30,338</u> | <u>\$ 133,398</u> | <u>\$ 43,213</u> | <u>\$ 86</u> | <u>\$ 19,532,301</u> |

(Concluded)

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended June 30, 2022

| | Special Revenue Funds | | | | | |
|--|-----------------------|----------------|-------------------------------------|--------------|------------------|---------------------|
| | Gas Tax | Transportation | Road Maintenance and Rehabilitation | Measure A | Measure A Grants | Solid Waste Program |
| REVENUES: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 2,160,439 | \$ - | \$ - |
| Intergovernmental | 753,786 | 34,134 | 656,491 | - | - | - |
| Charges for services | - | - | - | - | - | 1,257,336 |
| Fines and forfeitures | - | - | - | - | - | - |
| Use of money and property | (10,912) | (1,324) | (5,540) | (26,819) | - | (8,819) |
| Developer fees | - | - | - | - | - | - |
| Donations | - | - | - | - | - | - |
| Other | - | - | - | - | - | 344,095 |
| Total revenues | 742,874 | 32,810 | 650,951 | 2,133,620 | - | 1,592,612 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Public works | 1,237,132 | - | 932,641 | 348,821 | - | 663,948 |
| Community development | - | - | - | - | - | - |
| Community services | - | - | - | - | - | - |
| Capital outlay | - | - | - | 399,354 | 495,895 | - |
| Total expenditures | 1,237,132 | - | 932,641 | 748,175 | 495,895 | 663,948 |
| Excess of revenues over (under) expenditures | (494,258) | 32,810 | (281,690) | 1,385,445 | (495,895) | 928,664 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | - | - | - | - | - | 100,000 |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | 100,000 |
| Net change in fund balances | (494,258) | 32,810 | (281,690) | 1,385,445 | (495,895) | 1,028,664 |
| Fund balances (deficits) - July 1 | 2,273,715 | 179,807 | 1,266,631 | 3,218,845 | (94,736) | 504,669 |
| Fund balances (deficits) - June 30 | \$ 1,779,457 | \$ 212,617 | \$ 984,941 | \$ 4,604,290 | \$ (590,631) | \$ 1,533,333 |

| Special Revenue Funds | | | | | | |
|----------------------------|-----------------------|---------------------------|---------------------------|--------------------|--------------------|----------------------------|
| Public Safety Donations | County Fire DIF | Library Facilities DIF | Sheriff Facilities DIF | Housing In-Lieu | Storm Drain DIF | Planning Grants Program |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | 181,611 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| (178) | - | (1,410) | (909) | (7,467) | (148) | - |
| - | - | 15,869 | 30,822 | - | 5,426 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| (178) | 181,611 | 14,459 | 29,913 | (7,467) | 5,278 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 15,851 | - | 25,000 | - | 35,904 |
| - | 307,175 | - | - | - | - | - |
| - | 307,175 | 15,851 | - | 25,000 | - | 35,904 |
| (178) | (125,564) | (1,392) | 29,913 | (32,467) | 5,278 | (35,904) |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| (178) | (125,564) | (1,392) | 29,913 | (32,467) | 5,278 | (35,904) |
| 29,796 | - | 222,111 | 109,589 | 1,282,468 | 526,825 | (71,886) |
| \$ 29,618 | \$ (125,564) | \$ 220,719 | \$ 139,502 | \$ 1,250,001 | \$ 532,103 | \$ (107,790) |

(Continued)

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)

For the Fiscal Year Ended June 30, 2022

| | Special Revenue Funds | | | | | |
|---|-----------------------------------|--------------------------------|--|--------------------------|--|----------------------------------|
| | Environmental Programs | Fire Facilities DIF | Long Range Development Plan | Public Safety | Monarch Butterfly Habitat Management Plan | Solid Waste Recycling |
| REVENUES: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | 161,285 | - | 8,334 |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - |
| Use of money and property | (1,030) | (20,509) | 1,387 | 3 | - | - |
| Developer fees | - | 58,621 | - | - | - | - |
| Donations | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total revenues | (1,030) | 38,112 | 1,387 | 161,288 | - | 8,334 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | 161,414 | - | - |
| Public works | - | - | - | - | - | - |
| Community development | - | - | - | - | 478,110 | - |
| Community services | - | - | - | - | - | - |
| Capital outlay | - | 13,645 | 32,369 | - | - | - |
| Total expenditures | - | 13,645 | 32,369 | 161,414 | 478,110 | - |
| Excess of revenues over (under) expenditures | (1,030) | 24,467 | (30,982) | (126) | (478,110) | 8,334 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Net change in fund balances | (1,030) | 24,467 | (30,982) | (126) | (478,110) | 8,334 |
| Fund balances (deficits) - July 1 | 172,232 | 3,363,184 | 191,178 | 126 | (114,650) | 31,000 |
| Fund balances (deficits) - June 30 | <u>\$ 171,202</u> | <u>\$ 3,387,651</u> | <u>\$ 160,196</u> | <u>\$ -</u> | <u>\$ (592,760)</u> | <u>\$ 39,334</u> |

(Continued)

CITY OF GOLETA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)

For the Fiscal Year Ended June 30, 2022

Special Revenue Funds

| | CDBG | HSIP | SSARP Grant | Street Lighting | TIGER Grant | PEG |
|---|-----------------|-----------------|------------------------|----------------------------|------------------------|-------------------|
| REVENUES: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 305,265 | \$ - | \$ 64,238 |
| Intergovernmental | 298,779 | 14,771 | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - |
| Use of money and property | - | - | - | (1,405) | - | (819) |
| Developer fees | - | - | - | - | - | - |
| Donations | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total revenues | <u>298,779</u> | <u>14,771</u> | <u>-</u> | <u>303,860</u> | <u>-</u> | <u>63,419</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Public works | - | - | 2,681 | 239,583 | - | 209,654 |
| Community development | 235,703 | - | - | - | - | - |
| Community services | 12,271 | - | - | - | - | - |
| Capital outlay | <u>26,068</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(27,645)</u> | <u>-</u> |
| Total expenditures | <u>274,042</u> | <u>-</u> | <u>2,681</u> | <u>239,583</u> | <u>(27,645)</u> | <u>209,654</u> |
| Excess of revenues over (under) expenditures | <u>24,737</u> | <u>14,771</u> | <u>(2,681)</u> | <u>64,277</u> | <u>27,645</u> | <u>(146,235)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | <u>(24,704)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(24,704)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 33 | 14,771 | (2,681) | 64,277 | 27,645 | (146,235) |
| Fund balances (deficits) - July 1 | <u>(33)</u> | <u>(9,135)</u> | <u>(46,723)</u> | <u>126,450</u> | <u>(27,645)</u> | <u>323,809</u> |
| Fund balances (deficits) - June 30 | <u>\$ -</u> | <u>\$ 5,636</u> | <u>\$ (49,404)</u> | <u>\$ 190,727</u> | <u>\$ -</u> | <u>\$ 177,574</u> |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
For the Fiscal Year Ended June 30, 2022

Special Revenue Funds

| | Certified Access Specialist | TIRCP Grant | HMGP Grant | Library Services | County Per Capita - Goleta Library | Buellton Library |
|---|--|------------------------|-----------------------|-----------------------------|---|-----------------------------|
| REVENUES: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 538,441 | \$ - | \$ - |
| Intergovernmental | - | 228,777 | - | - | 742,198 | 193,729 |
| Charges for services | - | - | - | - | - | 743 |
| Fines and forfeitures | - | - | - | - | - | 292 |
| Use of money and property | (182) | - | - | (3,690) | (1,911) | 344 |
| Developer fees | - | - | - | - | - | - |
| Donations | - | - | - | - | - | 1,255 |
| Other | - | - | - | 1,981 | 2,971 | - |
| Total revenues | (182) | 228,777 | - | 536,732 | 743,258 | 196,363 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - |
| Community development | - | - | - | - | - | - |
| Community services | - | - | - | 467,773 | 850,727 | 197,329 |
| Capital outlay | - | 459,285 | - | - | - | - |
| Total expenditures | - | 459,285 | - | 467,773 | 850,727 | 197,329 |
| Excess of revenues over (under) expenditures | (182) | (230,508) | - | 68,959 | (107,469) | (966) |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Net change in fund balances | (182) | (230,508) | - | 68,959 | (107,469) | (966) |
| Fund balances (deficits) - July 1 | 714 | 50 | (5,560) | 827,764 | 271,401 | 44,002 |
| Fund balances (deficits) - June 30 | \$ 532 | \$ (230,458) | \$ (5,560) | \$ 896,723 | \$ 163,932 | \$ 43,036 |

| Special Revenue Funds | | | | | |
|--|--------------------|---|------------------------------------|--|--|
| County Per Capita - Buellton Library | Solvang Library | County Per Capita - Solvang Library | Miscellaneous Grants Library | Public Administration Facilities DIF | Total Nonmajor Governmental Funds |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,068,383 |
| 156,044 | 184,855 | 179,954 | 15,500 | - | 4,239,808 |
| - | 5,961 | - | - | - | 1,264,040 |
| - | 559 | - | - | - | 851 |
| (1,101) | 606 | (980) | (550) | 2,311 | (87,289) |
| - | - | - | - | - | 110,738 |
| - | 10,122 | - | - | - | 11,377 |
| - | - | - | - | - | 349,047 |
| 154,943 | 202,103 | 178,974 | 14,950 | 2,311 | 8,956,955 |
| - | - | - | - | - | 404 |
| - | - | - | - | - | 197,647 |
| - | - | - | - | - | 3,822,377 |
| - | - | - | - | - | 908,703 |
| 96,300 | 216,680 | 124,493 | 19,354 | - | 2,161,318 |
| - | - | - | - | 259,418 | 2,817,689 |
| 96,300 | 216,680 | 124,493 | 19,354 | 259,418 | 9,908,138 |
| 58,643 | (14,577) | 54,481 | (4,404) | (257,107) | (951,183) |
| - | - | - | - | - | 100,000 |
| - | - | - | - | - | (24,704) |
| - | - | - | - | - | 75,296 |
| 58,643 | (14,577) | 54,481 | (4,404) | (257,107) | (875,887) |
| 91,360 | 36,394 | 77,499 | 45,256 | 255,468 | 16,231,555 |
| \$ 150,003 | \$ 21,817 | \$ 131,980 | \$ 40,852 | \$ (1,639) | \$ 15,355,668 |

(Concluded)

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
GAS TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|---------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 832,100 | \$ 753,786 | \$ (78,314) |
| Use of money and property | 7,000 | (10,912) | (17,912) |
| Total revenues | 839,100 | 742,874 | (96,226) |
| EXPENDITURES: | | | |
| Current: | | | |
| Public works | 2,969,227 | 1,237,132 | 1,732,095 |
| Total expenditures | 2,969,227 | 1,237,132 | 1,732,095 |
| Net change in fund balance | <u>\$ (2,130,127)</u> | (494,258) | <u>\$ 1,635,869</u> |
| Fund balance - July 1 | | 2,273,715 | |
| Fund balance - June 30 | | <u>\$ 1,779,457</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
TRANSPORTATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|---------------------------|--------------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 27,100 | \$ 34,134 | \$ 7,034 |
| Use of money and property | <u>1,000</u> | <u>(1,324)</u> | <u>(2,324)</u> |
| Total revenues | <u>28,100</u> | <u>32,810</u> | <u>4,710</u> |
| EXPENDITURES: | | | |
| Capital outlay | <u>55,232</u> | <u>-</u> | <u>55,232</u> |
| Total expenditures | <u>55,232</u> | <u>-</u> | <u>55,232</u> |
| Net change in fund balance | <u><u>\$ (27,132)</u></u> | <u>32,810</u> | <u><u>\$ 59,942</u></u> |
| Fund balance - July 1 | | <u>179,807</u> | |
| Fund balance - June 30 | | <u><u>\$ 212,617</u></u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
ROAD MAINTENANCE AND REHABILITATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|-------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 669,800 | \$ 656,491 | \$ (13,309) |
| Use of money and property | 4,000 | (5,540) | (9,540) |
| Total revenues | 673,800 | 650,951 | (22,849) |
| EXPENDITURES: | | | |
| Current: | | | |
| Public works | 1,717,000 | 932,641 | 784,359 |
| Total expenditures | 1,717,000 | 932,641 | 784,359 |
| Net change in fund balance | <u>\$ (1,043,200)</u> | (281,690) | <u>\$ 761,510</u> |
| Fund balance - July 1 | | <u>1,266,631</u> | |
| Fund balance - June 30 | | <u>\$ 984,941</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
MEASURE A SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|---------------------|---|
| REVENUES: | | | |
| Taxes | \$ 2,043,200 | \$ 2,160,439 | \$ 117,239 |
| Use of money and property | 22,000 | (26,819) | (48,819) |
| Total revenues | <u>2,065,200</u> | <u>2,133,620</u> | <u>68,420</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Public works | 2,604,496 | 348,821 | 2,255,675 |
| Capital outlay | <u>2,053,459</u> | <u>399,354</u> | <u>1,654,105</u> |
| Total expenditures | <u>4,657,955</u> | <u>748,175</u> | <u>3,909,780</u> |
| Net change in fund balance | <u>\$ (2,592,755)</u> | <u>1,385,445</u> | <u>\$ 3,978,200</u> |
| Fund balance - July 1 | | <u>3,218,845</u> | |
| Fund balance - June 30 | | <u>\$ 4,604,290</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
MEASURE A GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------|-------------------------|---------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 1,827,154 | \$ - | \$ (1,827,154) |
| Total revenues | <u>1,827,154</u> | <u>-</u> | <u>(1,827,154)</u> |
| EXPENDITURES: | | | |
| Capital outlay | <u>1,732,418</u> | <u>495,895</u> | <u>1,236,523</u> |
| Total expenditures | <u>1,732,418</u> | <u>495,895</u> | <u>1,236,523</u> |
| Net change in fund balance | <u>\$ 94,736</u> | <u>(495,895)</u> | <u>\$ (590,631)</u> |
| Fund balance (deficit) - July 1 | | <u>(94,736)</u> | |
| Fund balance (deficit) - June 30 | | <u>\$ (590,631)</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
SOLID WASTE PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|---|-------------------------|---------------------|---|
| REVENUES: | | | |
| Charges for services | \$ 1,100,000 | \$ 1,257,336 | \$ 157,336 |
| Use of money and property | 4,000 | (8,819) | (12,819) |
| Other | 344,095 | 344,095 | - |
| Total revenues | 1,448,095 | 1,592,612 | 144,517 |
| EXPENDITURES: | | | |
| Current: | | | |
| Public works | 1,214,454 | 663,948 | 550,506 |
| Total expenditures | 1,214,454 | 663,948 | 550,506 |
| Excess of revenues over (under) expenditures | 233,641 | 928,664 | 695,023 |
| OTHER FINANCING SOURCES (USES): | | | |
| Transfers in | 100,000 | 100,000 | - |
| Total other financing sources (uses) | 100,000 | 100,000 | - |
| Net change in fund balance | <u>\$ 333,641</u> | <u>1,028,664</u> | <u>\$ 695,023</u> |
| Fund balance - July 1 | | <u>504,669</u> | |
| Fund balance - June 30 | | <u>\$ 1,533,333</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
PUBLIC SAFETY DONATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|------------------|---|
| REVENUES: | | | |
| Use of money and property | \$ - | \$ (178) | \$ (178) |
| Total revenues | - | (178) | (178) |
| EXPENDITURES: | | | |
| Current: | | | |
| Public safety | - | - | - |
| Total expenditures | - | - | - |
| Net change in fund balance | <u>\$ -</u> | <u>(178)</u> | <u>\$ (178)</u> |
| Fund balance - July 1 | | <u>29,796</u> | |
| Fund balance - June 30 | | <u>\$ 29,618</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
COUNTY FIRE DIF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------|-------------------------|---------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 931,126 | \$ 181,611 | \$ (749,515) |
| Total revenues | 931,126 | 181,611 | (749,515) |
| EXPENDITURES: | | | |
| Capital outlay | 931,126 | 307,175 | 623,951 |
| Total expenditures | 931,126 | 307,175 | 623,951 |
| Net change in fund balance | <u>\$ -</u> | (125,564) | <u>\$ (125,564)</u> |
| Fund balance - July 1 | | - | |
| Fund balance (deficit) - June 30 | | <u>\$ (125,564)</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
LIBRARY FACILITIES DIF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|---------------|---|
| REVENUES: | | | |
| Use of money and property | \$ 500 | \$ (1,410) | \$ (1,910) |
| Developer fees | 89,700 | 15,869 | (73,831) |
| Total revenues | 90,200 | 14,459 | (75,741) |
| EXPENDITURES: | | | |
| Current: | | | |
| Community services | 89,000 | 15,851 | 73,149 |
| Total expenditures | 89,000 | 15,851 | 73,149 |
| Net change in fund balance | \$ 1,200 | (1,392) | \$ (2,592) |
| Fund balance - July 1 | | 222,111 | |
| Fund balance - June 30 | | \$ 220,719 | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
SHERIFF FACILITIES DIF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|------------------------|------------------------------------|
| REVENUES: | | | |
| Use of money and property | \$ 300 | \$ (909) | \$ (1,209) |
| Developer fees | 28,800 | 30,822 | 2,022 |
| Total revenues | 29,100 | 29,913 | 813 |
| EXPENDITURES: | | | |
| Capital outlay | 70,281 | - | 70,281 |
| Total expenditures | 70,281 | - | 70,281 |
| Net change in fund balance | <u>\$ (41,181)</u> | 29,913 | <u>\$ 71,094</u> |
| Fund balance - July 1 | | <u>109,589</u> | |
| Fund balance - June 30 | | <u>\$ 139,502</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
HOUSING IN-LIEU SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|---------------------|---|
| REVENUES: | | | |
| Use of money and property | \$ 6,000 | \$ (7,467) | \$ (13,467) |
| Total revenues | 6,000 | (7,467) | (13,467) |
| EXPENDITURES: | | | |
| Current: | | | |
| Community services | 25,000 | 25,000 | - |
| Total expenditures | 25,000 | 25,000 | - |
| Net change in fund balance | <u>\$ (19,000)</u> | <u>(32,467)</u> | <u>\$ (13,467)</u> |
| Fund balance - July 1 | | <u>1,282,468</u> | |
| Fund balance - June 30 | | <u>\$ 1,250,001</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
STORM DRAIN DIF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|-------------------|---|
| REVENUES: | | | |
| Use of money and property | \$ 100 | \$ (148) | \$ (248) |
| Developer fees | 345,300 | 5,426 | (339,874) |
| Total revenues | 345,400 | 5,278 | (340,122) |
| EXPENDITURES: | | | |
| Capital outlay | 50,000 | - | 50,000 |
| Total expenditures | 50,000 | - | 50,000 |
| Net change in fund balance | <u>\$ 295,400</u> | 5,278 | <u>\$ (290,122)</u> |
| Fund balance - July 1 | | <u>526,825</u> | |
| Fund balance - June 30 | | <u>\$ 532,103</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
PLANNING GRANTS PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------|-------------------------|----------------------------|---|
| REVENUES: | | | |
| Intergovernmental | <u>\$ 114,881</u> | <u>\$ -</u> | <u>\$ (114,881)</u> |
| Total revenues | <u>114,881</u> | <u>-</u> | <u>(114,881)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Community development | <u>42,995</u> | <u>35,904</u> | <u>7,091</u> |
| Total expenditures | <u>42,995</u> | <u>35,904</u> | <u>7,091</u> |
| Net change in fund balance | <u><u>\$ 71,886</u></u> | <u>(35,904)</u> | <u><u>\$ (107,790)</u></u> |
| Fund balance (deficit) - July 1 | | <u>(71,886)</u> | |
| Fund balance (deficit) - June 30 | | <u><u>\$ (107,790)</u></u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
ENVIRONMENTAL PROGRAMS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|-------------------|---|
| REVENUES: | | | |
| Use of money and property | \$ 500 | \$ (1,030) | \$ (1,530) |
| Total revenues | 500 | (1,030) | (1,530) |
| EXPENDITURES: | | | |
| Current: | | | |
| Public works | 9,400 | - | 9,400 |
| Total expenditures | 9,400 | - | 9,400 |
| Net change in fund balance | <u>\$ (8,900)</u> | (1,030) | <u>\$ 7,870</u> |
| Fund balance - July 1 | | <u>172,232</u> | |
| Fund balance - June 30 | | <u>\$ 171,202</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
FIRE FACILITIES DIF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|---------------------|---|
| REVENUES: | | | |
| Use of money and property | \$ 15,000 | \$ (20,509) | \$ (35,509) |
| Developer fees | 2,905,694 | 58,621 | (2,847,073) |
| Total revenues | 2,920,694 | 38,112 | (2,882,582) |
| EXPENDITURES: | | | |
| Capital outlay | 4,856,012 | 13,645 | 4,842,367 |
| Total expenditures | 4,856,012 | 13,645 | 4,842,367 |
| Net change in fund balance | <u>\$ (1,935,318)</u> | 24,467 | <u>\$ 1,959,785</u> |
| Fund balance - July 1 | | <u>3,363,184</u> | |
| Fund balance - June 30 | | <u>\$ 3,387,651</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
LONG RANGE DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|-------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 3,861,177 | \$ - | \$ (3,861,177) |
| Use of money and property | - | 1,387 | 1,387 |
| Total revenues | 3,861,177 | 1,387 | (3,859,790) |
| EXPENDITURES: | | | |
| Capital outlay | 3,350,883 | 32,369 | 3,318,514 |
| Total expenditures | 3,350,883 | 32,369 | 3,318,514 |
| Net change in fund balance | <u>\$ 510,294</u> | (30,982) | <u>\$ (541,276)</u> |
| Fund balance - July 1 | | <u>191,178</u> | |
| Fund balance - June 30 | | <u>\$ 160,196</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
PUBLIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|----------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 161,285 | \$ 161,285 | \$ - |
| Use of money and property | - | 3 | 3 |
| Total revenues | <u>161,285</u> | <u>161,288</u> | <u>3</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Public safety | <u>161,411</u> | <u>161,414</u> | <u>(3)</u> |
| Total expenditures | <u>161,411</u> | <u>161,414</u> | <u>(3)</u> |
| Net change in fund balance | <u>\$ (126)</u> | <u>(126)</u> | <u>\$ -</u> |
| Fund balance - July 1 | | <u>126</u> | |
| Fund balance - June 30 | | <u>\$ -</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
MONARCH BUTTERFLY HABITAT MANAGEMENT PLAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------|-------------------------|---------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 3,900,000 | \$ - | \$ (3,900,000) |
| Total revenues | 3,900,000 | - | (3,900,000) |
| EXPENDITURES: | | | |
| Current: | | | |
| Community development | - | 478,110 | (478,110) |
| Capital outlay | 3,785,350 | - | 3,785,350 |
| Total expenditures | 3,785,350 | 478,110 | 3,307,240 |
| Net change in fund balance | \$ 114,650 | (478,110) | \$ (592,760) |
| Fund balance (deficit) - July 1 | | (114,650) | |
| Fund balance (deficit) - June 30 | | \$ (592,760) | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
SOLID WASTE RECYCLING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 8,000 | \$ 8,334 | \$ 334 |
| Total revenues | 8,000 | 8,334 | 334 |
| EXPENDITURES: | | | |
| Current: | | | |
| Public works | 8,200 | - | 8,200 |
| Total expenditures | 8,200 | - | 8,200 |
| Net change in fund balance | <u>\$ (200)</u> | 8,334 | <u>\$ 8,534</u> |
| Fund balance - July 1 | | <u>31,000</u> | |
| Fund balance - June 30 | | <u>\$ 39,334</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
RSTP STATE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|----------------------------------|-------------------------|---------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 565,315 | \$ - | \$ (565,315) |
| Total revenues | <u>565,315</u> | <u>-</u> | <u>(565,315)</u> |
| EXPENDITURES: | | | |
| Capital outlay | <u>214,988</u> | <u>279,983</u> | <u>(64,995)</u> |
| Total expenditures | <u>214,988</u> | <u>279,983</u> | <u>(64,995)</u> |
| Net change in fund balance | <u>\$ 350,327</u> | <u>(279,983)</u> | <u>\$ (630,310)</u> |
| Fund balance (deficit) - July 1 | | <u>(215,512)</u> | |
| Fund balance (deficit) - June 30 | | <u>\$ (495,495)</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
COMSTOCK PLOVER ENDOWMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|---------------------------------|-------------------------|---------------|---|
| REVENUES: | | | |
| Use of money and property | \$ 2,000 | \$ 1,913 | \$ (87) |
| Total revenues | 2,000 | 1,913 | (87) |
| EXPENDITURES: | | | |
| Current: | | | |
| Community development | 2,000 | 1,114 | 886 |
| Total expenditures | 2,000 | 1,114 | 886 |
| Net change in fund balance | <u>\$ -</u> | 799 | <u>\$ 799</u> |
| Fund balance (deficit) - July 1 | | <u>(799)</u> | |
| Fund balance - June 30 | | <u>\$ -</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
MISCELLANEOUS GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------|-------------------------|--------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 61,333 | \$ - | \$ (61,333) |
| Total revenues | 61,333 | - | (61,333) |
| EXPENDITURES: | | | |
| Current: | | | |
| General government | 9,839 | 404 | 9,435 |
| Public works | - | 540 | (540) |
| Capital outlay | 61,333 | 60,778 | 555 |
| Total expenditures | 71,172 | 61,722 | 9,450 |
| Net change in fund balance | <u>\$ (9,839)</u> | (61,722) | <u>\$ (51,883)</u> |
| Fund balance - July 1 | | 10,409 | |
| Fund balance (deficit) - June 30 | | <u>\$ (51,313)</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
LOCAL STIP SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|----------------------------------|-------------------------|-------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 11,386,694 | \$ - | \$ (11,386,694) |
| Total revenues | <u>11,386,694</u> | <u>-</u> | <u>(11,386,694)</u> |
| EXPENDITURES: | | | |
| Capital outlay | <u>11,372,000</u> | <u>-</u> | <u>11,372,000</u> |
| Total expenditures | <u>11,372,000</u> | <u>-</u> | <u>11,372,000</u> |
| Net change in fund balance | <u>\$ 14,694</u> | <u>-</u> | <u>\$ (14,694)</u> |
| Fund balance (deficit) - July 1 | | <u>(4,309)</u> | |
| Fund balance (deficit) - June 30 | | <u>\$ (4,309)</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
DEVELOPER AGREEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|----------------------------|-------------------------|-------------------|---|
| REVENUES: | | | |
| Use of money and property | \$ 1,500 | \$ - | \$ (1,500) |
| Total revenues | <u>1,500</u> | <u>-</u> | <u>(1,500)</u> |
| EXPENDITURES: | | | |
| Capital outlay | <u>270,000</u> | <u>-</u> | <u>270,000</u> |
| Total expenditures | <u>270,000</u> | <u>-</u> | <u>270,000</u> |
| Net change in fund balance | <u>\$ (268,500)</u> | <u>-</u> | <u>\$ 268,500</u> |
| Fund balance - July 1 | | <u>615,163</u> | |
| Fund balance - June 30 | | <u>\$ 615,163</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
BICYCLE PEDESTRIAN DIF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|-------------------|---|
| REVENUES: | | | |
| Use of money and property | \$ 100 | \$ 1,850 | \$ 1,750 |
| Developer fees | 259,900 | - | (259,900) |
| Total revenues | 260,000 | 1,850 | (258,150) |
| EXPENDITURES: | | | |
| Capital outlay | 200,000 | 200,000 | - |
| Total expenditures | 200,000 | 200,000 | - |
| Net change in fund balance | <u>\$ 60,000</u> | (198,150) | <u>\$ (258,150)</u> |
| Fund balance - July 1 | | <u>419,826</u> | |
| Fund balance - June 30 | | <u>\$ 221,676</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
ISLA VISTA LIBRARY GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ - | \$ - | \$ - |
| Total revenues | - | - | - |
| EXPENDITURES: | | | |
| Current: | | | |
| Community services | 144,235 | 92,365 | 51,870 |
| Total expenditures | 144,235 | 92,365 | 51,870 |
| Net change in fund balance | <u>\$ (144,235)</u> | <u>(92,365)</u> | <u>\$ 51,870</u> |
| Fund balance - July 1 | | <u>144,235</u> | |
| Fund balance - June 30 | | <u>\$ 51,870</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
CDBG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|---|-------------------------|---------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 701,081 | \$ 298,779 | \$ (402,302) |
| Total revenues | 701,081 | 298,779 | (402,302) |
| EXPENDITURES: | | | |
| Current: | | | |
| Community development | 240,878 | 235,703 | 5,175 |
| Community services | - | 12,271 | (12,271) |
| Capital outlay | 417,903 | 26,068 | 391,835 |
| Total expenditures | 658,781 | 274,042 | 384,739 |
| Excess of revenues over (under) expenditures | 42,300 | 24,737 | (17,563) |
| OTHER FINANCING SOURCES (USES): | | | |
| Transfers out | (42,300) | (24,704) | 17,596 |
| Total other financing sources (uses) | (42,300) | (24,704) | 17,596 |
| Net change in fund balance | \$ - | 33 | \$ 33 |
| Fund balance (deficit) - July 1 | | (33) | |
| Fund balance - June 30 | | \$ - | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
HSIP SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|---------------------------------|-------------------------|-----------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 395,371 | \$ 14,771 | \$ (380,600) |
| Total revenues | 395,371 | 14,771 | (380,600) |
| EXPENDITURES: | | | |
| Capital outlay | 380,600 | - | 380,600 |
| Total expenditures | 380,600 | - | 380,600 |
| Net change in fund balance | <u>\$ 14,771</u> | 14,771 | <u>\$ -</u> |
| Fund balance (deficit) - July 1 | | <u>(9,135)</u> | |
| Fund balance - June 30 | | <u>\$ 5,636</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
SSARP GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------|------------------|--------------------|------------------------------------|
| REVENUES: | | | |
| Intergovernmental | \$ 53,000 | \$ - | \$ (53,000) |
| Total revenues | 53,000 | - | (53,000) |
| EXPENDITURES: | | | |
| Current: | | | |
| Public works | 6,277 | 2,681 | 3,596 |
| Total expenditures | 6,277 | 2,681 | 3,596 |
| Net change in fund balance | <u>\$ 46,723</u> | (2,681) | <u>\$ (49,404)</u> |
| Fund balance (deficit) - July 1 | | (46,723) | |
| Fund balance (deficit) - June 30 | | <u>\$ (49,404)</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
STREET LIGHTING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|---------------------------|--------------------------|---|
| REVENUES: | | | |
| Taxes | \$ 305,500 | \$ 305,265 | \$ (235) |
| Use of money and property | 500 | (1,405) | (1,905) |
| Total revenues | <u>306,000</u> | <u>303,860</u> | <u>(2,140)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Public works | 339,844 | 239,583 | 100,261 |
| Capital outlay | <u>18,000</u> | <u>-</u> | <u>18,000</u> |
| Total expenditures | <u>357,844</u> | <u>239,583</u> | <u>118,261</u> |
| Net change in fund balance | <u><u>\$ (51,844)</u></u> | <u>64,277</u> | <u><u>\$ 116,121</u></u> |
| Fund balance - July 1 | | <u>126,450</u> | |
| Fund balance - June 30 | | <u><u>\$ 190,727</u></u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
TIGER GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|---------------------------------|-------------------------|---------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ - | \$ - | \$ - |
| Total revenues | - | - | - |
| EXPENDITURES: | | | |
| Capital outlay | (27,645) | (27,645) | - |
| Total expenditures | (27,645) | (27,645) | - |
| Net change in fund balance | \$ 27,645 | 27,645 | \$ - |
| Fund balance (deficit) - July 1 | | (27,645) | |
| Fund balance - June 30 | | \$ - | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
PEG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|----------------------------|--------------------------|---|
| REVENUES: | | | |
| Taxes | \$ 76,000 | \$ 64,238 | \$ (11,762) |
| Use of money and property | 1,000 | (819) | (1,819) |
| Total revenues | <u>77,000</u> | <u>63,419</u> | <u>(13,581)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Public works | <u>215,000</u> | <u>209,654</u> | <u>5,346</u> |
| Total expenditures | <u>215,000</u> | <u>209,654</u> | <u>5,346</u> |
| Net change in fund balance | <u><u>\$ (138,000)</u></u> | <u>(146,235)</u> | <u><u>\$ (8,235)</u></u> |
| Fund balance - July 1 | | <u>323,809</u> | |
| Fund balance - June 30 | | <u><u>\$ 177,574</u></u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
LSTP STATE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------|-------------------------|---------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 483,992 | \$ - | \$ (483,992) |
| Total revenues | 483,992 | - | (483,992) |
| EXPENDITURES: | | | |
| Current: | | | |
| Public works | 483,992 | 187,377 | 296,615 |
| Total expenditures | 483,992 | 187,377 | 296,615 |
| Net change in fund balance | <u>\$ -</u> | (187,377) | <u>\$ (187,377)</u> |
| Fund balance - July 1 | | 444 | |
| Fund balance (deficit) - June 30 | | <u>\$ (186,933)</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
HOUSING AND COMMUNITY DEVELOPMENT STATE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------|-------------------------|--------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 345,386 | \$ 111,733 | \$ (233,653) |
| Total revenues | 345,386 | 111,733 | (233,653) |
| EXPENDITURES: | | | |
| Current: | | | |
| Community development | 338,194 | 157,872 | 180,322 |
| Capital outlay | 5,364 | 5,364 | - |
| Total expenditures | 343,558 | 163,236 | 180,322 |
| Net change in fund balance | <u>\$ 1,828</u> | <u>(51,503)</u> | <u>\$ (53,331)</u> |
| Fund balance (deficit) - July 1 | | <u>(1,828)</u> | |
| Fund balance (deficit) - June 30 | | <u>\$ (53,331)</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
CAL OES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ - | \$ - | \$ - |
| Total revenues | - | - | - |
| EXPENDITURES: | | | |
| Current: | | | |
| Community services | 93,945 | 43,175 | 50,770 |
| Capital outlay | | 21,000 | (21,000) |
| Total expenditures | 93,945 | 64,175 | 29,770 |
| Net change in fund balance | <u>\$ (93,945)</u> | <u>(64,175)</u> | <u>\$ 29,770</u> |
| Fund balance - July 1 | | <u>108,176</u> | |
| Fund balance - June 30 | | <u>\$ 44,001</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
FHWA-FEMA REIMBURSEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 87,746 | \$ - | \$ (87,746) |
| Total revenues | 87,746 | - | (87,746) |
| EXPENDITURES: | | | |
| Capital outlay | 87,746 | - | 87,746 |
| Total expenditures | 87,746 | - | 87,746 |
| Net change in fund balance | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Fund balance - July 1 | | <u>58,107</u> | |
| Fund balance - June 30 | | <u>\$ 58,107</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
OTS PUBLIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------|-------------------------|-------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 40,000 | \$ 36,028 | \$ (3,972) |
| Total revenues | 40,000 | 36,028 | (3,972) |
| EXPENDITURES: | | | |
| Current: | | | |
| Public safety | 35,668 | 36,233 | (565) |
| Total expenditures | 35,668 | 36,233 | (565) |
| Net change in fund balance | <u>\$ 4,332</u> | (205) | <u>\$ (4,537)</u> |
| Fund balance (deficit) - July 1 | | <u>(4,332)</u> | |
| Fund balance (deficit) - June 30 | | <u>\$ (4,537)</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
OBF - SOUTHERN CALIFORNIA EDISON SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------|-------------------------|-------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 785,000 | \$ 281,799 | \$ (503,201) |
| Total revenues | 785,000 | 281,799 | (503,201) |
| EXPENDITURES: | | | |
| Capital outlay | 153,589 | 285,000 | (131,411) |
| Total expenditures | 153,589 | 285,000 | (131,411) |
| Net change in fund balance | <u>\$ 631,411</u> | (3,201) | <u>\$ (634,612)</u> |
| Fund balance - July 1 | | - | |
| Fund balance (deficit) - June 30 | | <u>\$ (3,201)</u> | |

CITY OF GOLETA
 NONMAJOR GOVERNMENTAL FUND
 CERTIFIED ACCESS SPECIALIST SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-----------------|---------------|------------------------------------|
| REVENUES: | | | |
| Use of money and property | \$ 100 | \$ (182) | \$ (282) |
| Total revenues | 100 | (182) | (282) |
| Net change in fund balance | <u>\$ 100</u> | <u>(182)</u> | <u>\$ (282)</u> |
| Fund balance - July 1 | | <u>714</u> | |
| Fund balance - June 30 | | <u>\$ 532</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
TIRCP GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------|-------------------------|---------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 1,286,673 | \$ 228,777 | \$ (1,057,896) |
| Total revenues | <u>1,286,673</u> | <u>228,777</u> | <u>(1,057,896)</u> |
| EXPENDITURES: | | | |
| Capital outlay | <u>1,286,723</u> | <u>459,285</u> | <u>827,438</u> |
| Total expenditures | <u>1,286,723</u> | <u>459,285</u> | <u>827,438</u> |
| Net change in fund balance | <u>\$ (50)</u> | <u>(230,508)</u> | <u>\$ (230,458)</u> |
| Fund balance - July 1 | | <u>50</u> | |
| Fund balance (deficit) - June 30 | | <u>\$ (230,458)</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
HMGP GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------|-------------------------|-------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 3,858,620 | \$ - | \$ (3,858,620) |
| Total revenues | 3,858,620 | - | (3,858,620) |
| EXPENDITURES: | | | |
| Capital outlay | 3,853,060 | - | 3,853,060 |
| Total expenditures | 3,853,060 | - | 3,853,060 |
| Net change in fund balance | <u>\$ 5,560</u> | - | <u>\$ (5,560)</u> |
| Fund balance (deficit) - July 1 | | (5,560) | |
| Fund balance (deficit) - June 30 | | <u>\$ (5,560)</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
LIBRARY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|-------------------|---|
| REVENUES: | | | |
| Taxes | \$ 539,600 | \$ 538,441 | \$ (1,159) |
| Use of money and property | 2,000 | (3,690) | (5,690) |
| Other | - | 1,981 | 1,981 |
| Total revenues | <u>541,600</u> | <u>536,732</u> | <u>(4,868)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Community services | <u>553,712</u> | <u>467,773</u> | <u>85,939</u> |
| Total expenditures | <u>553,712</u> | <u>467,773</u> | <u>85,939</u> |
| Net change in fund balance | <u>\$ (12,112)</u> | <u>68,959</u> | <u>\$ 81,071</u> |
| Fund balance - July 1 | | <u>827,764</u> | |
| Fund balance - June 30 | | <u>\$ 896,723</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
COUNTY PER CAPITAL - GOLETA LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|----------------------------|--------------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 742,197 | \$ 742,198 | \$ 1 |
| Use of money and property | 500 | (1,911) | (2,411) |
| Other | - | 2,971 | 2,971 |
| Total revenues | <u>742,697</u> | <u>743,258</u> | <u>561</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Community services | <u>1,000,288</u> | <u>850,727</u> | <u>149,561</u> |
| Total expenditures | <u>1,000,288</u> | <u>850,727</u> | <u>149,561</u> |
| Net change in fund balance | <u><u>\$ (257,591)</u></u> | <u>(107,469)</u> | <u><u>\$ 150,122</u></u> |
| Fund balance - July 1 | | <u>271,401</u> | |
| Fund balance - June 30 | | <u><u>\$ 163,932</u></u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
BUELLTON LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 193,729 | \$ 193,729 | \$ - |
| Charges for services | - | 743 | 743 |
| Fines & forfeitures | 750 | 292 | (458) |
| Use of money and property | - | 344 | 344 |
| Donations | - | 1,255 | 1,255 |
| | <u>194,479</u> | <u>196,363</u> | <u>1,884</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Community services | <u>218,473</u> | <u>197,329</u> | <u>21,144</u> |
| Total expenditures | <u>218,473</u> | <u>197,329</u> | <u>21,144</u> |
| Net change in fund balance | <u>\$ (23,994)</u> | <u>(966)</u> | <u>\$ 23,028</u> |
| Fund balance - July 1 | | <u>44,002</u> | |
| Fund balance - June 30 | | <u>\$ 43,036</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
COUNTY PER CAPITA BUELLTON LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|-------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 156,044 | \$ 156,044 | \$ - |
| Use of money and property | - | (1,101) | (1,101) |
| Total revenues | 156,044 | 154,943 | (1,101) |
| EXPENDITURES: | | | |
| Current: | | | |
| Community services | 153,860 | 96,300 | 57,560 |
| Total expenditures | 153,860 | 96,300 | 57,560 |
| Net change in fund balance | <u>\$ 2,184</u> | 58,643 | <u>\$ 56,459</u> |
| Fund balance - July 1 | | 91,360 | |
| Fund balance - June 30 | | <u>\$ 150,003</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
SOLVANG LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 184,855 | \$ 184,855 | \$ - |
| Charges for services | - | 5,961 | 5,961 |
| Fines & forfeitures | 1,000 | 559 | (441) |
| Use of money and property | - | 606 | 606 |
| Donations | 20,000 | 10,122 | (9,878) |
| | <u>205,855</u> | <u>202,103</u> | <u>(3,752)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Community services | <u>230,386</u> | <u>216,680</u> | <u>13,706</u> |
| Total expenditures | <u>230,386</u> | <u>216,680</u> | <u>13,706</u> |
| Net change in fund balance | <u>\$ (24,531)</u> | <u>(14,577)</u> | <u>\$ 9,954</u> |
| Fund balance - July 1 | | <u>36,394</u> | |
| Fund balance - June 30 | | <u>\$ 21,817</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
COUNTY PER CAPITA SOLVANG LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|-------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 179,954 | \$ 179,954 | \$ - |
| Use of money and property | - | (980) | (980) |
| Total revenues | 179,954 | 178,974 | (980) |
| EXPENDITURES: | | | |
| Current: | | | |
| Community services | 172,842 | 124,493 | 48,349 |
| Total expenditures | 172,842 | 124,493 | 48,349 |
| Net change in fund balance | <u>\$ 7,112</u> | 54,481 | <u>\$ 47,369</u> |
| Fund balance - July 1 | | <u>77,499</u> | |
| Fund balance - June 30 | | <u>\$ 131,980</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
MISCELLANEOUS GRANTS LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------|-------------------------|------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 17,000 | \$ 15,500 | \$ (1,500) |
| Use of money and property | - | (550) | (550) |
| Total revenues | 17,000 | 14,950 | (2,050) |
| EXPENDITURES: | | | |
| Current: | | | |
| Community services | 61,706 | 19,354 | 42,352 |
| Total expenditures | 61,706 | 19,354 | 42,352 |
| Net change in fund balance | <u>\$ (44,706)</u> | <u>(4,404)</u> | <u>\$ 40,302</u> |
| Fund balance - July 1 | | 45,256 | |
| Fund balance - June 30 | | <u>\$ 40,852</u> | |

CITY OF GOLETA
NONMAJOR GOVERNMENTAL FUND
PUBLIC ADMINISTRATION FACILITIES DIF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

| | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------|-------------------------|-------------------|---|
| REVENUES: | | | |
| Use of money and property | \$ - | \$ 2,311 | \$ 2,311 |
| Developer fees | 226,300 | - | (226,300) |
| Total revenues | 226,300 | 2,311 | (223,989) |
| EXPENDITURES: | | | |
| Capital outlay | 261,146 | 259,418 | 1,728 |
| Total expenditures | 261,146 | 259,418 | 1,728 |
| Net change in fund balance | <u>\$ (34,846)</u> | (257,107) | <u>\$ (222,261)</u> |
| Fund balance - July 1 | | <u>255,468</u> | |
| Fund balance (deficit) - June 30 | | <u>\$ (1,639)</u> | |

STATISTICAL SECTION

STATISTICAL SECTION

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

| Contents | Pages |
|--|---------|
| Financial Trends | |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 132-139 |
| Revenue Capacity | |
| These schedules contain information to help assess the City's most significant local revenue source, the property tax and transit occupancy tax. | 140-147 |
| Debt Capacity | |
| These schedules contain 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. | 148-151 |
| Demographic and Economic Information | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. | 152-153 |
| Operating Information | |
| 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. | 154-157 |

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF GOLETA

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(accrual basis of accounting)

| | 2013 | Fiscal Year Ended June 30, | | 2016 |
|--|-----------------------|----------------------------|-----------------------|-----------------------|
| | | 2014 | 2015 | |
| Governmental activities: | | | | |
| Net investment in capital assets | \$ 163,927,809 | \$ 172,564,805 | \$ 183,863,622 | \$ 181,519,215 |
| Restricted | 13,017,605 | 18,154,319 | 17,955,771 | 28,429,446 |
| Unrestricted | 14,419,566 | 10,963,974 | 11,095,734 | 15,465,702 |
| Total governmental activities net position | <u>\$ 191,364,980</u> | <u>\$ 201,683,098</u> | <u>\$ 212,915,127</u> | <u>\$ 225,414,363</u> |

| | | Fiscal Year Ended June 30, | | | |
|-----------------------|-----------------------|----------------------------|-----------------------|-----------------------|-----------------------|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$ 180,871,756 | \$ 189,886,349 | \$ 191,612,268 | \$ 202,170,314 | \$ 196,120,737 | \$ 195,800,347 |
| 36,891,364 | 34,623,415 | 34,490,037 | 35,223,059 | 40,085,550 | 42,881,716 |
| 19,440,126 | 6,765,954 | 13,891,718 | 6,697,065 | 21,525,728 | 30,575,470 |
| <u>\$ 237,203,246</u> | <u>\$ 231,275,718</u> | <u>\$ 239,994,023</u> | <u>\$ 244,090,438</u> | <u>\$ 257,732,015</u> | <u>\$ 269,257,533</u> |

CITY OF GOLETA

CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)

| Primary Government - Governmental Activities | 2013 | Fiscal Year Ended June 30, | | 2016 |
|--|---------------------|----------------------------|----------------------|----------------------|
| | | 2014 | 2015 | |
| Expenses: | | | | |
| General government | \$ 5,216,451 | \$ 5,071,322 | \$ 5,563,514 | \$ 5,910,221 |
| Public safety | 7,193,436 | 7,386,485 | 7,598,735 | 7,611,834 |
| Public works | 14,292,509 | 10,704,905 | 8,784,684 | 9,350,254 |
| Community development | 33,365 | 34,194 | 297,547 | 44,509 |
| Community services | 3,443,203 | 4,385,593 | 4,270,831 | 4,363,053 |
| Interest and other charges | 260 | - | - | - |
| Total expenses | <u>30,179,224</u> | <u>27,582,499</u> | <u>26,515,311</u> | <u>27,279,871</u> |
| Program revenues: | | | | |
| Charges for services: | | | | |
| General government | 43,159 | 43,744 | 48,740 | 32,874 |
| Public safety | 171,132 | 176,260 | 197,928 | 156,125 |
| Public works | 616,780 | 1,194,632 | 1,241,016 | 1,258,930 |
| Community development | 1,581,191 | 2,040,086 | 1,664,052 | 2,156,101 |
| Community services | 13,554 | 15,567 | 17,665 | 17,799 |
| Operating grants and contributions: | | | | |
| General government | - | - | - | - |
| Public safety | 161,294 | 142,605 | 106,258 | 114,671 |
| Public works | 2,114,326 | 2,564,451 | 2,342,000 | 2,117,379 |
| Community development | - | - | - | - |
| Community services | - | - | - | - |
| Capital grants and contributions: | | | | |
| Public safety | 44,201 | 53,324 | 34,781 | 243,648 |
| Public works | 7,474,170 | 10,688,258 | 11,996,936 | 10,947,335 |
| Community development | 1,103,734 | 21,975 | 374,039 | 373,338 |
| Community services | 21,964 | 44,096 | 25,744 | 156,033 |
| Total program revenues | <u>13,345,505</u> | <u>16,984,998</u> | <u>18,049,159</u> | <u>17,574,233</u> |
| Net revenues (expenses) | <u>(16,833,719)</u> | <u>(10,597,501)</u> | <u>(8,466,152)</u> | <u>(9,705,638)</u> |
| General revenues and other changes in net position: | | | | |
| Taxes: | | | | |
| Sales taxes | 5,776,818 | 6,812,304 | 6,329,870 | 6,216,442 |
| Property taxes, levied for general purpose | 5,026,723 | 5,163,756 | 5,266,101 | 5,719,552 |
| Transient occupancy tax | 5,604,278 | 6,976,954 | 7,807,830 | 8,175,456 |
| Franchise taxes | 1,152,381 | 1,223,935 | 1,272,418 | 1,241,017 |
| Other taxes | 557,042 | 247,795 | 274,256 | 292,277 |
| Use of money and property | 132,736 | 112,050 | 90,723 | 126,310 |
| Other | 872,273 | 378,825 | 341,687 | 433,820 |
| Transfer in from City of Santa Barbara | - | - | - | - |
| Total general revenues | <u>19,122,251</u> | <u>20,915,619</u> | <u>21,382,885</u> | <u>22,204,874</u> |
| Changes in net position | <u>\$ 2,288,532</u> | <u>\$ 10,318,118</u> | <u>\$ 12,916,733</u> | <u>\$ 12,499,236</u> |

| 2017 | 2018 | Fiscal Year Ended June 30, | | 2021 | 2022 |
|----------------------|-----------------------|----------------------------|---------------------|----------------------|----------------------|
| | | 2019 | 2020 | | |
| \$ 6,755,208 | \$ 12,562,598 | \$ 6,819,954 | \$ 6,574,206 | \$ 6,552,687 | \$ 7,637,311 |
| 7,741,361 | 8,582,868 | 8,046,890 | 7,646,327 | 7,262,255 | 8,695,216 |
| 10,965,391 | 18,234,912 | 12,815,994 | 12,253,012 | 12,255,501 | 16,520,360 |
| 49,858 | 425,086 | 756,848 | 486,631 | 463,691 | 1,014,887 |
| 6,359,917 | 5,273,153 | 6,148,076 | 7,854,597 | 8,394,651 | 7,051,170 |
| - | - | - | - | 227,333 | 258,610 |
| <u>31,871,735</u> | <u>45,078,617</u> | <u>34,587,762</u> | <u>34,814,773</u> | <u>35,156,118</u> | <u>41,177,554</u> |
| 18,929 | 464 | 18,431 | 73,238 | 75,473 | 98,700 |
| 129,051 | 125,000 | - | - | - | - |
| 1,338,942 | 737,673 | 718,392 | 925,703 | 959,250 | 1,467,664 |
| 2,234,166 | 1,268,821 | 1,023,206 | 1,239,522 | 1,020,686 | 1,103,385 |
| 18,419 | - | 5,433 | 7,121 | 1,250 | 6,704 |
| - | - | 15,336 | 60,538 | 44,375 | 3,020,465 |
| 424,256 | 191,248 | 150,690 | - | 6,348 | - |
| 3,289,699 | 937,123 | 640,432 | 743,838 | 927,972 | 762,120 |
| - | - | - | 50,543 | 273,575 | - |
| - | - | 1,037,379 | 1,883,517 | 1,555,802 | 1,581,633 |
| 71,579 | 688,348 | 524,047 | 264,511 | 489,217 | 714,138 |
| 13,029,843 | 6,045,265 | 4,184,252 | 2,412,918 | 10,437,978 | 4,352,804 |
| 21,517 | 634,694 | 1,057,706 | 486,569 | 161,376 | 298,779 |
| 59,491 | 130,502 | 995,705 | 40,028 | 346,613 | 15,869 |
| <u>20,635,892</u> | <u>10,759,138</u> | <u>10,371,009</u> | <u>8,188,046</u> | <u>16,299,915</u> | <u>13,422,261</u> |
| <u>(11,235,843)</u> | <u>(34,319,479)</u> | <u>(24,216,753)</u> | <u>(26,626,727)</u> | <u>(18,856,203)</u> | <u>(27,755,293)</u> |
| 6,491,121 | 7,976,472 | 8,629,829 | 8,359,879 | 9,391,156 | 10,733,246 |
| 6,051,805 | 6,504,431 | 6,954,616 | 7,323,010 | 7,578,502 | 8,299,838 |
| 8,615,207 | 10,117,460 | 11,564,512 | 9,197,440 | 9,239,079 | 14,341,129 |
| 1,202,162 | 1,325,238 | 1,409,104 | 1,431,693 | 1,478,848 | 1,577,968 |
| 246,876 | 1,253,424 | 1,716,932 | 1,892,658 | 4,054,191 | 3,437,524 |
| 148,899 | 747,399 | 1,264,583 | 1,531,668 | 310,821 | (314,219) |
| 781,108 | 851,175 | 610,827 | 986,794 | 445,183 | 1,205,325 |
| - | - | 341,749 | - | - | - |
| <u>23,537,178</u> | <u>28,775,599</u> | <u>32,492,152</u> | <u>30,723,142</u> | <u>32,497,780</u> | <u>39,280,811</u> |
| <u>\$ 12,301,335</u> | <u>\$ (5,543,880)</u> | <u>\$ 8,275,399</u> | <u>\$ 4,096,415</u> | <u>\$ 13,641,577</u> | <u>\$ 11,525,518</u> |

CITY OF GOLETA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2013 | Fiscal Year Ended June 30, 2014 | 2015 | 2016 |
|------------------------------------|----------------------|------------------------------------|----------------------|----------------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| General fund: | | | | |
| Nonspendable | \$ 536,424 | \$ 460,192 | \$ 410,865 | \$ 82,990 |
| Committed | 12,690,889 | 12,862,911 | 12,746,021 | 15,417,875 |
| Assigned | 516,358 | - | 417,369 | 977,903 |
| Unassigned | <u>1,766,805</u> | <u>553,862</u> | <u>415,531</u> | <u>1,838,612</u> |
| Total general fund | <u>\$ 15,510,476</u> | <u>\$ 13,876,965</u> | <u>\$ 13,989,786</u> | <u>\$ 18,317,380</u> |
| All other governmental funds: | | | | |
| Nonspendable | \$ 185 | \$ 167 | \$ 182 | \$ 100,074 |
| Restricted | 12,354,267 | 15,788,665 | 17,955,589 | 28,329,372 |
| Assigned | - | - | - | - |
| Unassigned | <u>(645,505)</u> | <u>(2,359,311)</u> | <u>(330,121)</u> | <u>(729,923)</u> |
| Total all other governmental funds | <u>\$ 11,708,947</u> | <u>\$ 13,429,521</u> | <u>\$ 17,625,650</u> | <u>\$ 27,699,523</u> |

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

| <u>2017</u> | <u>2018</u> | <u>Fiscal Year Ended June 30,</u> | | <u>2021</u> | <u>2022</u> |
|----------------------|----------------------|-----------------------------------|----------------------|----------------------|----------------------|
| | | <u>2019</u> | <u>2020</u> | | |
| \$ 135,766 | \$ 50,197 | \$ 139,940 | \$ 74,711 | \$ 25,674 | \$ 26,176 |
| 14,007,924 | 10,717,463 | 10,468,732 | 11,087,037 | 12,617,011 | 12,753,580 |
| 6,356,024 | 4,448,640 | 5,351,819 | 3,269,986 | 2,517,302 | 7,006,229 |
| 938,971 | 4,286,175 | 7,066,128 | 2,846,216 | 17,632,671 | 19,482,955 |
| <u>\$ 21,438,685</u> | <u>\$ 19,502,475</u> | <u>\$ 23,026,619</u> | <u>\$ 17,277,950</u> | <u>\$ 32,792,658</u> | <u>\$ 39,268,940</u> |
| | | | | | |
| \$ 112,700 | \$ 13,045 | \$ 30,055 | \$ 908 | \$ - | \$ 1,545 |
| 36,792,174 | 34,623,070 | 33,573,116 | 35,222,459 | 40,085,550 | 39,873,176 |
| - | - | - | - | - | - |
| (1,084,155) | (3,582,604) | (1,078,759) | (2,397,034) | (2,531,901) | (2,621,092) |
| <u>\$ 35,820,719</u> | <u>\$ 31,053,511</u> | <u>\$ 32,524,412</u> | <u>\$ 32,826,333</u> | <u>\$ 37,553,649</u> | <u>\$ 37,253,629</u> |

CITY OF GOLETA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2013 | Fiscal Year Ended June 30, | | 2016 |
|--|-----------------------|----------------------------|---------------------|----------------------|
| | | 2014 | 2015 | |
| Revenues: | | | | |
| Taxes | \$ 19,542,847 | \$ 22,339,191 | \$ 22,925,753 | \$ 23,649,455 |
| Intergovernmental | 5,624,425 | 6,400,343 | 11,740,038 | 1,923,771 |
| Charges for services | 2,095,880 | 2,697,388 | 2,353,873 | 2,864,921 |
| Licenses and permits | - | - | 4,756 | 2,436 |
| Fines and forfeitures | 171,132 | 176,260 | 197,928 | 156,125 |
| Use of money and property | 301,651 | 288,061 | 279,670 | 346,146 |
| Developer fees | 3,466,434 | 3,918,215 | 3,904,960 | 10,426,271 |
| Donations | - | - | - | - |
| Other | 872,273 | 378,825 | 342,685 | 433,922 |
| Total revenues | <u>32,074,642</u> | <u>36,198,283</u> | <u>41,749,663</u> | <u>39,803,047</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 4,875,271 | 4,945,251 | 5,044,002 | 6,434,016 |
| Public safety | 7,187,085 | 7,464,395 | 7,571,316 | 7,564,633 |
| Public works | 6,080,632 | 5,129,309 | 4,817,198 | 4,433,051 |
| Community development | 33,365 | 34,194 | 279,741 | 26,703 |
| Community services | 3,441,371 | 4,385,593 | 4,388,910 | 4,558,781 |
| Pass-through to other agencies | - | - | - | - |
| Capital outlay | 13,723,359 | 14,130,471 | 15,339,546 | 2,896,848 |
| Debt service: | | | | |
| Principal | 83,033 | 22,007 | - | - |
| Interest | 260 | - | - | - |
| Total expenditures | <u>35,424,376</u> | <u>36,111,220</u> | <u>37,440,713</u> | <u>25,914,032</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(3,349,734)</u> | <u>87,063</u> | <u>4,308,950</u> | <u>13,889,015</u> |
| Other financing sources (uses): | | | | |
| Lease Proceeds | - | - | - | - |
| Transfer from City of Santa Barbara | - | - | - | - |
| Transfers in | 37,052 | 14,153,059 | 2,429,567 | 1,323,699 |
| Transfers out | <u>(37,052)</u> | <u>(14,153,059)</u> | <u>(2,429,567)</u> | <u>(1,323,699)</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ (3,349,734)</u> | <u>\$ 87,063</u> | <u>\$ 4,308,950</u> | <u>\$ 13,889,015</u> |
| Debt service as a percentage of noncapital expenditures | 0.38% | 0.10% | 0.00% | 0.00% |

| | | Fiscal Year Ended June 30, | | | |
|----------------------|-----------------------|----------------------------|-----------------------|----------------------|---------------------|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$ 24,631,621 | \$ 26,900,090 | \$ 29,929,836 | \$ 27,863,962 | \$ 31,247,854 | \$ 37,873,993 |
| 2,358,692 | 3,175,254 | 6,221,465 | 4,433,794 | 7,585,636 | 6,362,724 |
| 2,963,297 | 2,131,958 | 1,765,462 | 2,245,584 | 2,056,659 | 2,676,453 |
| 16,713 | 276,935 | 345,157 | 340,718 | 374,896 | 515,712 |
| 129,051 | 157,573 | 211,003 | 170,392 | 119,026 | 169,201 |
| 414,124 | 747,399 | 1,264,583 | 1,531,668 | 310,821 | (314,219) |
| 11,877,652 | 6,269,163 | 2,230,638 | 1,149,944 | 6,852,979 | 1,342,764 |
| - | - | 272,945 | 93,482 | 69,883 | 73,325 |
| 781,110 | 693,602 | 399,824 | 816,402 | 445,183 | 1,036,124 |
| <u>43,172,260</u> | <u>40,351,974</u> | <u>42,640,913</u> | <u>38,645,946</u> | <u>49,062,937</u> | <u>49,736,077</u> |
| 6,703,041 | 6,172,071 | 7,841,267 | 6,995,184 | 6,873,224 | 8,920,674 |
| 7,713,313 | 8,545,945 | 8,031,031 | 7,608,120 | 7,235,324 | 8,668,285 |
| 5,778,897 | 12,361,238 | 7,187,008 | 6,448,010 | 6,357,423 | 11,352,463 |
| 32,271 | 405,516 | 747,001 | 473,415 | 455,937 | 1,014,887 |
| 6,482,998 | 4,846,289 | 5,865,827 | 7,425,212 | 7,993,126 | 7,822,195 |
| - | - | - | - | - | - |
| 4,706,787 | 14,639,100 | 7,250,004 | 16,208,232 | 9,788,546 | 5,297,511 |
| - | - | - | - | - | 222,740 |
| - | - | - | - | 117,333 | 261,060 |
| <u>31,417,307</u> | <u>46,970,159</u> | <u>36,922,138</u> | <u>45,158,173</u> | <u>38,820,913</u> | <u>43,559,815</u> |
| <u>11,754,953</u> | <u>(6,618,185)</u> | <u>5,718,775</u> | <u>(6,512,227)</u> | <u>10,242,024</u> | <u>6,176,262</u> |
| - | - | - | - | 10,000,000 | - |
| - | - | 341,749 | - | - | - |
| 67,038 | 19,919 | 23,182 | 29,983 | 33,316 | 124,704 |
| <u>(67,038)</u> | <u>(19,919)</u> | <u>(23,182)</u> | <u>(29,983)</u> | <u>(33,316)</u> | <u>(124,704)</u> |
| - | - | 341,749 | - | 10,000,000 | - |
| <u>\$ 11,754,953</u> | <u>\$ (6,618,185)</u> | <u>\$ 6,060,524</u> | <u>\$ (6,512,227)</u> | <u>\$ 20,242,024</u> | <u>\$ 6,176,262</u> |
| 0.00% | 0.00% | 0.00% | 0.00% | 0.40% | 1.26% |

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 |
| 2013 | \$ 5,321,655,710 | \$ 228,041,081 | \$ 5,093,614,629 |
| 2014 | 5,476,016,337 | 250,788,107 | 5,225,228,230 |
| 2015 | 5,635,342,590 | 215,724,563 | 5,419,618,027 |
| 2016 | 6,089,379,285 | 218,841,848 | 5,870,537,437 |
| 2017 | 6,399,862,393 | 241,333,422 | 6,158,528,971 |
| 2018 | 6,840,489,088 | 310,162,712 | 6,530,326,376 |
| 2019 | 7,443,733,341 | 343,551,969 | 7,100,181,372 |
| 2020 | 7,765,046,350 | 326,660,076 | 7,438,386,274 |
| 2021 | 8,248,711,546 | 357,716,937 | 7,890,994,609 |
| 2022 | 8,495,241,471 | 329,120,264 | 8,166,121,207 |

Note:

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

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

Source: Santa Barbara County Auditor-Controller

| Redevelopment Agency | | | Total Direct Tax Rate (A) |
|-----------------------------|---------------------|----------------------------------|---------------------------------|
| Secured and Unsecured | Less: Exemptions | Taxable Assessed Value (A) | |
| \$ 1,187,685,066 | \$ 129,671,772 | \$ 1,058,013,294 | 1.03868% |
| 1,221,226,250 | 153,699,413 | 1,067,526,837 | 1.04228% |
| 1,232,513,103 | 152,751,877 | 1,079,761,226 | 1.04159% |
| 1,278,194,953 | 161,350,968 | 1,116,843,985 | 1.03768% |
| 1,331,787,175 | 167,186,201 | 1,164,600,974 | 1.03373% |
| 1,436,831,839 | 220,447,902 | 1,216,383,937 | 1.04378% |
| 1,536,947,763 | 231,427,714 | 1,305,520,049 | 1.04055% |
| 1,611,933,172 | 217,376,249 | 1,394,556,923 | 1.04010% |
| 1,763,413,461 | 228,144,193 | 1,535,269,268 | 1.03921% |
| 1,831,054,657 | 222,258,769 | 1,608,795,888 | 1.05745% |

CITY OF GOLETA

DIRECT AND OVERLAPPING GOVERNMENTS PROPERTY TAX RATES

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

| | 2013 | Fiscal Year Ended June 30, | | 2016 |
|---|---------|----------------------------|---------|---------|
| | | 2014 | 2015 | |
| City Direct Rates: | | | | |
| City of Goleta Basic Levy (1) | 1.00000 | 1.00000 | 1.00000 | 1.00000 |
| Overlapping Rates (2): | | | | |
| Goleta Unified School District | 0.01627 | 0.01383 | 0.01314 | 0.01248 |
| Santa Barbara City College | 0.00850 | 0.00850 | 0.00850 | 0.00850 |
| Santa Barbara High School District | 0.01391 | 0.01995 | 0.01995 | 0.01670 |
| Rates | 1.03868 | 1.04228 | 1.04159 | 1.03768 |
| City's Share of 1% Levy Per Prop 13 (3) | 0.04903 | 0.04903 | 0.04903 | 0.04903 |
| Redevelopment Rate (4) | - | - | - | - |
| Total Direct Rate (5) | 0.12288 | 0.05104 | 0.05103 | 0.05094 |

Notes:

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- (3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.
- (4) Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment for the State of California for the fiscal year 2012-13 and years thereafter.
- (5) Total Direct Rate is the weighted average of all individual direct rate applied to by the government preparing the statistical section information and excludes revenue derived from aircraft. Beginning in fiscal year 2013-14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during fiscal year 2012-13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

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

| 2017 | 2018 | Fiscal Year Ended June 30, | | 2021 | 2022 |
|---------|---------|----------------------------|---------|---------|---------|
| | | 2019 | 2020 | | |
| 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 |
| 0.01061 | 0.00955 | 0.00907 | 0.00862 | 0.00776 | 0.02621 |
| 0.00731 | 0.00731 | 0.00731 | 0.00731 | 0.00731 | 0.00709 |
| 0.01581 | 0.02692 | 0.02417 | 0.02417 | 0.02414 | 0.02415 |
| 1.03373 | 1.04378 | 1.04055 | 1.04010 | 1.03921 | 1.05745 |
| 0.04903 | 0.04903 | 0.04903 | 0.04903 | 0.04903 | 0.04903 |
| - | - | - | - | | |
| 0.05095 | 0.05090 | 0.05081 | 0.05080 | 0.04835 | 0.04840 |

CITY OF GOLETA

PRINCIPAL PROPERTY TAX PAYERS

Current Fiscal Year and Nine Fiscal Years Ago

| Taxpayer | Primary Use | 2022 | |
|--|---------------|-------------------------|--|
| | | Taxable Assessed Value | Percent of Total City Taxable Assessed Value |
| Ruby SB Hotel LLC | Commercial | \$ 389,332,231 | 4.77% |
| Goleta Hollister Apartments LLC | Residential | 128,231,923 | 1.57% |
| SP Maravilla LLC | Institutional | 126,260,205 | 1.55% |
| Deckers Cabrillo LLC | Commercial | 106,256,202 | 1.30% |
| Camino Real II Limited Liability Company | Commercial | 102,187,602 | 1.25% |
| FLIR Commercial Vision Systems Inc | Commercial | 88,471,875 | 1.08% |
| Raytheon Company | Commercial | 81,631,299 | 1.00% |
| Willow Springs LP | Residential | 75,181,100 | 0.92% |
| Sumida Family LP | Residential | 64,752,186 | 0.79% |
| Goleta HHG Hotel Development LP | Commercial | 51,110,487 | 0.63% |
| Top Ten Total | | <u>\$ 1,213,415,110</u> | <u>14.86%</u> |
| Taxpayer | Primary Use | 2013 | |
| | | Taxable Assessed Value | Percent of Total City Taxable Assessed Value |
| SP Maravilla, LLC | Industrial | \$ 109,747,967 | 2.15% |
| BRS Investment Properties LLC | Commercial | 105,000,000 | 2.06% |
| Raytheon Company | Commercial | 90,377,111 | 1.77% |
| Camino Real II Limited Liability Company | Commercial | 87,111,864 | 1.71% |
| Los Carneros Business Park LP | Industrial | 50,000,000 | 0.98% |
| Sumida Family Limited Partnership | Residential | 46,538,463 | 0.91% |
| Nassau Land Company LP | Commercial | 45,233,176 | 0.88% |
| Willow Springs LP | Residential | 41,286,143 | 0.81% |
| Rockbridge Investments LP | Industrial | 39,545,389 | 0.77% |
| Citrix Systems INC | Commercial | 39,249,470 | 0.77% |
| Top Ten Total | | <u>\$ 654,089,583</u> | <u>12.81%</u> |

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

Source: Santa Barbara County Assessor

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 |
| 2013 | \$ 2,260,137 | \$ 2,260,137 | 100.00% | \$ - | \$ 2,260,137 | 100.00% |
| 2014 | 2,311,154 | 2,311,154 | 100.00% | - | 2,311,154 | 100.00% |
| 2015 | 2,538,700 | 2,538,700 | 100.00% | - | 2,538,700 | 100.00% |
| 2016 | 2,752,953 | 2,752,953 | 100.00% | - | 2,752,953 | 100.00% |
| 2017 | 2,904,565 | 2,904,565 | 100.00% | - | 2,904,565 | 100.00% |
| 2018 | 3,093,044 | 3,093,044 | 100.00% | - | 3,093,044 | 100.00% |
| 2019 | 3,375,135 | 3,375,135 | 100.00% | - | 3,375,135 | 100.00% |
| 2020 | 3,545,819 | 3,545,819 | 100.00% | - | 3,545,819 | 100.00% |
| 2021 | 3,790,194 | 3,790,194 | 100.00% | - | 3,790,194 | 100.00% |
| 2022 | 3,922,347 | 3,922,347 | 100.00% | - | 3,922,347 | 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.

Source: City of Goleta, Finance Department

CITY OF GOLETA
REVENUE AND RATES OF TRANSIENT OCCUPANCY TAX
Last Ten Fiscal Years

| Fiscal Year Ended June 30, | Transient Occupancy Taxes for the Fiscal Year | Transient Occupancy Tax Rate |
|----------------------------------|--|------------------------------------|
| 2013 ⁽¹⁾ | \$ 5,604,278 | 12% |
| 2014 | 6,976,954 | 12% |
| 2015 | 7,807,830 | 12% |
| 2016 | 8,175,456 | 12% |
| 2017 | 8,615,207 | 12% |
| 2018 | 10,117,460 | 12% |
| 2019 | 11,564,512 | 12% |
| 2020 | 9,197,440 | 12% |
| 2021 | 9,239,079 | 12% |
| 2022 | 14,341,129 | 12% |

Notes:

(1) From July 2012 through December 2012, the tax rate was 10% and then increased to 12% on January 1, 2013

Source: City of Goleta, Finance Department

CITY OF GOLETA
PRINCIPAL TRANSIENT OCCUPANY TAX PAYERS
Current Fiscal Year and Nine Fiscal Years Ago

| <u>2022</u> |
|--------------------------------|
| The Goodland |
| Goleta Hampton Inn |
| Hilton Garden Inn |
| Courtyard by Marriott |
| Motel 6 |
| Pacifica Suites |
| Residence Inn by Marriott |
| The Ritz-Carlton Bacara |
| South Coast Inn (Best Western) |
| Super 8 Motel |
| <u>2013</u> |
| Bacara Resort & Spa |
| Courtyard by Marriott |
| Hampton Inn |
| Holiday Inn |
| Motel 6 |
| Pacifica Suites |
| South Coast Inn |
| Super 8 Motel |

Note:
Top transient occupany tax payers are listed in alphabetical order.

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> |
|---|--|---------------------------|--------------------------|--|--|--------------------------------|
| 2013 | \$ - | \$ 22,007 | \$ - | \$ 22,007 | 0.00% | \$ 1 |
| 2014 | - | - | - | - | 0.00% | - |
| 2015 | - | - | - | - | 0.00% | - |
| 2016 | - | - | - | - | 0.00% | - |
| 2017 | - | - | - | - | 0.00% | - |
| 2018 | - | - | - | - | 0.00% | - |
| 2019 | - | - | - | - | 0.00% | - |
| 2020 | - | - | - | - | 0.00% | - |
| 2021 | - | 10,000,000 | - | 10,000,000 | 0.80% | 309 |
| 2022 | - | 9,777,260 | - | 9,777,260 | 0.72% | 301 |

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, 2022

2021-2022 Assessed Valuations:8,166,121,207

| | Total Outstanding Debt 6/30/2022 | Percentage Applicable (1) | City's Share of Overlapping Debt 6/30/2022 |
|---|--|------------------------------|--|
| <u>Direct and Overlapping Tax and Assessment Debt</u> | | | |
| Santa Barbara Community College District | \$ 53,435,000 | 12.785% | \$ 6,831,665 |
| Santa Barbara Unified School District | 118,225,000 | 14.527% | 17,174,546 |
| Goleta Union School District | 15,075,000 | 52.760% | 7,953,570 |
| Santa Barbara High School District | 70,224,791 | 14.527% | 10,201,555 |
| Total Direct and Overlapping Tax and Assessment Debt | | | <u>42,161,336</u> |
| <u>Overlapping General Fund Debt</u> | | | |
| Santa Barbara County General Fund Obligations | 27,125,000 | 8.613% | 2,336,276 |
| City of Goleta General Fund Obligation | 9,777,260 | 100.000% | 9,777,260 |
| Total Gross Overlapping General Fund Debt | | | 12,113,536 |
| Less: Santa Barbara County supported obligations | | | <u>157,618</u> |
| Total Net Overlapping General Fund Debt | | | <u>11,955,918</u> |
| <u>Overlapping Tax Increment Debt (Successor Agency):</u> | 11,025,000 | 100.000% | 11,025,000 |
| Total Direct Debt | | | 9,777,260 |
| Total Gross Overlapping Debt | | | 55,522,612 |
| Total Net Overlapping Debt | | | 55,364,994 |
| Gross Combined Total Debt | | | 65,299,872 (2) |
| Net Combined Total Debt | | | 65,142,254 |

Ratios to 2020-2021 Assessed Valuations:

| | |
|--|--------------|
| Direct Debt | 0.12% |
| Total Direct and Overlapping Tax and Assessment Debt | 0.52% |
| Gross Combined Total Debt | 0.80% |
| Net Combined Total Debt | 0.80% |

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,123,294,115):

| | |
|--------------------------------------|-------|
| Total Overlapping Tax Increment Debt | 0.98% |
|--------------------------------------|-------|

Notes:

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

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

Source: County of Santa Barbara

CITY OF GOLETA
COMPUTATION OF LEGAL DEBT MARGIN
Last Ten Fiscal Years

| | 2013 | Fiscal Year Ended June 30, 2014 | 2015 | 2016 |
|---|-----------------------|------------------------------------|-----------------------|-----------------------|
| Assessed valuation | \$ 5,321,655,710 | \$ 5,476,016,337 | \$ 5,635,342,590 | \$ 6,089,379,285 |
| Conversion percentage | 25% | 25% | 25% | 25% |
| Adjusted assessed valuation | 1,330,413,928 | 1,369,004,084 | 1,408,835,648 | 1,522,344,821 |
| Debt limit percentage | 15% | 15% | 15% | 15% |
| Debt limit | 199,562,089 | 205,350,613 | 211,325,347 | 228,351,723 |
| Total net debt applicable to limitation | - | - | - | - |
| Legal debt margin | <u>\$ 199,562,089</u> | <u>\$ 205,350,613</u> | <u>\$ 211,325,347</u> | <u>\$ 228,351,723</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.

| 2017 | 2018 | Fiscal Year Ended June 30, | | 2021 | 2022 |
|-----------------------|-----------------------|----------------------------|-----------------------|-----------------------|-----------------------|
| | | 2019 | 2020 | | |
| \$ 6,399,862,393 | \$ 6,840,494,388 | \$ 7,443,765,341 | \$ 7,765,120,920 | \$ 8,248,711,546 | \$ 8,495,241,471 |
| 25% | 25% | 25% | 25% | 25% | 25% |
| 1,599,965,598 | 1,710,123,597 | 1,860,941,335 | 1,941,280,230 | 2,062,177,887 | 2,123,810,368 |
| 15% | 15% | 15% | 15% | 15% | 15% |
| 239,994,840 | 256,518,540 | 279,141,200 | 291,192,035 | 309,326,683 | 318,571,555 |
| - | - | - | - | - | - |
| <u>\$ 239,994,840</u> | <u>\$ 256,518,540</u> | <u>\$ 279,141,200</u> | <u>\$ 291,192,035</u> | <u>\$ 309,326,683</u> | <u>\$ 318,571,555</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 | City of Goleta | | Unemployment Rate (3) |
|----------------------------------|----------------------------------|----------------------------------|--|--|-----------------------------|
| | | Population (1) (in thousands) | Personal Income (2) (in thousands) | Per Capita Income (2) (in thousands) | |
| 2013 | 29,962 | 429 | \$ 1,015,352 | \$ 34 | 2.90% |
| 2014 | 30,202 | 433 | 1,022,368 | 33.9 | 2.60% |
| 2015 | 30,298 | 438 | 994,502 | 32.8 | 3.60% |
| 2016 | 31,235 | 447 | 1,015,220 | 32.5 | 3.10% |
| 2017 | 31,760 | 451 | 1,085,697 | 34.2 | 3.00% |
| 2018 | 31,949 | 453 | 1,110,756 | 34.8 | 3.60% |
| 2019 | 32,759 | 447 | 1,168,689 | 35.7 | 2.40% |
| 2020 | 32,223 | 452 | 1,217,385 | 37.8 | 2.30% |
| 2021 | 32,339 | 441 | 1,250,318 | 38.7 | 6.30% |
| 2022 | 32,529 | 443 | 1,351,637 | 41.6 | 3.90% |

Sources:

- (1) California Department of Finance, HDL Demographics & Economic Statistics
- (2) U.S. Department of Commerce, Bureau of Economic Analysis (Santa Barbara-Santa Maria-Goleta)
- (3) California Employment Development Department

CITY OF GOLETA
PRINCIPAL EMPLOYERS

Current Fiscal Year and Nine Fiscal Years Ago

| Employer | 2022 | | Employer | 2013 | |
|---|---------------------|----------------------------------|--------------------------------|---------------------|----------------------------------|
| | Number of Employees | Employment % to Total Population | | Number of Employees | Employment % to Total Population |
| University of California, Santa Barbara (1) | 10,973 | 33.73% | Raytheon | 1,300 | 4.34% |
| Raytheon | 1,400 | 4.30% | Sansum Clinic | 1,300 | 4.34% |
| Sansum | 822 | 2.53% | Bacara Resort | 620 | 2.07% |
| Goleta Cottage Hospital | 813 | 2.50% | Citrix Online | 600 | 2.00% |
| Yardi | 658 | 2.02% | Goleta Unified School District | 565 | 1.89% |
| AppFolio | 647 | 1.99% | Yardi Systems | 505 | 1.69% |
| Log Me In | 600 | 1.84% | FLIR | 375 | 1.25% |
| Tecolote Research | 570 | 1.75% | Karl Storz Imaging | 352 | 1.17% |
| Goleta Union School District | 549 | 1.69% | Goleta Cottage Hospital | 347 | 1.16% |
| Yardi Systems | 535 | 1.64% | Allergan (Inamed) | 299 | 1.00% |
| The Ritz-Carlton | 500 | 1.54% | Medtronic | 279 | 0.93% |
| Deckers Outdoors | 500 | 1.54% | Network Hardware Resale | 271 | 0.90% |
| FLIR Commercial Vision Systems | 490 | 1.51% | Costco | 258 | 0.86% |
| Karl Storz Imaging | 350 | 1.08% | Jordano's | 257 | 0.86% |
| Curvature | 315 | 0.97% | Mentor Corp | 218 | 0.73% |
| Marborg Industries | 307 | 0.94% | Inogen | 200 | 0.67% |
| Jordano's | 250 | 0.77% | The Home Depot | 178 | 0.59% |
| Costco | 233 | 0.72% | | | |
| Target | 209 | 0.64% | | | |
| Inogen | 208 | 0.64% | | | |

(1) University of California, Santa Barbara is outside of Goleta city limits, but is within close proximity.

Employment data is intended for use as a general guide only. The City of Goleta does not warrant the accuracy of this data. Inquiries should be directed to the respective employer.

Source: City of Goleta

CITY OF GOLETA
FULL-TIME AND PART-TIME CITY EMPLOYEES
BY FUNCTION

Last Ten Fiscal Years

| Function | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| General Government | 8.40 | 8.40 | 14.55 | 16.30 | 16.30 | 16.40 | 15.65 | 15.65 | 17.65 | 16.90 |
| General Services | - | - | - | - | - | - | - | - | - | 3.00 |
| Library Department (1) | - | - | - | - | - | 9.38 | 9.38 | 15.38 | 15.38 | 16.13 |
| Administrative Services (2) | 4.80 | 4.80 | - | - | - | - | - | - | - | - |
| Finance Department | 4.00 | 4.00 | 4.45 | 6.00 | 6.00 | 6.00 | 7.00 | 7.00 | 7.00 | 10.00 |
| Planning and Environmental Services | 11.50 | 11.50 | 13.80 | 14.80 | 15.80 | 15.00 | 15.00 | 15.50 | 17.50 | 18.50 |
| Neighborhood Services and Public Safety | 4.00 | 4.00 | 5.00 | 4.00 | 5.00 | 5.00 | 5.00 | 6.00 | 6.00 | 6.50 |
| Public Works | 16.00 | 16.00 | 17.90 | 22.90 | 22.90 | 21.90 | 22.90 | 25.90 | 25.90 | 29.00 |
| Total | 48.70 | 48.70 | 55.70 | 64.00 | 66.00 | 73.68 | 74.93 | 85.43 | 89.43 | 100.03 |

(1) In fiscal year 2019-2020; the City Council approved the transition to assume management and operations of the Buellton and Solvang Libraries beginning on July 1, 2019.

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

CITY OF GOLETA
OPERATING INDICATORS
BY FUNCTION
Last Ten Fiscal Years

| Function | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Police (1): | | | | | | | | | | | |
| Calls for Service | 19,277 | 19,531 | 20,077 | 23,150 | 25,025 | 23,894 | 22,690 | 21,802 | 21,933 | 20,281 | 22,359 |
| Citations | 982 | 1,121 | 1,586 | 1,444 | 1,033 | 871 | 834 | 1,073 | 550 | 858 | 1,564 |
| Reports Taken | 3,052 | 2,857 | 3,079 | 3,293 | 3,238 | 3,329 | 3,218 | 3,204 | 3,170 | 2,881 | 3,402 |
| Fire (2): | | | | | | | | | | | |
| Calls for Service | 2,536 | 1,942 | 3,065 | 3,751 | 3,856 | 3,962 | 4,140 | 5,184 | 4,113 | 5,109 | 4,424 |
| Public works (3): | | | | | | | | | | | |
| Street resurfacing (miles) | 10.4 | 18.5 | 5.8 | 12.9 | - | 6.7 | 6.8 | 3.3 | 1.8 | 1.2 | 3.8 |

Sources:

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

CITY OF GOLETA
CAPITAL ASSET STATISTICS

BY FUNCTION
Last Ten Fiscal Years

| Function | 2013 | Fiscal Year Ended June 30, | |
|--|-------|----------------------------|-------|
| | | 2014 | 2015 |
| Public Safety: | | | |
| Police Stations (1) | - | - | - |
| Fire Stations (2) | 3 | 3 | 3 |
| Community Development and Community Services: | | | |
| Parks and Open Space - Acreage | 477 | 477 | 477 |
| Community Center | 1 | 1 | 1 |
| Library | 1 | 1 | 1 |
| Historic Stowe House | 1 | 1 | 1 |
| Amtrak Restrooms | 1 | 1 | 1 |
| Elementary Schools (K - 6) | 5 | 5 | 5 |
| Middle Schools (6 - 8) | 1 | 1 | 1 |
| High Schools (9 - 12) | 1 | 1 | 1 |
| Private Schools | 4 | 4 | 4 |
| Special Needs Schools | - | - | - |
| Public Works: | | | |
| Area of City (Square Miles) | 8.0 | 8.0 | 8.0 |
| Miles of Streets | 174.0 | 174.0 | 174.0 |
| Number of Streetlights (3) | 98 | 103 | 103 |
| Number of Vehicles (City-wide) | 14 | 14 | 20 |
| Corporation Yard | 1 | 1 | 1 |

- (1) City contracts with County of Santa Barbara for Law Enforcement Services.
 (2) Fire Department related services are provided by the County Fire Department.
 (3) There are one thousand five hundred sixty seven (1,567) streetlights owned and maintained by Southern California Edison (SCE) in addition to those owned and maintained by the City.

| 2016 | 2017 | 2018 | Fiscal Year Ended June 30, | | 2021 | 2022 |
|-------|-------|-------|----------------------------|-------|-------|-------|
| | | | 2019 | 2020 | | |
| - | - | - | - | - | - | - |
| 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| | | | | | | |
| 477 | 477 | 477 | 477 | 550 | 550 | 550 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 3 | 3 | 3 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | | | | | | |
| 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| - | - | - | - | - | - | - |
| | | | | | | |
| 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| 174.0 | 174.0 | 174.0 | 174.0 | 174.0 | 174.0 | 174.0 |
| 103 | 103 | 103 | 103 | 1,433 | 1,433 | 1,433 |
| 18 | 21 | 21 | 21 | 21 | 22 | 24 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |

ATTACHMENT 2:

Government Auditing Standards Letter

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Council
City of Goleta
Goleta, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 23, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Kelly & Spitzheim LLP

Santa Maria, California
June 23, 2023

CITY OF GOLETA
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022

There are no current fiscal year significant deficiencies or material weaknesses.

CITY OF GOLETA

SCHEDULE OF PRIOR FISCAL YEAR AUDIT FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended June 30, 2022

There were no prior fiscal year significant deficiencies or material weaknesses.

ATTACHMENT 3:

Statement of Auditing Standards Letter

June 23, 2023

To the City Council of the
City of Goleta

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Goleta as of and for the fiscal year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 24, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Goleta are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Management's estimate of the useful lives of capital assets is based on experience with other capital assets and on their standard table of useful lives. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for bad debt is based on their past experience with the collectability of the billings to their customers. We evaluated the key factors and assumptions used to develop the allowance for bad debt in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability and deferred inflows and outflows related to pension are based on the CalPERS actuary's expertise and experience. We evaluated the key factors and assumptions used to develop the net pension liability and deferred inflows and outflows related to pension in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other postemployment benefits (OPEB) liability and deferred inflows and outflows is based on the actuary's expertise and experience. We evaluated the key factors and assumptions used to develop the OPEB liability and deferred inflows and outflows in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the Changes in Long-Term Liabilities including the Successor Agency Settlement Agreement, the Net Pension Liability and the OPEB Obligation in Note 6 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 23, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues That Were Not Considered Significant Deficiencies or Material Weaknesses

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the City Council and management of the City of Goleta and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Moss, Levy & Hargreaves LLP

Santa Maria, California

ATTACHMENT 4:

Independent Accountant's Report on Gann Spending Limit

**Independent Accountant's Report on Agreed-Upon Procedures
Applied to Appropriations Limit Worksheets**

The City Council of the
City of Goleta

We have performed the procedures enumerated below, which were agreed to by City of Goleta and the League of California Cities (as presented in the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*), solely to assist you in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution for the fiscal year ended June 30, 2022. City of Goleta's management is responsible for the Appropriations Limit worksheet No. 6. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets No. 1 through No. 7 (or other alternative computations) and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of these procedures.

2. For the accompanying Appropriations Limit worksheet No. 6, we added line A, last fiscal year's limit, to line E, total adjustments, and compared the resulting amount to line F, this fiscal year's limit.

Finding: No exceptions were noted as a result of these procedures.

3. We compared the current fiscal year information presented in the accompanying Appropriations Limit worksheet No. 6 to the other worksheets described in No. 1 above.

Finding: No exceptions were noted as a result of these procedures.

4. We compared the prior fiscal year appropriations limit presented in the accompanying Appropriations Limit worksheet No. 6 to the prior fiscal year appropriations limit adopted by the City Council during the prior fiscal year.

Finding: No exceptions were noted as a result of these procedures.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet No. 6. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base fiscal year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the information and use of the City Council and management of the City of Goleta and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Remy & Hartgrain LLP

June 23, 2023
Santa Maria, California

CITY OF GOLETA
 APPROPRIATIONS LIMIT WORKSHEET #6
 FY 2021-2022

| | | <u>AMOUNT</u> |
|----|---|---------------|
| A. | LAST FISCAL YEAR'S LIMIT | \$ 63,208,132 |
| B. | ADJUSTMENT FACTORS | |
| | 1. Percent Growth In State per Capita Personal Income | 1.0573% |
| | 2. Percent Growth in City Population | 1.0071% |
| | Total Adjustment Factor | 1.0648% |
| C. | ANNUAL ADJUSTMENT | \$ 4,096,318 |
| D. | OTHER ADJUSTMENTS: | |
| | Assumed Responsibility - Booking Fees | |
| | Property Tax Collections | - |
| | Sub-total | - |
| E. | TOTAL ADJUSTMENTS | \$ 4,096,318 |
| F. | CURRENT FISCAL YEAR LIMIT | \$ 67,304,450 |

ATTACHMENT 5:

Presentation



Annual Comprehensive Financial Report (ACFR) for the Year Ended June 30, 2022

City Council Meeting
September 19, 2023

Presentation Outline

- ▶ ACFR Background
- ▶ ACFR Reporting Model
- ▶ ACFR Financial Highlights
- ▶ Certificates of Achievement
- ▶ Auditors Communication and Summary Results

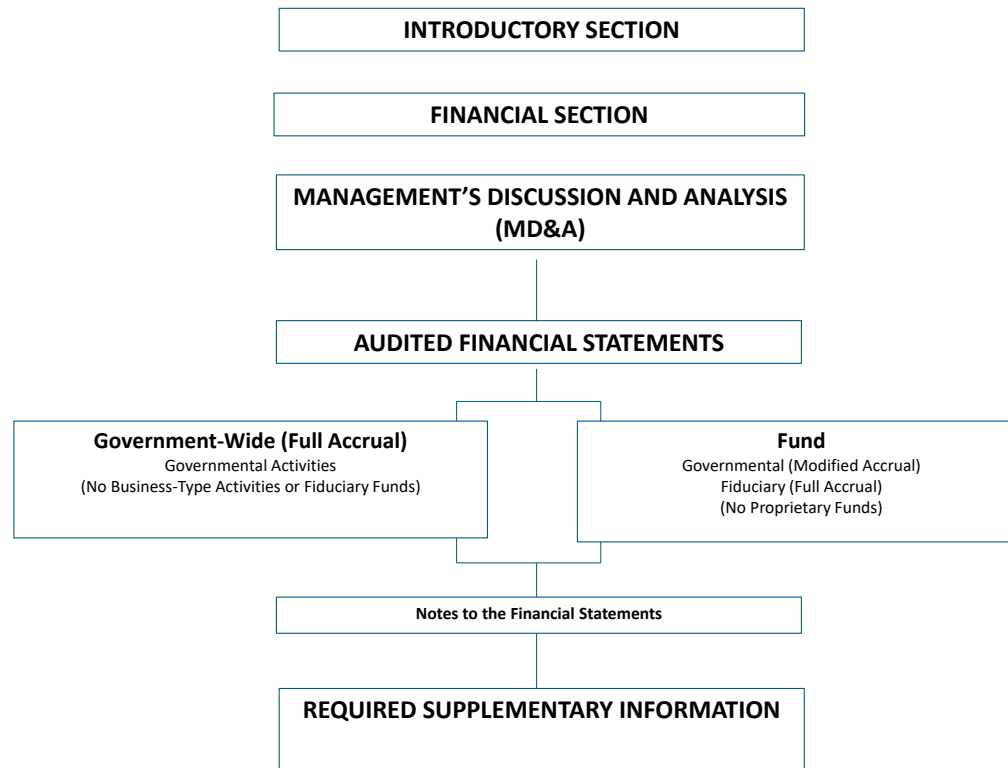


ACFR Background

- ▶ Annual audit required; contract with independent CPA firm
- ▶ Annual financial report prepared in accordance with nationally recognized accounting principles and financial reporting standards
- ▶ Communicates and presents the financial condition and results of operations of the City as a whole and for individual funds
- ▶ “Comprehensive” because it includes information not required by financial reporting regulations
- ▶ Received an unmodified (“clean”) opinion for FY 2021/22
- ▶ Single Audit not required for FY 2021/22, due to not meeting \$750k threshold



ACFR Reporting Model



ACFR Reporting Model

The ACFR is organized in three major sections: Introductory, Financial and Statistical:

Introductory Section

- Transmittal Letter
- Principal City Officials
- Organizational Structure
- Certificate of Achievement

Financial Section

- Independent Auditor's Report
- Management's Discussion and Analysis
- Government-Wide and Fund Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information
- Combining Financial Statements and Schedules

Statistical Section

- Selected financial trends and demographic information



ACFR Financial Highlights

►Financial Condition of the City at June 30, 2022:

►Net position totaled \$269.25 million

►increase of approximately \$11.5 million or 4.5% from the prior fiscal year of \$257.73 million

►Overall total revenues from all sources equaled approximately \$52.7 million

►increase of approximately \$3.91 million or 8% from the \$48.80 million in revenues the previous fiscal year.

►The City's overall total expenditures were \$41.18 million for the fiscal year

►increase of approximately \$6.02 million or 17.1% when compared to last fiscal year

►General Fund Balance:

| | | |
|--------------------|----|-------------------|
| Fund Balance: | | |
| Non-spendable | | |
| Prepaid Items | \$ | 26,176 |
| Committed | | 12,753,580 |
| Assigned | | 7,006,229 |
| | | |
| Unassigned | | 19,482,955 |
| Total Fund Balance | \$ | <u>39,268,940</u> |



Thank you!

