



ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FISCAL YEAR 2025

March 10, 2026





Agenda

1. Background
2. Government-Wide Financial Statements
3. General Fund
4. Enterprise Funds
5. Audit Requirements & Results
6. Questions, Public Comment, & Discussion



Purposes of the ACFR



City Charter requires an annual financial report



Audited by an independent CPA Firm



Required by State law



Important when issuing debt



Communicates important financial information to the public

37th year the City has received this award!

“Highest form of recognition in the area of governmental accounting and financial reporting, a significant accomplishment by a government and its management.”



Certificate of Achievement for Excellence in Financial Reporting

- ✓ “Beyond Minimum Requirements”
- ✓ “Spirit of Transparency & Full Disclosure”
- ✓ “Clearly Communicates Financial Story”
- ✓ “Motivate potential users to read the ACFR”

View the ACFR at SantaBarbaraCA.gov/Budget-Reports



Government-Wide Financial Statements



Financial Highlights

- Government-Wide Statements
- Fund Financials
 - *Governmental (General Fund, Measure C, special revenue, others)*
 - *Proprietary Funds (Internal Service & Enterprise)*
 - *Fiduciary Funds*
- Major highlights
 - *Net position increased approx. \$24.0 Million from prior year.*
 - *Sales & Use, Property, Transient Occupancy, & Utility taxes increased by \$7.3 Million in comparison to FY2024.*



AS OF JUNE 30, 2025 & 2024
in (000's)

Statement of Net Position	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	<i>Fiscal Year</i> 2025	2024	2025	2024	2025	2024
ASSETS:						
Current & other Assets	\$407,674	\$298,595	\$272,751	\$253,871	\$680,426	\$552,466
Capital Assets, Net	\$586,613	\$561,328	\$632,729	\$622,326	\$1,219,341	\$1,183,653
TOTAL ASSETS	\$994,287	\$859,923	\$905,480	\$876,197	\$1,899,767	\$1,736,120
Deferred Outflows of Resources	\$93,870	\$121,453	\$17,376	\$21,637	\$111,246	\$143,090
LIABILITIES:						
Current & other Liabilities	\$64,847	\$60,549	\$52,966	\$44,729	\$117,813	\$105,279
Noncurrent Liabilities	\$534,645	\$414,656	\$193,352	\$207,812	\$727,996	\$622,467
TOTAL LIABILITIES	\$599,492	\$475,205	\$246,318	\$252,541	\$845,809	\$727,746
Deferred Inflows of Resources	\$25,128	\$31,227	\$25,818	\$30,043	\$50,946	\$61,271
NET POSITION:						
Net investment in Capital Assets	\$444,051	\$541,873	\$459,809	\$434,138	\$903,860	\$976,011
Restricted	\$231,405	\$120,534	\$8,456	\$9,308	\$239,861	\$129,842
Unrestricted	\$(211,918)	\$(187,463)	\$182,455	\$171,803	\$(29,463)	\$(15,660)
TOTAL NET POSITION	\$463,538	\$474,944	\$650,720	\$615,249	\$1,114,258	\$1,090,193

Statement of Net Position



GOVERNMENTAL ACTIVITIES	EXPENSES in (000's)	REVENUES in (000's)	NET RESULT in (000's)	% SUBSIDIZED
Administration	\$25,394	\$11,631	\$(13,763)	54%
Public Safety	\$109,514	\$10,791	\$(98,723)	90%
Public Works	\$91,565	\$41,148	\$(50,417)	55%
Community Services	\$35,938	\$10,860	\$(25,078)	70%
Community Development	\$23,049	\$12,261	\$(10,788)	47%
TOTAL	\$285,461	\$86,691	\$(198,770)	70%

GENERAL REVENUES	AMOUNT in (000's)
Taxes	\$171,569
Licenses & Fees	\$6,211
Investment Income	\$10,000
Other	\$1,073
TOTAL	\$188,853
Net Position Beginning FY2025	\$474,944
Net Position Ending FY2025	\$463,538
CHANGE IN NET POSITION	\$47,023

Statement of Activities



General Fund Financial Statements



Statement of Net Position

ASSETS	AMOUNT in (000's)
Cash & Investments	\$36,199
Receivables	\$3,842
Leases	\$3,796
Due from other Govts.	\$12,457
Prepays & Deposits	\$141
Interfund Receivables	\$1,040
Total Assets	\$57,474

LIABILITIES	AMOUNT in (000's)
Accounts Payable	\$3,995
Payroll & Benefits Payable	\$4,452
Unearned Revenue	\$2,412
Deposits	\$361
Total Liabilities	\$11,220
Deferred Inflow of Resources	\$3,947

FUND BALANCES	AMOUNT in (000's)
Non-Spendable	\$145
Restricted	\$3,358
Committed	\$50,692
Unassigned	\$(11,888)
Total Fund Balances	\$46,254
Total Liabilities & Fund Balances	\$57,474

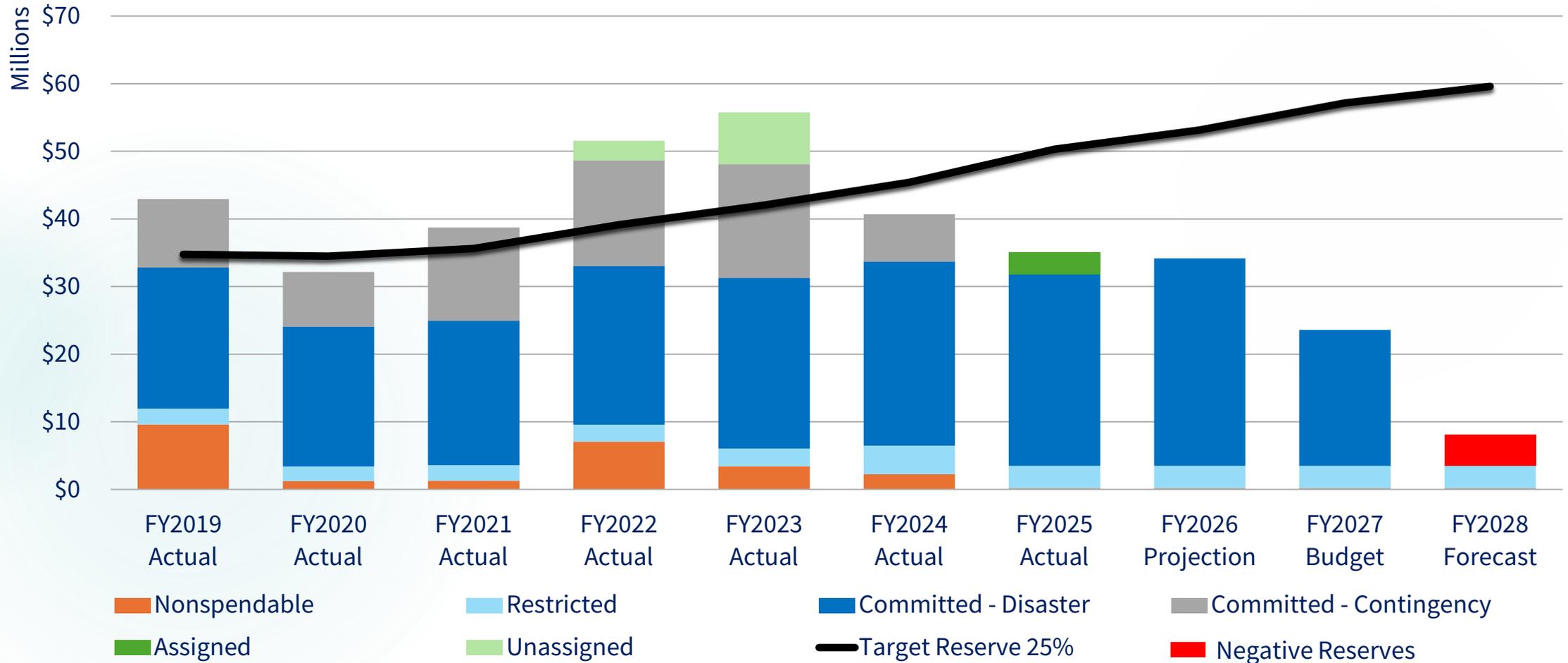


REVENUE & EXPENDITURE SUMMARY	ADOPTED BUDGET in (000's)	REVISED BUDGET in (000's)	ACTUAL FY2025 in (000's)	VARIANCE WITH REVISED BUDGET
Revenue (Includes Transfers)	\$216,056	\$186,893	\$186,783	\$(109)
Expenditure (Includes Transfers)	\$224,624	\$196,385	\$191,616	\$4,769
Excess (Deficiency)	\$(8,568)	\$(9,492)	\$(4,832)	\$4,659
Fund Balance Beginning			\$47,139	
Fund Balance Ending			\$42,307	
Change in Fund Balance			\$(4,832)	

Revenue & Expenditure Summary



General Fund Reserves





Enterprise Funds Financial Statements



Statement of Net Position

ENTERPRISE FUND VALUES in (000's)	ASSETS	LIABILITIES	DEFERRED INFLOWS & OUTFLOWS	NET POSITION	CHANGE FROM FY2024
Water	\$409,690	\$102,751	\$5,174	\$312,114	↑
Wastewater	\$141,565	\$51,050	\$3,116	\$93,631	↑
Airport	\$212,383	\$47,785	\$(10,289)	\$154,309	↑
Waterfront	\$55,655	\$20,890	\$(7,842)	\$26,923	↑
Solid Waste	\$15,712	\$6,687	\$696	\$9,721	↑
Clean Energy	\$23,450	\$7,238	\$561	\$16,772	↓
Golf Course	\$9,722	\$3,211	\$(89)	\$6,423	↑
Downtown Parking	\$38,542	\$6,705	\$231	\$32,067	↓



Income Statement

ENTERPRISE FUND VALUES in (000's)	REVENUES	EXPENDITURES	NET INCOME (LOSS)
Water	\$84,938	\$57,444	\$27,494
Wastewater	\$34,400	\$30,715	\$3,685
Airport	\$43,184	\$40,265	\$2,919
Waterfront	\$22,016	\$19,030	\$2,986
Solid Waste	\$40,760	\$39,388	\$1,372
Clean Energy	\$47,940	\$56,415	\$(8,475)
Downtown Parking	\$10,216	\$12,393	\$(2,177)
Golf Course	\$5,118	\$3,920	\$1,198



Operating Reserves – Enterprise Fund

VALUES IN (000'S)

DEPARTMENTS Value in (000's)	WATER	WASTEWATER	SOLID WASTE	CLEAN ENERGY	AIRPORT	WATERFRONT	DOWNTOWN PARKING	GOLF
Reserve Policy Targets								
Disaster Reserve	\$8,150	\$3,947	\$6,326	\$7,586	\$4,717	\$2,700	\$1,446	\$611
Contingency Reserve	\$5,434	\$2,631	\$4,217	\$5,057	\$3,145	\$1,800	\$964	\$160
Capital Reserve	\$13,187	\$5,824	\$0.0	\$0.0	\$4,975	\$1,350	\$1,273	\$407
Other Reserve	\$9,859	\$0.0	\$0.0	\$0.0	\$0.0	\$247	\$0.0	\$0.0
Total Reserve Targets	\$36,630	\$12,402	\$10,543	\$12,643	\$12,837	\$6,097	\$3,683	\$1,178
Unassigned	\$8,370	\$(2,923)	\$421	\$1,906	\$(896)	\$5,184	\$(2,108)	\$3,588



Audit Requirements and Results

CLA has been engaged by the City to perform a financial audit & to assist in preparing your annual Audited Financial Statements (ACFR).

Audit Procedures Performed



Planned & performed the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement.

Examined, on a test basis, evidence supporting the amounts & disclosures in the financial statements.

Obtained an understanding of the City & its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements.

Audit Opinion

- Opinions
- Basis for opinions
- Change in accounting principle
- Responsibilities of management for the financial statements
- Auditors' responsibilities for the audit of the financial statements
- Required supplementary information
- Supplementary information
- Other information
- Other reporting required by Government Auditing Standards





Take Aways and Next Steps

Strong
net position &
internal controls

General fund
revenues
growing steadily

Pension &
OBEP liabilities
are growing –
Section 115 Trust

Self-Insurance
Fund is still
underfunded

Significant
capital
investment

Focus on
reserves
management

Planning for
FY2026 Quarter 3
Review

Preparing for
FY2027
Budget Cycle



That Finance Committee recommend that the City Council accept the Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2025.

Recommendation



Questions, Public Comment, & Discussion