

City of
SANTA BARBARA
CALIFORNIA



Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024

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CITY OF SANTA BARBARA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024



Prepared Under the Supervision of
Keith DeMartini, Finance Director

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INTRODUCTORY SECTION



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City of Santa Barbara

Finance Department

SantaBarbaraCA.gov

March 7, 2025

Honorable Mayor, Members of the City Council, and Residents of the City of Santa Barbara,

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Santa Barbara for the fiscal year ended June 30, 2024, in accordance with Section 1219 of the City Charter. The report was prepared by the City's Finance Department and responsibility for the accuracy of the data, the completeness and fairness of the presentation, and all disclosures, rests with the City. To the best of our knowledge and belief, the information in the ACFR is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City.

This report consists of management's representations concerning the City finances. To provide a reasonable basis for making these representations, management established a comprehensive internal control framework designed both 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).

The City Charter requires an annual audit of the City's financial statements by an independent certified public accountant. CliftonLarsonAllen LLP, the City's audit firm, has issued an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2024. The independent auditors' report is located on pages 9-11 within the financial section of this report. The ACFR has been prepared using the financial reporting requirements as prescribed by Government Accounting Standards Board (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 a Management 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 17.

PROFILE OF THE CITY OF SANTA BARBARA

The City of Santa Barbara is located between the Santa Ynez Mountains and the Pacific Ocean. Santa Barbara offers year-round sunshine, miles of beaches, a colorful history dating back to the Chumash Indian tribes, a rich Spanish heritage, gourmet dining, and spectacular parks. It is often referred to as the American Riviera. The City was incorporated in August of 1850 and as of 2024, serves a local population of 86,499. The City is a major employment center and tourist destination.

The City provides a wide range of services to its residents. These services include: police and fire protection; construction and maintenance of highways, streets, traffic signals and infrastructure; planning, building and safety and code enforcement services; recreational activities and cultural events; parks; parking facilities; water; wastewater; library; airport; harbor; and a golf course, among many other services.

LOCAL ECONOMY

As far back as the late 1800s, the City of Santa Barbara was a place people from across the country came to enjoy its natural beauty, including its wonderful beaches, great year-round weather, and many recreational and cultural offerings. This is still true today, such that tourism is the largest industry in the City. The national, state, and local economies have been enjoying one of the longest, most robust periods of stability and growth in many years. Leisure/hospitality provide a substantial portion of General Fund revenues to the City of Santa Barbara through transient occupancy and sales taxes, among other tax and revenue sources. As one of the City Council's strong commitments to fiscal sustainability, the City has prioritized the gradual replenishment and building of General Fund reserves over the past 14 years following the Great Recession. Through the use of these reserves, along with achieving expenditure savings, among other budget balancing strategies, the City has and will continue to operate within its means to continue to deliver services to Santa Barbara residents and visitors.

Post COVID, the local economy showed a strong growth in transient occupancy and sales tax revenues. The real-estate market was relatively strong. Consequently, property tax revenues increased at a steady rate. Entering Fiscal Year (FY) 2024, the City experienced a plateau in economic activities due to various factors such as supply chain disruptions, inflationary pressures, and labor shortages. Despite these challenges, by continuing to control costs and implementing strong financial controls, the General Fund reserves for FY2024 remained strong although slightly below the contingency and disaster reserve targets set by the City Council. The use of reserves has been a tool that the City has utilized in prior years immediately following local natural disasters, such as the Thomas Fire, COVID and recent storms. Continuing to prioritize the replenishment of these reserves allows the City to persevere through operational and financial hardship in the future.

The local economy is likely to continue to face many challenges in the coming years given continued economic and operating uncertainty. The City will continue to respond and support local businesses with their operational challenges.

LONG-TERM FINANCIAL PLANNING

Long-term financial planning is an integral part of the City's fiscal management as it ensures sustainable growth, resilience, and effective governance. It is even more critical now given the current and projected economic uncertainty. Each of the City's operating funds, including the General Fund and its enterprise funds, maintains a long-term financial model. For enterprise funds, which are largely funded from rates and charges for direct services provided, the financial models go out as far as ten years. These operations are relatively stable financially and, as such, lend themselves to a longer-

term view, which in turn helps inform real-time decisions of how to manage rates and charges to ensure operating costs are covered; and equally important is ensuring funds will be available for capital needs.

A long-term financial model is also maintained for the General Fund. The model looks forward five years, rather than ten, because the volatile nature of tax revenues in a tourist-based economy makes it very difficult to predict revenues with any certainty beyond five years. Nonetheless, the financial model is invaluable in the development of the biannual financial plan and annual operating budget. The financial model has recently been enhanced to incorporate recession and more aggressive economic scenarios to understand the potential additional impact on General Fund reserves. These models will continue to be refined over the coming months leading into the upcoming FY2026 and FY2027 operating budgets to articulate fiscally pragmatic assumptions for revenues.

As an additional planning tool, the City adopts a two-year financial plan, with the first year representing the adopted annual budget and the second year serving as a financial plan and a starting point for the following year. Two-year financial plans take more time to produce in the first year, but it forces the organization and staff to take a longer-term view of its operations at a more detailed level than a financial model that they might not otherwise do. Even though the City's Charter requires an annual budget, the City has embraced the concept and additional discipline required to incorporate a second year into its budget/planning documents.

Annual pension expenses are projected to continue to rise and represent a significant amount of the City's operating budget. The pension liability funded status is 66.7%. During FY2022, the City Council took decisive action, Resolution 22-125, to address future pension-related costs and liabilities; 12.5% of the FY2022 year-end savings in the General Fund was set aside to establish a Section 115 Trust to address the growing and volatile pension liabilities. In addition, under Resolution 23-153, the City Council adopted a resolution to appropriate the transfer of available reserves from enterprise and internal service funds into the Pension Section 115 Trust.

The City is self-insured and funds its own workers' compensation claims as well as coverage for liability and property. The Self-Insurance Fund (SIF) purchases several types of insurance to cap exposure to large or catastrophic loss. Property insurance has become increasingly expensive to purchase due to continued drought and wildfire conditions throughout California, and liability insurance has also become more expensive due to high claim costs associated with losses, such as law enforcement claims. The City Council has supported staff's recommendations to increase funding into the SIF in FY2023 and in years to come to ensure that the SIF has adequate funding and reserves to achieve adequate coverage for city facilities and operations.

FINANCIAL CONTROLS

The City's management is responsible for establishing and maintaining a system of internal controls designed to ensure that the City's assets are protected from loss, theft, or misuse. The City's system of internal controls must also ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The City's system of internal controls is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. We believe that the City's system of internal controls adequately safeguards assets and provides reasonable assurance as to the proper recording of financial transactions. The City's internal controls are subject to periodic evaluation by the City's management.

Single Audit

As a recipient of federal assistance, the City is responsible for maintaining a system of internal controls that will ensure compliance with applicable laws and regulations related to those federal programs. As part of the City's federal single audit, tests are made to determine the adequacy of the internal controls, including that portion relating to federal financial assistance. The single audit also seeks to determine whether the City has complied with, in all material respects, all applicable laws and regulations that could have a direct or material effect on a major grant program. The single audit did not encounter any instances of material weaknesses in the City's internal controls over financial reporting.

Budgetary Controls

The City maintains budgetary controls designed to ensure compliance with the legal provisions contained in the annual budget approved by the City Council. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the department level for the General Fund and at the fund level for all other legally adopted budgets.

The City maintains a formal, integrated, encumbrance accounting system as one means of ensuring budgetary control. Purchase orders that would result in an overrun of department appropriations at a major object category level are not released until additional funds have been appropriated. Appropriations for encumbrances outstanding at year-end are carried over and re-appropriated in the following fiscal year.

OTHER INFORMATION

Spending Limitation

Article XIII B 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, 2024, the City had not reached its Article XIII B spending limitation.

AWARDS AND ACKNOWLEDGEMENTS

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 Santa Barbara California for its ACFR for the fiscal year ended June 30, 2023. This was the thirty-sixth year that the City has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Staff believe that the current ACFR for the fiscal year ended June 30, 2024, continues to meet the Certificate of Achievement Program's requirements and are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this ACFR could not have been accomplished without the hard work and team effort of the Finance Department, in particular Nathalie Lecolley, Controller, Jessica Yates and Lynne Sparks Accounting Supervisors, Jo Salamack and Takero Shinoda, Senior Accountants, and Sarolyn Boyd, Accountant II, all of whom put in tremendous hours in the preparation of this report. Staff appreciate the City Council's direction and policy oversight on the various fiscal and budget issues addressed during the year. In addition, Department Directors and staff at all levels should be acknowledged for their continued attention to planning and conducting the City financial and procurement operations in a responsible and progressive manner.

Respectfully submitted,



Kelly McAdoo
City Administrator/
Clerk/Treasurer



Keith DeMartini
Finance Director

CITY OF SANTA BARBARA

Directory of City Officials

City Council



Kristen Sneddon
Councilmember

Mike Jordan
Councilmember

Eric Friedman
Councilmember

Oscar Gutierrez
Councilmember

Alejandra Gutierrez
Mayor Pro Tempore

Randy Rowse
Mayor

Meagan Harmon
Councilmember

Management Team as of June 30, 2024

Kelly McAdoo, City Administrator/Clerk/Treasurer

Sarah Knecht, City Attorney

Rene Eyerly, Assistant City Administrator

Christopher Hastert, Airport Director

Elias Isaacson, Community Development Director

Keith DeMartini, Finance Director

Chris Mailles, Fire Chief

Wendy Levy, Human Resources Director

Justin Cure, Information Technology Director

Brandon Beaudette, Acting Library Director

Jill Zachary, Parks & Recreation Director

Kelly Gordon, Police Chief

Clifford Maurer, Public Works Director

Aelia Parenteau, Sustainability & Resilience
Director

Mike Wiltshire, Waterfront Director

CITY OF SANTA BARBARA
Advisory Boards and Commissions

Charter Boards and Commissions **Membership**

Airport Commission	7
Architectural Board of Review	7
Civil Service Commission	5
Fire and Police Commission	5
Harbor Commission.....	7
Historic Landmarks Commission	9
Library Board.....	5
Parks and Recreation Commission.....	7
Planning Commission.....	7
Water Commission	5

Committees and Commissions

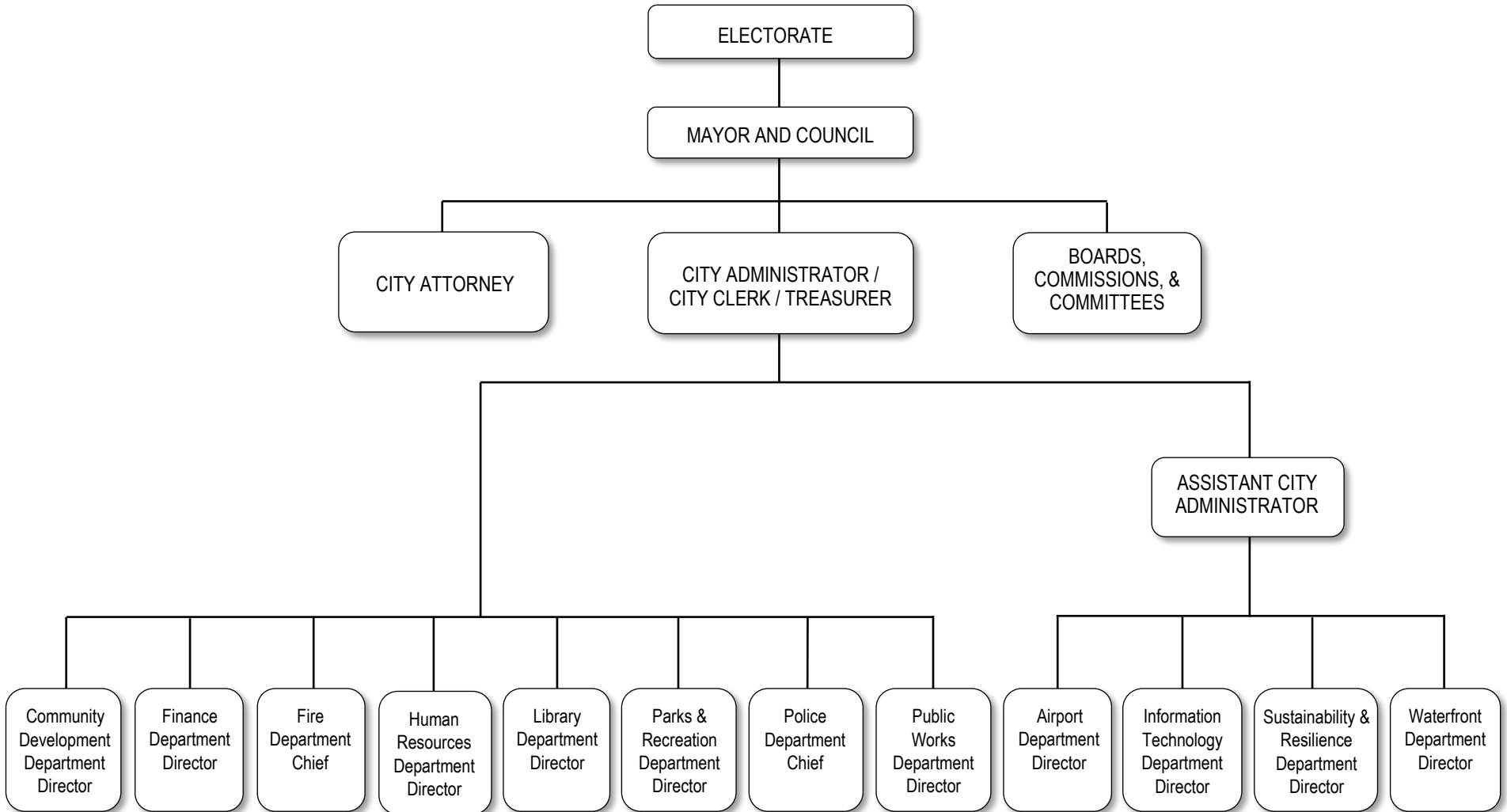
Access Advisory Committee	7
Arts Advisory Committee	7
Building and Fire Code Board of Appeals	7
Central Coast Commission for Senior Citizens	1
Citizens' Oversight Committee	7
Community Development and Human Services Committee.....	13
Community Events and Festivals Committee.....	7
County of Santa Barbara Library Advisory Committee	1
Creeks Advisory Committee	7
Downtown Parking Committee	7
Housing Authority Commission.....	7
Living Wage Advisory Committee	7
Measure P Committee.....	7
Metropolitan Transit District Board.....	2
Mosquito and Vector Management District Board	1
Neighborhood Advisory Council	13
Rental Housing Mediation Board	15
Santa Barbara Youth Council	15
Sign Committee.....	3
Single Family Design Board	7
Sister Cities Board.....	3
Transportation and Circulation Committee.....	7

Other Advisory Bodies

Arts and Crafts Show Advisory Committee	8
Golf Advisory Committee	7
Integrated Pest Management Advisory Committee	5
Staff Hearing Officer	1
Oversight Board	1
Street Tree Advisory Committee.....	5

CITY OF SANTA BARBARA ORGANIZATIONAL CHART

As of June 30, 2024





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Santa Barbara
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

Honorable City Council
of the City of Santa Barbara
Santa Barbara, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Barbara, (the City), as of and for the year ended June 30, 2024, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Barbara, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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'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'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, Budgetary Comparison Schedules – General and Major Special Revenue Funds, modified approach for City streets infrastructure capital assets, the schedules of changes in net pension liability and related ratios, the schedules of plan contributions, the schedule of investment returns – safety retirement and safety service retirement plans, and the schedules of changes in the total other postemployment benefit (OPEB) liability and related ratios 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and individual fund budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining financial statements and individual fund budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

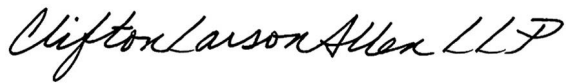
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable City Council
of the City of Santa Barbara

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.



CliftonLarsonAllen LLP

Irvine, California
March 7, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Fiscal Year Ended June 30, 2024

This section of the City's Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of the City's financial performance for the fiscal year (FY) ending June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have included in our letter of transmittal, which can be found on pages 1-5 of this report.

RECENT ECONOMIC AND FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City exceeded the liabilities and deferred inflows of resources at the close of FY2024 by \$1.1 Billion (net position), an increase by 7.0% with FY2023. Unrestricted funds may be used by the City to meet ongoing operations, subject to applicable federal and state laws and regulations. Of the total net position, unrestricted funds had a deficit balance of \$15.7 Million, a reduction in loss by 65.0% with FY2023 mainly due to staff vacancies, a better-than-expected rate of return on investments and revenues that stayed steady overall in comparison to the previous year.

Local economic indicators for FY2024 remained stable, at levels similar to FY2023. The Unemployment rate was at 4.2%, a decrease by almost 1.0% with prior year. Tourism experienced growth, particularly in Air Travel with an increase of 11.1% when hotel occupancy increased by 6.0% from FY2023. The overall financial position of the City improved in FY2024 as evidenced by an increase in total net position. At the end of FY2024, Governmental activities had a surplus of \$475.0 Million, a 5.0% increase with FY2023. General Fund tax revenue growth was driven by an increase in property tax revenue of \$2.7 Million over the prior year and another additional revenue of \$3.2 Million in taxes. Other revenues generated an additional \$6.5 Million. Net position Business-Type Activities added \$48.0 Million to reserves or \$615.2 Million for this current fiscal year, an increase of 8.0% from last year.

OVERVIEW OF FINANCIAL STATEMENTS

The City's basic financial statements are comprised of three components: (1) Government-wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements. Each of these components is discussed below.

Government-wide Financial Statements

The Government-wide Financial Statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the City's assets, liabilities, and deferred outflows and inflows of resources. Net position (deficit) is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenue and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Financial Fund Statements

The City, like other states and local governments, uses *Fund Accounting* for recording its financial activities. In general, Fund Accounting provides a mechanism to separately account for a variety of different funding sources and thereby enables the City to demonstrate compliance with legal or contractual requirements that may be associated with these funds. Accordingly, the accompanying fund financial statements present individual funds, organized into one of three groups based on the nature of the activities and their purposes: Governmental, Proprietary, or Fiduciary Funds. Note that the Fund financial statements only present information on the most significant (i.e., "major") funds on the face of the statement. Non-major funds are grouped and presented in total on the face of the statements. In addition, the Fund financial statements include a schedule that reconciles the Fund financial statements to the government-wide financial statements previously described. This is designed to explain the differences created by the integrated approach.

Governmental Funds – Most of the City's basic services are reported in governmental funds. Governmental funds include the General Fund, Special Revenue, Capital Projects, and Debt Service funds. In the fund financial statements, all governmental fund types are reported using the modified accrual basis of accounting. This is a departure from the basis of accounting used in the private sector and is used in the public sector in recognition of the different purposes and focus of financial reporting. Because the focus is only on inflow (revenue) and outflow (expenditures) of current financial resources, the balance sheets of governmental funds present only short-term assets and liabilities.

The fund financial statements include separate columns, by fund type, for all major governmental funds of the City. All non-major governmental funds are consolidated into a single column labeled "Other Governmental Funds." The details of these funds are included in the Combining and Individual Fund Statements and Schedules located in the Financial Section of this report.

Proprietary Funds – Proprietary funds are utilized to account for services provided to external customers or other City departments and funds that are primarily funded from user fees and charges. The basis of accounting and measurement focus used to prepare proprietary fund statements is the same as that used to prepare government-wide statements. Thus, the proprietary fund statements provide the same, but more detailed, information about these funds, which are included in the "Business-Type Activity" column of the government-wide statements. Proprietary funds include enterprise funds and internal service funds. The City uses enterprise funds to account for its water, wastewater, solid waste, airport, waterfront/harbor operations, downtown parking, golf, and clean energy. Internal service funds are used to account for intra-city services such as fleet maintenance and replacement, building maintenance, custodial, communications, information systems, self-insurance programs, and energy management.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic Financial Statements

The notes to the financial statements provide information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements.

Other Information

In addition to the basic financial statements and related notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees; budgetary comparison schedules for the General Fund and each major special revenue fund; and schedules and disclosures of the modified approach for reporting the City's infrastructure.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City has presented its financial statements under the reporting model required by Governmental Accounting Standards Board Statement No. 34 (GASB 34). The following analysis of the Government-Wide statements includes a comparison between current and prior year results of operations and year-end balances.

Statement of Net Position

Table 1 below summarizes the Statement of Net Position for Governmental and Business-Type Activities as of June 30, 2024, with comparative totals as of June 30, 2023. As previously stated, net position at yearend serves as a useful indicator over time of whether the City's financial position is improving or deteriorating.

Table 1 STATEMENT OF NET POSITION As of June 30, 2024 & 2023 in (000's)						
	Governmental Activities		Business-Type Activities		TOTAL	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Assets						
Current & other Assets	\$302,701	\$283,652	\$285,215	\$255,857	\$587,916	\$539,509
Capital Assets, Net	\$557,222	\$535,743	\$590,982	\$580,887	\$1,148,204	\$1,116,630
TOTAL ASSETS	\$859,923	\$819,395	\$876,197	\$836,744	\$1,736,120	\$1,656,139
Deferred Outflows of Resources:	\$121,453	\$121,112	\$21,637	\$23,450	\$143,090	\$144,562
Liabilities						
Current & other Liabilities	\$60,549	\$54,969	\$44,729	\$41,732	\$105,279	\$96,701
Noncurrent liabilities	\$414,656	\$402,905	\$207,812	\$219,813	\$622,467	\$622,718
TOTAL LIABILITIES	\$475,205	\$457,874	\$252,541	\$261,545	\$727,746	\$719,419
Deferred Inflows of Resources:	\$31,227	\$28,236	\$30,043	\$31,495	\$61,271	\$59,731
Net Position						
Net investment in capital assets	\$541,873	\$533,563	\$434,138	\$416,480	\$976,012	\$950,042
Restricted	\$120,534	\$110,749	\$9,308	\$8,433	\$129,842	\$119,182
Unrestricted	(\$187,463)	(\$189,913)	\$171,803	\$142,240	(\$15,661)	(\$47,673)
TOTAL NET POSITION	\$474,944	\$454,398	\$615,249	\$567,153	\$1,090,193	\$1,021,551

As shown in Table 1, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1.1 Billion as of June 30, 2024, an increase of \$68.6 Million over FY2023. The largest portion consists of the City's net investment in capital assets in the amount of \$1.1 Billion. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves are not generally used to liquidate these liabilities.

Another portion of the City's net position is restricted resources that are subject to external restrictions on how they may be used. For current year, these resources are at \$130.0 Million, 9.0% increase with last year. The remaining portion of total net position shows a deficit of \$15.7 Million, a significant improvement with last year or a change of 65.0%. Higher staff vacancies and planned projects and initiatives experiencing delays are the main indicators for this shift. Governmental Activities follow a similar trend to last year.

A change in Current and other assets for 7.0% is driven by Interest receivable / favorable investment market, a payoff to the City for Presidio Housing loan or \$10.9 Million, and a new Section 115 Pension Trust. As of the end of FY2024, the balance in the Section 115 trust is \$2.3 Million. The City plans to continue to allocate funds into the trust, as dictated in the City's reserve policy, that will be used to reduce the City's unfunded actuarial liability (UAL) with CalPERS. Restricted net position increased by \$9.8 Million. Affordable housing and Public Works hold most of this restricted fund with an increase in Measure A and Street Funding for the Public Works Department. Business-Type Activities positioned themselves at \$615.2 Million for the end of the fiscal year. Current and other assets reflect an 11.0% change from last year when \$27.5 Million was added for unrestricted funds.

Statement of Activities

For the fiscal year ended June 30, 2024, total net position increased by \$68.6 Million, or 6.3% with last year for a total of \$1.1 Billion. Adjustments to the prior fiscal year come to a neutral result. Measure C Fund needed to be reported as a major governmental fund and there is no impact to current fiscal year after this final adjustment was processed.

Table 2 summarizes the Statement of Activities for Governmental Activities and Business-Type Activities for the fiscal year ended June 30, 2024, with comparative totals for the fiscal year ended June 30, 2023.

Table 2						
STATEMENT OF ACTIVITIES						
As of June 30, 2024 & 2023						
in (000's)						
	Governmental Activities		Business-Type Activities		TOTAL	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
REVENUES						
Program Revenues						
Charges for Services	\$34,126	\$31,876	\$256,392	\$234,157	\$290,517	\$266,032
Operating Grants & Contributions	\$24,413	\$19,778	\$8,674	\$2,116	\$33,087	\$21,894
Capital Grants & Contributions	\$22,974	\$18,803	\$15	\$126	\$22,989	\$18,928
General Revenues:						
Taxes	\$164,256	\$158,577	\$0	\$0	\$164,256	\$158,577
Franchise Fees	\$6,079	\$4,254	\$0	\$0	\$6,079	\$4,254
Motor Vehicle License Fees	\$108	\$90	\$0	\$0	\$108	\$90
Investment Income	\$8,377	\$2,406	\$10,819	\$2,797	\$19,197	\$5,204
Other Revenue	\$922	\$240	\$189	\$189	\$1,111	\$428
TOTAL REVENUES	\$261,255	\$236,022	\$276,089	\$239,385	\$537,344	\$475,407
EXPENSES						
Program Expenses:						
Administration	\$23,803	\$20,966	\$0	\$0	\$23,803	\$20,966
Public Safety	\$100,520	\$65,582	\$0	\$0	\$100,520	\$65,582
Public Works	\$58,408	\$51,964	\$0	\$0	\$58,408	\$51,964
Community Services	\$34,779	\$31,117	\$0	\$0	\$34,779	\$31,117
Community Development	\$22,673	\$19,420	\$0	\$0	\$22,673	\$19,420
Sustainability & Resilience	\$972	\$42	\$0	\$0	\$972	\$42
Business Activities:						
Water	\$0	\$0	\$58,759	\$56,917	\$58,759	\$56,917
Wastewater	\$0	\$0	\$27,454	\$25,530	\$27,454	\$25,530
Airport	\$0	\$0	\$35,795	\$33,462	\$35,795	\$33,462
Waterfront	\$0	\$0	\$18,287	\$17,258	\$18,287	\$17,258
Solid Waste	\$0	\$0	\$37,866	\$34,838	\$37,866	\$34,838
Downtown Parking	\$0	\$0	\$12,350	\$11,237	\$12,350	\$11,237
Golf Course	\$0	\$0	\$3,561	\$3,359	\$3,561	\$3,359
Clean Energy	\$0	\$0	\$33,475	\$37,598	\$33,475	\$37,598
TOTAL EXPENSES	\$241,154	\$189,091	\$227,548	\$220,197	\$468,702	\$409,288
Increase in Net Positions Before Transfers	\$20,101	\$46,932	\$48,541	\$19,187	\$68,642	\$66,119
Transfers In (Out)	\$445	(\$1,176)	(\$445)	\$1,176	\$0	\$0
Increase (Decrease) in Net Position	\$20,546	\$45,756	\$48,096	\$20,363	\$68,642	\$66,119
Net Position, Beginning of Fiscal Year	\$454,398	\$408,642	\$567,153	\$546,790	\$1,021,551	\$955,432
Restatement Prior Year (Note 19)	\$0	\$1,265	\$0	(\$357)	\$0	\$908
NET POSITION, END OF FISCAL YEAR	\$474,944	\$455,663	\$615,249	\$566,796	\$1,090,193	\$1,022,459

Governmental Activities

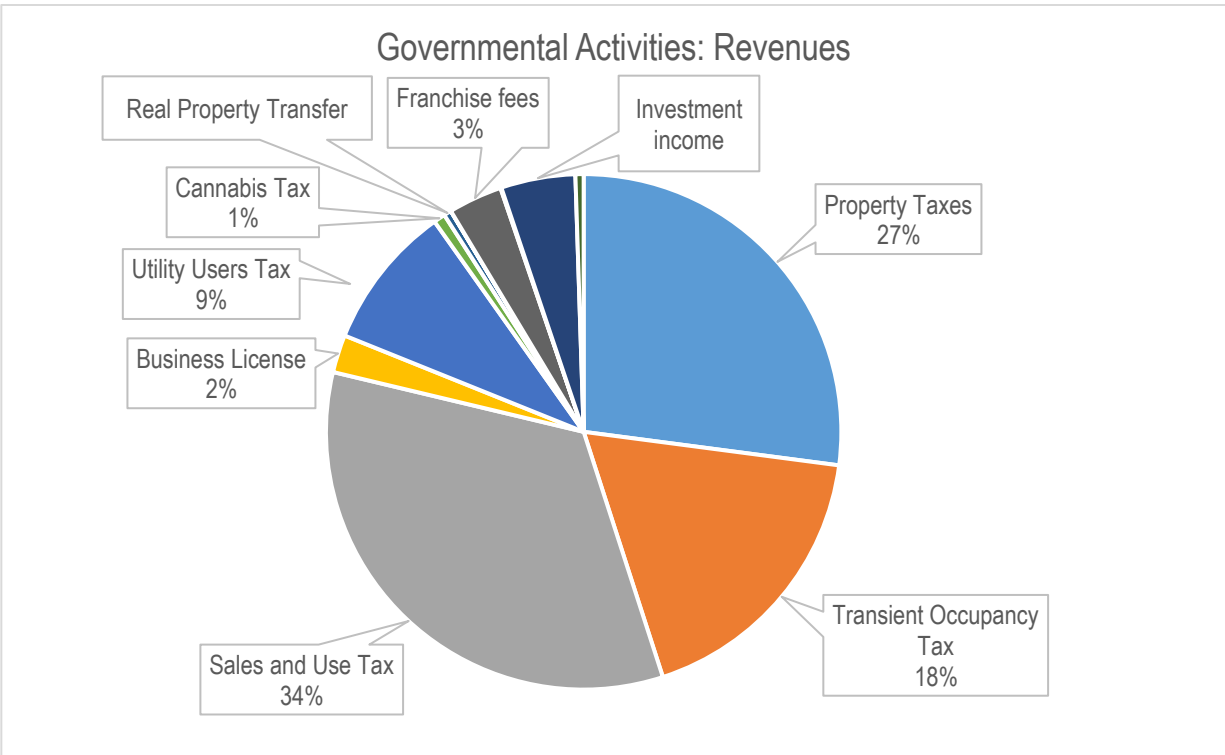
Governmental activities increased the City's net position by approximately \$20.5 Million during FY2024 or for a total of \$474.9 Million, a slight increase of 4.0% last year.

Revenue Highlights

Total revenue is \$261.3 Million. Variances from FY2023 exceeding 11.0% or \$25.2 Million. Under Program revenues, an additional \$4.6 Million and \$4.1 Million were received and recognized (American Rescue Plan Act – ARPA) from grants for operating and capital transactions. Within General Revenues, Tax revenues show an increase of 4.0%.

- **Sales and Use** taxes of \$60.6 Million represent a slight increase of 1.3% last year. Revenues were nearly flat quarter over quarter during FY2024 with no major increases in any business sector. This revenue will increase in FY2026 due to the sales tax rate increase of 0.50 % (Measure I) that the voters approved on November 5, 2024, to fund ongoing essential services.
- **Property** taxes reported an increase of \$2.7 Million from the prior year, or a 6.0% increase to \$48.6 Million. To note, Proposition 13 impacts the amount of property tax collected as it limits how much taxable value can be allocated to a property each year. It is currently set at 2.0%. That said, Santa Barbara continues to be a very desirable location to live in, and property prices and the number of sales have remained strong even during recent economic uncertainty.
- **Transient Occupancy taxes (TOT)**. For FY2024, revenue was \$32.3 Million, a slight increase of 2.6% from the prior year. Despite an increase in tourism, we are continuing to experience a slow positive change since the aftereffects of the pandemic.

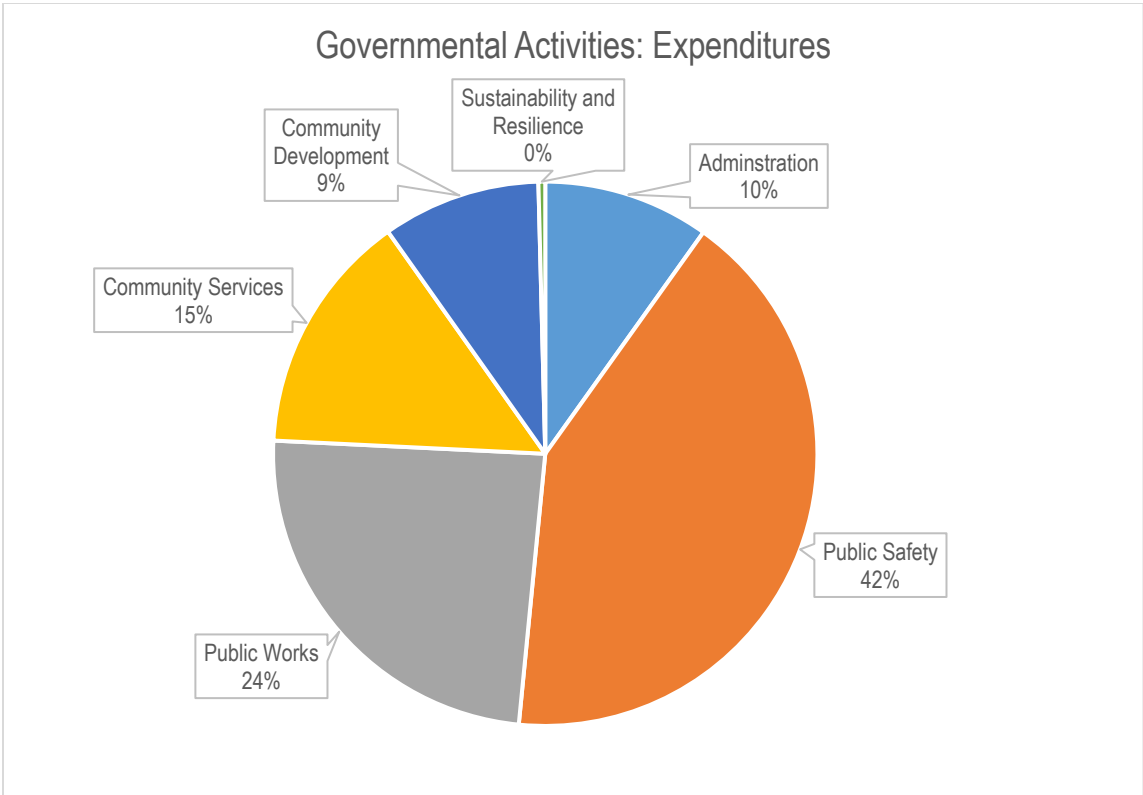
Franchise fees are \$6.0 Million, a 43.0% change from FY2023, driven by a Refuse franchise fee replacing the refuse Utility Users Tax (UUT) to recoup the cost of service from the franchise hauler. Investment income with a 248.0% change with prior year relates to the favorable market.



Expense Highlights

Functional expenses for the year totaled approximately \$241.1 Million (\$189.0 Million in FY2023), an increase of \$52.1 Million from the prior year. The variance is composed of the following changes:

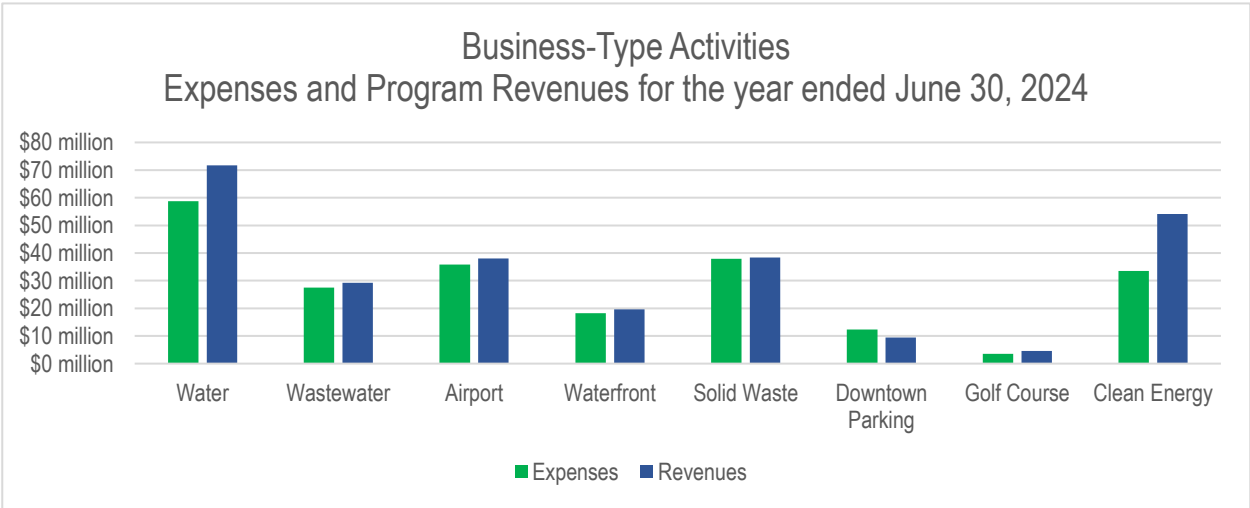
- **Public Safety** expenditures increased by \$34.9 Million in relation to FY2023. This change relates directly to labor cost variance with FY2023. Past year vacancies were gradually filled during this current year in combination with changes in salaries and wages.
- **Public Works** expenditure increased by \$6.4 Million. Most of this variance is attributed to capital outlay and changes in salaries as well as benefits in combination with turnover. In contrast to Public Safety costs that are funded by general revenues such as taxes, Public Works expenses are mostly funded by restricted revenues such as gas and utilities taxes as well as Federal and State grants. These resources pay for street maintenance and improvements, transportation planning and other related costs.
- **Community Services and Community Development** increased by \$3.6 Million and \$3.2 Million respectively with the prior fiscal year. The combination of the increase in payroll and capital outlay expenses is the result of these 12.0% and 17.0% changes with last year.
- **The Administration and Sustainability & Resilience departments** make up for the offset of the variances listed above by roughly \$3.7 Million with an increase in labor expenses across Finance, Human Resources, Attorney and Administration staff.



Business-Type Activities

The City’s Business-Type Activities’ net position increased to \$615.2 Million in FY2024 led by the performances of Clean Energy and Water divisions offset by the operational challenges from Downtown Parking. In comparison to FY2023, grants revenues and investment income largely offset the average spending increase for all departments of roughly 5.0% total.

The chart below illustrates Expenses and Program Revenues for each Business-Type Activity.



Revenue Highlights

Program revenues of \$265.0 Million were generated in FY2024, an increase of \$28.6 Million compared to prior year. The dominant change in General revenue is attributed to Clean Energy with an increase of 287.0%.

- The Water Fund saw an increase in its revenue, or a total of \$72.0 Million with a combination of \$69.5 Million for charges services directly attributed to consumption and \$2.1 Million receipt in their Grant fund.
- The Clean Energy division is one of the newest divisions within the City receiving revenue since FY2022. Fees are closely tied to changes in Southern California Edison's (SCE's) rates and directly impacted by consumer usage. FY2024 experienced an increase. The result is a strong positive outcome that surpasses its expenditure. For this year, \$54.0 Million was generated against \$43.0 Million for FY2023.
- Solid Waste accounts for trash and recycling services. At the end of the fiscal year, the department reported \$38.4 Million in service charges.
- Wastewater revenue is mainly tied to water consumption for which, its return was higher than FY2023 or \$29.0 Million which reflects 99.0% of service charges.
- The Airport continues to see a strong level of commercial airline passenger activity. Revenues exceeded expectations for parking, ground transportation, rental cars, and concessions. FY2024 ended at \$38.0 Million lead by Parking, industrial & aviation leases, and rentals revenues, a 13.6% change with FY2023.
- Other departments such as Waterfront, Golf Course, and Downtown Parking performed equally or slightly higher. Combined, their revenues came at \$34.0 Million, a difference of \$1.0 Million with prior year.

Expense Highlights

Expenses of Business-Type Activities for FY2024 came to an average increase of 3.0% with FY2023. The change is mainly attributed to the costs of revenues generated and payroll expenses. Total expenditure was \$227.5 Million (\$220.2 Million as of June 30, 2023), a \$7.3 Million increase from prior year primarily due to \$3.0 Million from Solid Waste and Airport by \$2.3 Million.

- The Water Fund expended \$58.8 Million, \$1.8 Million more than FY2023. FY2024 experienced a combination of reduced operating costs within the desalination and recycled water plants from significant rainfalls as well as savings due to delay in equipment upgrades and facility maintenance. This shortfall in spending was slightly offset by changes in salaries and wages.
- The Clean Energy Fund began in FY2022 and ramped up to normal, annual operations in FY2023. At the end of FY2024, \$33.5 Million expenses are reported, a decrease by \$4.1 Million with FY2023 that is directly attributed to cost from renewable energy certificates that may roll to the upcoming year.
- Solid Waste, with a spending of \$38.1 Million came as a surplus with last year by 9.0% increase. The costs in this category include predominantly hauler fees and county fees.
- The Airport Fund expenses were \$35.8 Million, a 7.0% increase from FY2023, partially directed to revenue generated. In addition, the cost to run a Fire Station at the Airport was allocated directly to the department starting in FY2024.
- The Wastewater Fund expense increased by 8.0% with last year or for a total of \$27.4 Million. A partial part of this variance related to revenue generated when other costs relate directly to inflation.

- Other departments: Waterfront, Downtown Parking, and Golf Course totaled \$34.2 Million in expenses; a \$2.3 Million increase compared with last year.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

The City uses fund accounting to demonstrate compliance with legal and contractual requirements. This section provides an analysis and discussion of individual funds and fund types presented in the financial statements.

Governmental Funds

The focus of the City governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City financing requirements. Unreserved *fund* balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2024, Assets in the City's governmental funds totaled \$260.3 Million (\$253.9 Million as of June 30, 2023). Of this total, the majority is driven by:

- \$133.6 Million of cash and investments (\$115.3 Million in prior year) that includes Measure C for \$47.4 Million set aside to fund critical infrastructure from a one-cent sales tax.
- \$71.8 Million represents deposits and outstanding loans receivable, for which the majority relates to the City's Affordable Housing Fund and Community Development Block Grant and HOME Programs.
- \$33.8 Million is split between General Fund, Street Grant Capital, and Other Governmental Funds.
- \$2.1 Million in advances (loans) for other City funds which include the Clean Energy Fund, Golf Fund, and the Energy Management Fund.

Fund balances of governmental funds totaled \$191.5 Million on June 30, 2024 (\$187.7 Million in the prior year), an increase of \$3.8 Million.

- An amount corresponding to prepaid assets, outstanding loans and advances receivable is reported as non-spendable.
- \$107.7 Million (\$99.9 Million in the prior year) is restricted to specific programs, projects and capital improvements with its majority for \$68.0 Million allocated to Affordable Housing.
- Street Grant Capital holds an adjusted balance of \$7.0 Million due to various projects for which revenues were rollovers to the following year. This line item experienced a decrease by approximately \$781,000 in FY2023 and should progressively come back to a positive result. One of the projects under this section is related to the Construction of the Vision Zero State Street undercrossing project with an authorized budgeted amount for \$7.1 Million.
- The spendable portion which combines Committed, Assigned, and Unassigned balances is \$81.5 Million, a decrease of \$2.8 Million from last year.

The General Fund's balance is \$47.1 Million with the majority or \$45.4 Million set aside under Committed for natural disasters and unexpected events such as significant economic downturns that have significant impact on the General Fund. The policy requires all operating funds, including General Fund, to set aside an amount equal to 25.0% of the operating budget.

Proprietary Funds

Unlike governmental funds, proprietary funds use the accrual basis of accounting for financial statement purposes. The City's proprietary fund statements provide the same type of information found in Business-Type Activities in the government-wide financial statement but in more detail. The major proprietary funds for the City are the Water and Wastewater Funds.

The net position of proprietary funds consists of amounts for net investment in capital assets, amounts restricted for capital projects and debt service, as well as unrestricted amounts. Net position totaled \$615.2 Million as of June 30, 2024 (\$567.2 Million as of June 30, 2023), which increased \$48.0 Million from the prior year. Factors concerning the finances of Unrestricted net position are addressed in the discussion of Business-Type Activities.

GENERAL FUND FINANCIAL AND BUDGETARY HIGHLIGHTS

The General Fund budgetary highlights include only those funds associated with General Fund operations as reported in the City's budget. The General fund is the main operating fund of the City. Its revenues are primarily derived from taxes, charges for services and intra-governmental charges, which are used to pay for the traditional services provided by local government: Public Safety, Library, Parks & Recreation, Community Development (Building and Planning), and Public Works.

Revenues

As shown on Table 3, the amended FY2024 General Fund revenue budget of \$208.1 Million reflects adjustments of \$4.2 Million that were approved by the City Council during the year. The most significant amendments included intergovernmental revenue increase for \$3.8 Million driven by a \$1.2 Million awarded Highway Safety Improvement Project grant fund for the Cliff Drive at Alan Road & San Andres Street Highway Safety Improvement.

Actual revenues totaled \$211.6 Million. Tax revenues ended the year higher than the amended budget by \$3.5 Million, reflecting mainly the growth in the assessed values in properties as well as a slight increase in TOT due primarily to increase in average daily rates which are 30.0% to 40.0% higher than pre-pandemic rates.

Table 3 SUMMARY OF GENERAL FUND REVENUES Fiscal Year Ended June 30, 2024 Budget & Actual – in (000's)				
	Original Budgeted Amount	Final Budgeted Amount	Actual Amounts 2024	Variance from Budget
REVENUES				
Taxes	\$149,366	\$149,452	\$150,978	\$1,526
Franchise Fees	\$6,458	\$6,458	\$6,079	(\$379)
Intergovernmental	\$1,696	\$5,497	\$4,441	(\$1,055)
Charges for Services	\$29,174	\$29,304	\$30,167	\$862
Use of Money & Property	\$2,262	\$2,191	\$5,063	\$2,872
Fines & Forfeitures	\$3,035	\$3,035	\$2,394	(\$641)
Other Revenues	\$10,888	\$11,382	\$10,933	(\$448)
Subtotal Revenues	\$202,879	\$207,317	\$210,054	\$2,737
Lease Obligation	\$0	\$0	\$841	\$841
Transfers In	\$1,073	\$828	\$743	(\$85)
Total other Financing Sources / (Uses)	\$1,073	\$828	\$1,584	\$756
TOTAL REVENUES	\$203,952	\$208,145	\$211,639	\$3,493

Expenditure

The amended FY2024 General Fund expenditure budget reflects amendments approved by the City Council during the year. The amended budget also reflects appropriations carried over from the prior year related to outstanding encumbrances as of the end of FY2023.

As shown on Table 4 below, actual expenditures totaled \$220.2 Million and were under final budget by approximately \$9.4 Million. The largest savings against budget are salary and benefits due to vacancies in budgeted positions as well as projects put on hold. Discipline in spending has been an important strategy implemented by staff and approved by the City Council over the year to control expenditure and maintain reserves. The City has routinely implemented long-term financial planning strategies for infrastructure as well as protecting essential services from potentially volatile revenue.

Table 4 SUMMARY OF GENERAL FUND EXPENDITURES Fiscal Year Ended June 30, 2024 Budget and Actual - in (000's)				
	Original Budgeted Amount	Final Budgeted Amount	Actual Amounts 2024	Variance from Budget
EXPENDITURES				
Mayor & Council	\$3,331	\$3,409	\$3,366	\$43
City Attorney	\$5,306	\$6,630	\$4,626	\$2,004
City Administration	\$3,558	\$4,065	\$3,928	\$137
Human Resources	\$2,378	\$2,969	\$2,849	\$120
Finance	\$7,612	\$7,833	\$7,262	\$571
Public Safety	\$91,856	\$97,375	\$90,193	\$7,182
Public Works	\$13,198	\$12,622	\$11,491	\$1,131
Community Services	\$31,121	\$32,878	\$30,744	\$2,134
Community Development	\$9,878	\$10,557	\$14,832	(\$4,275)
Sustainability & Resilience	\$0	\$711	\$167	\$544
Capital Outlay	\$0	\$0	\$841	(\$841)
Debt: Principal Retirement	\$0	\$0	\$619	(\$619)
Debt: Interest & Fiscal Charges	\$0	\$0	\$57	(\$57)
Subtotal Expenditures	\$168,238	\$179,048	\$170,974	\$8,074
Transfers Out	\$53,292	\$50,625	\$49,288	\$1,337
TOTAL EXPENDITURES	\$221,529	\$229,673	\$220,262	\$9,411

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 5 summarizes the City’s capital assets by class and by type of activity. It is important to note that capital assets are reported at historical cost, net of accumulated depreciation. These amounts do not represent the market value or replacement cost of City assets, which would be significantly higher. Historical cost is used, pursuant to accounting standards, to provide an objective basis for reporting capital assets.

Table 5			
SUMMARY OF CAPITAL ASSETS			
Fiscal Year Ended June 30, 2024			
Net of Accumulated Depreciation - in (000's)			
	Governmental Activities	Business-Type Activities	Totals
Non-Depreciating Assets			
Construction in Progress	\$60,695	\$56,716	\$117,411
Art and Historical Treasure	\$1,759	\$0	\$1,759
Land	\$51,160	\$24,944	\$76,105
Streets	\$160,101	\$0	\$160,101
Depreciating Assets			
Buildings	\$12,641	\$79,558	\$92,199
Building Improvements	\$40,383	\$7,601	\$47,984
Other Improvements	\$51,127	\$168,103	\$219,231
Equipment	\$13,479	\$10,622	\$24,101
Infrastructure	\$161,393	\$151,476	\$312,869
Right to Use Assets	\$4,482	\$2,020	\$6,502
Underground Piping	\$0	\$89,942	\$89,942
TOTAL CAPITAL ASSETS	\$557,222	\$590,982	\$1,148,204

The City owns approximately \$1.1 billion of capital assets net of depreciation and accounts receivable, a change of \$31.6 Million compared to the year ended June 30, 2023. These capital assets require ongoing maintenance, improvement, and renovation. As a result, the City as a whole undertakes millions of dollars in capital improvement and construction projects each year.

The capital improvement projects undertaken in the Governmental Activities category typically include improvements to the City’s infrastructure (roads, curbs, storm drains, bridges, sidewalks, gutters, etc.) and improvements to City public facilities, such as parks, restrooms, community facilities, and playgrounds. Starting in 2004, governmental funds have been required to capitalize and report the costs of acquiring or constructing infrastructure assets acquired or constructed after 1982. Where information was readily available, or if a value could be reasonably estimated, the City capitalized infrastructure assets acquired or constructed prior to 1982.

With regard to capital improvements to City streets, which is also considered “infrastructure,” the City has elected to use the “modified approach” pursuant to GASB 34 in accounting for streets. As such, these assets have been reported separately from other infrastructures in Table 5. The City has established a pavement condition assessment process whereby approximately one-third of the entire street system is assessed on a rotating basis every two years. Each road segment is rated and given a pavement condition index (PCI) value from zero to one hundred (0-100),

where PCI scores of 51-70 are in “At Risk” condition, and roads with PCI scores of 71-100 are considered to be in “Excellent/Good” condition. The City has a minimum target PCI of 60, whereby the modified approach may be applied, with an aspiration to improve the PCI to 70 in the coming years whereby ongoing maintenance needs are most cost effective. Pursuant to the modified approach, depreciation is not reported for this subsystem and all costs, except for betterments and major improvements made to the subsystem, are expensed rather than capitalized. The most recent biennial report was for the period ended June 30, 2024, and the average PCI for City streets exceeded the minimum policy level of 60 with a reported average score of 67, defined as “At Risk.”

Governmental Activities which include Internal Service Funds have construction in progress projects totaling \$60.7 Million which have commenced or continued in FY2024. Main projects are State Street Undercrossing at Highway 101 (\$6.5 Million), De la Vina at Vernon Street Bridge (\$6.3 Million), Library Plaza Renovation (\$6.1 Million), New Police Station (\$5.8 Million), Union Pacific Railroad Bridge replacement at Cabrillo Blvd. (\$4.8 Million).

For Business-Type Activities, construction in progress projects totaling \$56.7 Million which commenced or continued in FY2024 primarily relate to facilities used in connection with Enterprise Funds, including Water, Wastewater, Airport, Waterfront, Golf, and Downtown Parking. These operations can be much more capital-intensive given the nature of the services they provide. The main changes relate to Construction in Progress for Desal Conveyance Pipeline (\$22.6 Million), Commercial Parking Apron (\$5.5 Million), El Estero Electrical (\$3.7 Million), and Desal Plant Expansion (\$3.0 Million), to name a few. Additional information on the City of Santa Barbara’s capital assets can be found in Notes 1 and 5 to the financial statements and Required Supplementary Information of this report.

Long-Term Debt

Table 6 below summarizes outstanding long-term debt related to the issuance of bonds, certificates of participation, and loans; the table excludes outstanding claims payable, deferred debt costs, and compensated absences. As shown in the table, the City had approximately \$147.6 Million (\$160.6 Million in the prior year) in outstanding long-term debt at the end of FY2023, a net decrease of \$13.0 Million from the prior year.

Table 6 Summary of Outstanding Issued Debt Fiscal Year Ended June 30, 2024 in (000's)			
	Governmental Activities	Business-Type Activities	Totals
Revenue Bonds	\$0	\$32,148	\$32,148
Certificates of Participation	\$0	\$5,440	\$5,440
Loans	\$2,744	\$107,268	\$110,012
Total Debt	\$2,744	\$144,855	\$147,600

Revenue Bonds

The City has a total of \$32.1 Million in outstanding revenue bonds including the following: \$24.4 Million of 2019 Airport refunding bonds, \$4.2 Million of 2016 Sewer refunding bonds, and \$3.5 Million of 2014 Waterfront refunding bonds.

Certificates of Participation (COP)

The Water Fund has \$5.4 Million in outstanding COP bonds which refunded the 2002 COP bonds in 2013 issued at \$22.7 Million. These proceeds were used to finance capital improvements to the water distribution system.

Loans

Under Business-Type Activities, of the outstanding \$107.3 Million in loans payable, \$69.7 Million relates to the Water Fund. Two of the Water Fund loans are low-interest loans from the State Department of Water Resources (SDWR) used to fund the Cater Water Treatment Plant Project, the Ortega Ground Water Treatment Plant Project, and the Cater Water Treatment Plant-Phase III Project. Approximately 40.0% of the SDWR loans will be reimbursed by the Montecito Water District and the Carpinteria Water District for the Cater Water Treatment Plant Project pursuant to a long-standing joint powers agreement. The third loan is a low interest loan from the State Water Resources Control Board used to fund the Desalination Plant Reactivation Project. The Desalination Project loan was issued for \$80.0 Million, with an outstanding balance of \$52.4 Million on June 30, 2024. The Desalination Project was completed in FY2018.

The Waterfront Fund has \$7.5 Million in outstanding loans from the State Department of Parks & Recreation, Division of Boating and Waterways, used to finance major renovations to the marina.

The Wastewater Fund accounts for \$30.0 Million in loans from the California State Water Resources Control Board for sewer infrastructure improvements. The main loan initiated at \$31.4 Million and with a balance for \$25.3 Million is used to assist in financing the upgrade of the aeration system and improve the secondary treatment process at El Estero Wastewater Treatment Plant. Additional information on the City's long-term debt can be found in Note 7 to the financial statements. Currently all City Funds have sufficient reserves and cash-flow projections to meet all current debt obligations for the near future.

Under Governmental activities, the City entered into a financing agreement in December of 2021 to purchase two Arrow XT pierce ultimate configuration 1500 GPM Triple Combination Pumping Engines for \$3.9 Million at a rate of 1.3% with a maturity date in June of 2029. The current outstanding balance is \$2.7 Million as of the end of FY2024.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's largest industry is tourism. The mild and sunny climate attracts visitors from all over the world, who stay in the local lodging establishments, shop in the local stores, and dine in the local restaurants. Consequently, the City receives a fair amount of revenue that is either directly or indirectly tied to tourism. In the General Fund, for example, sales taxes represent 33.0% of total revenues while TOT represents 18.0%. Other operations outside of the General Fund are also dependent, to varying degrees, on tourism, such as the Waterfront Fund, which accounts for the activities along the beach, including Sterns Wharf and the harbor. Its revenues are primarily derived from parking and percentage rents from merchants (shops and restaurants). These revenues are largely impacted by economic conditions, but also by weather.

Similarly, the Airport Fund is affected by trends and economic conditions that affect travel. Over the past year, the local economy has experienced a plateau in tourism activities after a rebound from the pandemic during FY2022. A slight decrease to 2.0% growth with a stabilized inflation for about the same percentage should moderately decelerate local revenue such as sales taxes. Other factors such as the increase in tariffs could impact aggressively the cost of the City

spending. Reassessing spending priorities, focusing on essential services and exploring cost-saving measures will be a strong focus when addressing future budgets.

The FY2025 budget represents a plan for the delivery of services to meet the needs of the City's residents and visitors during a challenging time of economic uncertainty. A longer-term view highlights continued challenges in the coming years. FY2025 projects a \$7.1 Million deficit in its General Fund requiring the use of reserves. The voters approved a ½ cent increase in sales tax on November 5, 2024, increasing the sales tax rate from 8.75% to 9.25% with no sunset, that will bring an additional \$15.1 Million annually beginning in FY2026 to support essential services within General Fund for years to come.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need any additional financial information, please access the City's Internet website at www.SantaBarbaraCa.gov/Finance/Budget-Reports. You may also contact the City's Finance Department at PO Box 1990, Santa Barbara, California, 93102, (805) 564-5528, or email the Accounting Division, at Accounting@SantaBarbaraCA.gov.

BASIC FINANCIAL STATEMENTS



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**CITY OF SANTA BARBARA
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Pooled Cash and Investments	\$ 176,095,210	\$ 210,439,025	\$ 386,534,235
Receivables:			
Accounts, Net	4,103,048	37,501,957	41,605,005
Loans	71,872,337	-	71,872,337
Interest	2,321,630	-	2,321,630
Leases	196,921	7,956,210	8,153,131
Due from Other Governments	33,792,588	-	33,792,588
Prepaid Assets and Deposits	2,574,150	5,511,638	8,085,788
Inventory	-	101,374	101,374
Internal Balances	7,639,075	(7,639,075)	-
Total Current Assets	<u>298,594,959</u>	<u>253,871,129</u>	<u>552,466,088</u>
Noncurrent Assets:			
Receivables:			
Loans	-	2,864,317	2,864,317
Leases	4,105,814	24,221,163	28,326,977
Restricted:			
Cash and Investments with Fiscal Agents	-	4,258,558	4,258,558
Capital Assets:			
Not Being Depreciated/Amortized	273,715,554	81,660,022	355,375,576
Being Depreciated/Amortized, Net	283,506,482	509,321,709	792,828,191
Total Noncurrent Assets	<u>561,327,850</u>	<u>622,325,769</u>	<u>1,183,653,619</u>
Total Assets	859,922,809	876,196,898	1,736,119,707
DEFERRED OUTFLOWS OF RESOURCES			
Pension-Related items	107,945,274	20,757,020	128,702,294
OPEB-Related items	13,507,659	-	13,507,659
Deferred Charge on Refunding	-	879,965	879,965
Total Deferred Outflows of Resources	<u>121,452,933</u>	<u>21,636,985</u>	<u>143,089,918</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024**

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 18,902,383	\$ 20,887,461	\$ 39,789,844
Salaries and Benefits Payable	5,268,232	1,904,722	7,172,954
Interest Payable	-	973,660	973,660
Unearned Revenue	4,504,371	1,038,465	5,542,836
Deposits	612,169	3,019,755	3,631,924
Due to Other Governments	13,497,274	-	13,497,274
Lease Payable	341,552	64,539	406,091
Subscription Payable	961,839	350,296	1,312,135
Compensated Absences	9,263,084	3,145,731	12,408,815
Claims Liabilities	4,600,000	-	4,600,000
Net Pension Liability	26,232	-	26,232
Total OPEB Liability	2,028,722	-	2,028,722
Long-Term Debt	543,217	13,344,829	13,888,046
Total Current Liabilities	<u>60,549,075</u>	<u>44,729,458</u>	<u>105,278,533</u>
Noncurrent Liabilities:			
Unearned Revenue	-	2,864,317	2,864,317
Lease Payable	2,164,835	976,015	3,140,850
Subscription Payable	889,814	639,924	1,529,738
Net Pension Liability	349,984,328	67,311,901	417,296,229
Total OPEB Liability	41,505,975	-	41,505,975
Compensated Absences	1,029,229	349,524	1,378,753
Claims Liability	16,880,155	-	16,880,155
Long-Term Debt	2,201,166	135,670,015	137,871,181
Total Noncurrent Liabilities	<u>414,655,502</u>	<u>207,811,696</u>	<u>622,467,198</u>
Total Liabilities	475,204,577	252,541,154	727,745,731
DEFERRED INFLOWS OF RESOURCES			
Lease Related	4,030,765	29,942,046	33,972,811
Pension Related	4,941,235	101,453	5,042,688
OPEB Related	22,255,212	-	22,255,212
Total Deferred Inflows of Resources	<u>31,227,212</u>	<u>30,043,499</u>	<u>61,270,711</u>
NET POSITION			
Net Investment in Capital Assets	541,873,371	434,138,394	976,011,765
Restricted for:			
Administration	1,677,986	-	1,677,986
Public Safety Projects	1,487,106	-	1,487,106
Public Works	31,258,534	-	31,258,534
Community Services	6,884,202	-	6,884,202
Community Development	6,728,688	-	6,728,688
Capital Improvements	4,488,612	-	4,488,612
Debt Service Reserve	-	4,258,558	4,258,558
Airport Improvements	-	5,049,859	5,049,859
Affordable Housing	68,008,654	-	68,008,654
Unrestricted	(187,463,200)	171,802,419	(15,660,781)
Total Net Position	<u>\$ 474,943,953</u>	<u>\$ 615,249,230</u>	<u>\$ 1,090,193,183</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
Administration	\$ 23,802,978	\$ 1,433,948	\$ 9,672,198	\$ -
Public Safety	100,519,862	6,423,845	2,407,282	-
Public Works	58,407,872	9,959,276	958,761	22,973,713
Community Services	34,779,431	7,864,055	4,430,062	-
Community Development	22,672,707	8,444,419	6,944,552	-
Sustainability and Resilience	971,544	-	-	-
Total Governmental Activities	241,154,394	34,125,543	24,412,855	22,973,713
BUSINESS-TYPE ACTIVITIES				
Water	58,758,913	69,513,858	2,140,095	-
Wastewater	27,454,056	28,722,374	520,696	-
Airport	35,795,315	32,012,161	5,991,085	3,333
Waterfront	18,286,665	19,581,770	-	12,012
Solid Waste	37,866,343	38,359,774	22,503	-
Downtown Parking	12,349,963	9,487,864	-	-
Golf Course	3,561,286	4,577,005	-	-
Clean Energy	33,475,365	54,136,729	-	-
Total Business-Type Activities	227,547,906	256,391,535	8,674,379	15,345
Total	\$ 468,702,300	\$ 290,517,078	\$ 33,087,234	\$ 22,989,058

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Net Revenue (Expense) and Changes in Net Position		
	Governmental	Business-Type	Total
	Activities	Activities	
GOVERNMENTAL ACTIVITIES			
Administration	\$ (12,696,832)	\$ -	\$ (12,696,832)
Public Safety	(91,688,735)	-	(91,688,735)
Public Works	(24,516,122)	-	(24,516,122)
Community Services	(22,485,314)	-	(22,485,314)
Community Development	(7,283,736)	-	(7,283,736)
Sustainability and Resilience	(971,544)	-	(971,544)
Total Governmental Activities	(159,642,283)	-	(159,642,283)
BUSINESS-TYPE ACTIVITIES			
Water	-	12,895,040	12,895,040
Wastewater	-	1,789,014	1,789,014
Airport	-	2,211,264	2,211,264
Waterfront	-	1,307,117	1,307,117
Solid Waste	-	515,934	515,934
Downtown Parking	-	(2,862,099)	(2,862,099)
Golf Course	-	1,015,719	1,015,719
Clean Energy	-	20,661,364	20,661,364
Total Business-Type Activities	-	37,533,353	37,533,353
Total	(159,642,283)	37,533,353	(122,108,930)
GENERAL REVENUES AND TRANSFERS			
Taxes:			
Property Taxes (Net of Pass-Through Payments)	48,672,111	-	48,672,111
Transient Occupancy	32,260,782	-	32,260,782
Sales and Use	60,579,007	-	60,579,007
Business License	4,250,122	-	4,250,122
Utility Users	16,330,483	-	16,330,483
Cannabis	1,311,001	-	1,311,001
Real Property Transfer Tax	837,750	-	837,750
Other Taxes	15,051	-	15,051
Franchise Fees	6,078,814	-	6,078,814
Unrestricted Motor Vehicle License-in-Lieu	108,052	-	108,052
Investment Income	8,377,480	10,819,159	19,196,639
Other Revenue	922,299	188,823	1,111,122
Transfers	445,242	(445,242)	-
Total General Revenues and Transfers	180,188,194	10,562,740	190,750,934
CHANGES IN NET POSITION	20,545,911	48,096,093	68,642,004
Net Position - Beginning of Year	454,398,042	567,153,137	1,021,551,179
NET POSITION - END OF YEAR	<u>\$ 474,943,953</u>	<u>\$ 615,249,230</u>	<u>\$ 1,090,193,183</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General Fund	Special Revenue	Capital Projects		Other Governmental Funds	Total Governmental Funds
		Fund	Funds	Funds		
		Affordable Housing	Measure C Capital	Street Grant Capital		
ASSETS						
Pooled Cash and Investments	\$ 27,746,723	\$ 9,671,756	\$ 47,398,110	\$ -	\$ 48,819,097	\$ 133,635,686
Receivables:						
Accounts, Net	3,162,475	-	-	-	790,863	3,953,338
Loans	5,645	58,369,418	-	-	13,497,274	71,872,337
Interest	2,321,630	-	-	-	-	2,321,630
Leases	3,969,424	-	-	-	333,311	4,302,735
Due from Other Governments	14,868,027	-	-	12,839,144	6,085,417	33,792,588
Prepays Assets and Deposits	111,504	-	-	-	-	111,504
Interfund Receivables	8,228,563	-	-	-	-	8,228,563
Advances to Other Funds	2,131,691	-	-	-	-	2,131,691
Total Assets	\$ 62,545,682	\$ 68,041,174	\$ 47,398,110	\$ 12,839,144	\$ 69,525,962	\$ 260,350,072
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 3,393,099	\$ 4,395	\$ 7,625,904	\$ 3,399,225	\$ 3,632,835	\$ 18,055,458
Salaries and Benefits Payable	4,117,876	28,125	-	-	459,841	4,605,842
Unearned Revenue	3,476,570	-	-	-	1,027,801	4,504,371
Deposits	349,911	-	-	-	262,258	612,169
Due to Other Governments	-	-	-	-	13,497,274	13,497,274
Interfund Payables	-	-	-	4,053,791	4,174,772	8,228,563
Advances from Other Funds	-	-	884,634	-	-	884,634
Total Liabilities	11,337,456	32,520	8,510,538	7,453,016	23,054,781	50,388,311
DEFERRED INFLOWS OF RESOURCES						
Leases	3,717,172	-	-	-	313,593	4,030,765
Unavailable Revenue	351,572	-	-	12,477,332	1,629,340	14,458,244
Total Deferred Inflows of Resources	4,068,744	-	-	12,477,332	1,942,933	18,489,009
FUND BALANCES (DEFICITS)						
Nonspendable	2,248,840	-	-	-	-	2,248,840
Restricted	4,211,414	68,008,654	-	-	35,484,006	107,704,074
Committed	45,430,890	-	38,887,572	-	12,110,990	96,429,452
Unassigned	(4,751,662)	-	-	(7,091,204)	(3,066,748)	(14,909,614)
Total Fund Balances (Deficits)	47,139,482	68,008,654	38,887,572	(7,091,204)	44,528,248	191,472,752
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 62,545,682	\$ 68,041,174	\$ 47,398,110	\$ 12,839,144	\$ 69,525,962	\$ 260,350,072

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2024**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Fund Balances for Governmental Funds \$ 191,472,752

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements. This amount does not include \$20,884,750 of internal service funds net capital assets.

Capital Assets Not Being Depreciated/Amortized	\$ 273,121,422	
Capital Assets Being Depreciated/Amortized	455,709,618	
Accumulated Depreciation	<u>(192,493,754)</u>	536,337,286

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at June 30, 2024 are:

Compensated Absences	(9,495,725)
Lease Obligations	(1,938,499)
Subscription Obligations	(546,664)

Pension-related debt applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position as the changes in these amounts affect only the government-wide statements for governmental activities.

Deferred Outflows of Resources - Pension Related	102,204,048	
Deferred Inflows of Resources - Pension Related	(4,913,175)	
Total Pension Liability	(93,232)	
Net Pension Liability	<u>(330,609,591)</u>	(233,411,950)

Internal Service funds are used by management to charge the costs of certain activities involved in rendering services to departments within the City. The assets and liabilities of the internal service funds are included in governmental in the statement of net position.

(21,931,491)

Receivables that are measurable but not available are recorded as deferred inflows of resources under the modified accrual basis of accounting.

14,458,244

Net Position of Governmental Activities as Reported on the Statement of Net Position

\$ 474,943,953

**CITY OF SANTA BARBARA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024**

	General Fund	Special Revenue	Capital Projects		Other Governmental Funds	Total Governmental Funds
		Fund	Funds			
		Affordable Housing	Measure C Capital	Street Grant Capital		
REVENUES						
Taxes	\$ 150,978,022	\$ -	\$ -	\$ -	\$ 18,405,911	\$ 169,383,933
Franchise Fees	6,078,814	-	-	-	-	6,078,814
Intergovernmental	4,441,456	-	-	9,247,493	12,747,604	26,436,553
Charges for Services	30,166,625	-	-	-	423,507	30,590,132
Use of Money and Property	5,062,763	1,688,969	-	-	1,111,370	7,863,102
Fines and Forfeitures	2,393,594	-	-	-	539,013	2,932,607
Other	10,933,138	-	-	-	3,939,315	14,872,453
Total Revenues	210,054,412	1,688,969	-	9,247,493	37,166,720	258,157,594
EXPENDITURES						
Current:						
Mayor and City Council	3,366,038	-	-	-	-	3,366,038
City Attorney	4,625,666	-	-	-	200,555	4,826,221
City Administration	3,928,057	-	-	-	-	3,928,057
Human Resources	2,849,018	-	-	-	-	2,849,018
Finance	7,261,921	-	-	-	162,980	7,424,901
Public Safety	90,193,110	-	-	-	1,474,988	91,668,098
Public Works	11,490,638	-	-	-	17,377,809	28,868,447
Community Services	30,743,694	-	-	-	1,901,199	32,644,893
Community Development	14,831,746	1,491,894	-	-	3,962,200	20,285,840
Sustainability and Resilience	167,067	-	-	-	723,828	890,895
Capital Outlay	840,600	-	33,891,846	11,043,781	8,831,784	54,608,011
Debt Service:						
Principal Retirement	619,043	-	55,015	-	7,364	681,422
Interest and Fiscal Charges	57,203	-	7,985	-	37,787	102,975
Total Expenditures	170,973,801	1,491,894	33,954,846	11,043,781	34,680,494	252,144,816
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	39,080,611	197,075	(33,954,846)	(1,796,288)	2,486,226	6,012,778
OTHER FINANCING SOURCES (USES)						
Lease Obligation	-	-	499,137	-	-	499,137
Subscription Obligation	840,600	-	-	-	-	840,600
Transfers In	743,490	-	33,501,239	2,577,341	19,175,749	55,997,819
Transfers Out	(49,288,483)	(7,599)	(140,578)	-	(10,173,282)	(59,609,942)
Total Other Financing Sources (Uses)	(47,704,393)	(7,599)	33,859,798	2,577,341	9,002,467	(2,272,386)
NET CHANGE IN FUND BALANCE	(8,623,782)	189,476	(95,048)	781,053	11,488,693	3,740,392
Fund Balances (Deficit) - Beginning of Year, as Previously Presented	55,763,264	67,819,178	-	(7,872,257)	72,022,175	187,732,360
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	-	-	38,982,620	-	(38,982,620)	-
Fund Balances (Deficits) - Beginning of Year, as Restated	55,763,264	67,819,178	38,982,620	(7,872,257)	33,039,555	187,732,360
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 47,139,482</u>	<u>\$ 68,008,654</u>	<u>\$ 38,887,572</u>	<u>\$ (7,091,204)</u>	<u>\$ 44,528,248</u>	<u>\$ 191,472,752</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Total Governmental Funds \$ 3,740,392

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

Governmental funds report capital outlays as expenditures and do not include capital contributions. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation/amortization expense and capital contributions are recognized as revenue. This is the amount by which capital outlay exceeded depreciation expense in the current period and the amount of capital contributions received.

Capital Outlay	\$ 29,240,372	
Depreciation/Amortization Expense	<u>(10,010,778)</u>	19,229,594

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. These amounts are the net effect of these differences in the treatment of long-term debt and related items.

Lease Obligation		499,137
Subscription Obligation		833,737
Principal Paid		681,422

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

(547,116)

Pension expenditures reported in the governmental funds includes the annual required contributions. In the statement of activities, pension expense includes the change in the net pension liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources.

(12,352,936)

Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, the revenues are included on the accrual basis used in the government-wide statements. This amount represents the change during the fiscal year.

2,992,906

Internal service funds are used by management to charge costs of activities involved in rendering services to departments within the City. The changes in net position of the internal service funds are included in the statement of activities.

5,468,775

Change in Net Position of Governmental Activities as Reported in the Statement of Activities

\$ 20,545,911

**CITY OF SANTA BARBARA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024**

	Water	Wastewater	Airport	Waterfront	Solid Waste
ASSETS					
Current Assets:					
Pooled Cash and Investments	\$ 103,428,960	\$ 22,149,499	\$ 30,864,163	\$ 15,387,629	\$ 6,711,566
Accounts Receivable, Net	13,475,215	5,280,123	3,338,363	274,492	6,746,984
Prepaid Assets	4,251,221	-	-	-	-
Deposits	-	-	-	-	-
Leases Receivable	-	34,277	3,847,932	3,780,139	-
Inventories	-	-	-	-	-
Total Current Assets	121,155,396	27,463,899	38,050,458	19,442,260	13,458,550
Noncurrent Assets:					
Restricted:					
Cash and Investments with Fiscal Agent	3,666,450	1	2	592,105	-
Advances to Other Funds	-	-	-	-	-
Leases Receivable	-	312,600	14,591,370	8,732,114	-
Loans Receivable	2,864,317	-	-	-	-
Capital Assets:					
Nondepreciable/Amortizable	34,565,449	11,128,326	22,035,415	2,946,937	-
Depreciable/Amortizable, Net	224,319,425	97,661,596	138,022,593	23,617,663	867,295
Total Noncurrent Assets	265,415,641	109,102,523	174,649,380	35,888,819	867,295
Total Assets	386,571,037	136,566,422	212,699,838	55,331,079	14,325,845
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	194,689	38,208	487,454	159,614	-
Pension-Related Items	6,545,415	4,530,777	4,798,307	2,220,853	846,172
OPEB-Related items	-	-	-	-	-
Total Deferred Outflows of Resources	6,740,104	4,568,985	5,285,761	2,380,467	846,172
LIABILITIES					
Current Liabilities:					
Accounts Payable	6,830,735	1,187,981	4,626,370	352,628	3,113,760
Salaries and Benefits Payable	524,811	363,928	406,700	291,193	74,256
Interest Payable	55,433	270,697	300,370	347,160	-
Unearned Revenue	-	-	278,584	250,337	323,739
Deposits	943,086	258	1,317,797	707,299	-
Interfund Payable	-	-	-	-	-
Compensated Absences Payable	1,024,393	614,147	538,786	493,995	125,328
Lease Payable	-	-	-	16,069	10,942
Subscription Payable	182,462	13,230	154,604	-	-
Claims Payable	-	-	-	-	-
Total OPEB Liability, Due in One Year	-	-	-	-	-
Current Portion Long-Term Debt	7,736,471	2,785,132	1,250,000	1,573,226	-
Total Current Liabilities	17,297,391	5,235,373	8,873,211	4,031,907	3,648,025
Noncurrent Liabilities:					
Advances from Other Funds	-	-	-	-	-
Unearned Revenue	2,864,317	-	-	-	-
Net Pension Liability	20,513,287	13,812,534	13,638,956	8,878,455	2,259,381
Total Other Postemployment Benefit Liability	-	-	-	-	-
Compensated Absences Payable, Net of Current Portion	113,821	68,239	59,865	54,888	13,925
Lease Payable, Net of Current Portion	-	-	-	74,309	897,678
Subscription Payable, Net of Current Portion	331,867	-	299,727	8,330	-
Claims Payable, Net of Current Portion	-	-	-	-	-
Long-Term Debt, Net of Current Portion	68,057,534	31,877,799	26,310,980	9,423,702	-
Total Noncurrent Liabilities	91,880,826	45,758,572	40,309,528	18,439,684	3,170,984
Total Liabilities	109,178,217	50,993,945	49,182,739	22,471,591	6,819,009
DEFERRED INFLOWS OF RESOURCES					
Lease Related	-	329,281	17,405,822	11,398,229	-
Pension Related	31,991	22,145	23,453	10,855	4,135
OPEB Related	-	-	-	-	-
Total Deferred Inflows of Resources	31,991	351,426	17,429,275	11,409,084	4,135
NET POSITION					
Net Investment in Capital Assets	179,805,772	73,704,525	129,336,324	15,575,578	(41,325)
Restricted for Debt Service	3,666,450	1	2	592,105	-
Restricted for Airport Improvements	-	-	5,049,859	-	-
Unrestricted	100,628,711	16,085,510	16,987,400	7,663,188	8,390,198
Total Net Position	\$ 284,100,933	\$ 89,790,036	\$ 151,373,585	\$ 23,830,871	\$ 8,348,873

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2024**

	Clean Energy	Other Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current Assets:				
Pooled Cash and Investments	\$ 22,604,005	\$ 9,293,203	\$ 210,439,025	\$ 42,459,524
Accounts Receivable, Net	8,190,951	195,829	37,501,957	149,710
Prepaid Assets	1,035,417	-	5,286,638	2,462,646
Deposits	-	225,000	225,000	-
Leases Receivable	-	293,862	7,956,210	-
Inventories	-	101,374	101,374	-
Total Current Assets	<u>31,830,373</u>	<u>10,109,268</u>	<u>261,510,204</u>	<u>45,071,880</u>
Noncurrent Assets:				
Restricted:				
Cash and Investments with Fiscal Agent	-	-	4,258,558	-
Advances to Other Funds	-	-	-	884,634
Leases Receivable	-	585,079	24,221,163	-
Loans Receivable	-	-	2,864,317	-
Capital Assets:				
Nondepreciable/Amortizable	-	10,983,895	81,660,022	594,132
Depreciable/Amortizable, Net	-	24,833,137	509,321,709	20,290,618
Total Noncurrent Assets	<u>-</u>	<u>36,402,111</u>	<u>622,325,769</u>	<u>21,769,384</u>
Total Assets	<u>31,830,373</u>	<u>46,511,379</u>	<u>883,835,973</u>	<u>66,841,264</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	-	-	879,965	-
Pension-Related Items	235,307	1,580,189	20,757,020	5,741,226
OPEB-Related items	-	-	-	13,507,659
Total Deferred Outflows of Resources	<u>235,307</u>	<u>1,580,189</u>	<u>21,636,985</u>	<u>19,248,885</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	4,227,504	548,483	20,887,461	846,925
Salaries and Benefits Payable	30,149	213,685	1,904,722	662,390
Interest Payable	-	-	973,660	-
Unearned Revenue	-	185,805	1,038,465	-
Deposits	-	51,315	3,019,755	-
Interfund Payable	-	-	-	-
Compensated Absences Payable	48,917	300,165	3,145,731	716,931
Lease Payable	-	37,528	64,539	6,839
Subscription Payable	-	-	350,296	679,794
Claims Payable	-	-	-	4,600,000
Total OPEB Liability, Due in One Year	-	-	-	1,991,632
Current Portion Long-Term Debt	-	-	13,344,829	543,217
Total Current Liabilities	<u>4,306,570</u>	<u>1,336,981</u>	<u>44,729,458</u>	<u>10,047,728</u>
Noncurrent Liabilities:				
Advances from Other Funds	2,131,691	-	2,131,691	-
Unearned Revenue	-	-	2,864,317	-
Net Pension Liability	373,980	7,835,308	67,311,901	19,307,737
Total Other Postemployment Benefit Liability	-	-	-	41,543,065
Compensated Absences Payable, Net of Current Portion	5,435	33,351	349,524	79,657
Lease Payable, Net of Current Portion	-	4,028	976,015	561,049
Subscription Payable, Net of Current Portion	-	-	639,924	625,195
Claims Payable, Net of Current Portion	-	-	-	16,880,155
Long-Term Debt, Net of Current Portion	-	-	135,670,015	2,201,166
Total Noncurrent Liabilities	<u>2,511,106</u>	<u>7,872,687</u>	<u>209,943,387</u>	<u>81,198,024</u>
Total Liabilities	<u>6,817,676</u>	<u>9,209,668</u>	<u>254,672,845</u>	<u>91,245,752</u>
DEFERRED INFLOWS OF RESOURCES				
Lease Related	-	808,714	29,942,046	-
Pension Related	1,150	7,724	101,453	28,060
OPEB Related	-	-	-	22,255,212
Total Deferred Inflows of Resources	<u>1,150</u>	<u>816,438</u>	<u>30,043,499</u>	<u>22,283,272</u>
NET POSITION				
Net Investment in Capital Assets	-	35,757,520	434,138,394	16,267,490
Restricted for Debt Service	-	-	4,258,558	-
Restricted for Airport Improvements	-	-	5,049,859	-
Unrestricted	25,246,854	2,307,942	177,309,803	(43,706,365)
Total Net Position	<u>\$ 25,246,854</u>	<u>\$ 38,065,462</u>	<u>620,756,614</u>	<u>\$ (27,438,875)</u>
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds			(7,532,572)	
Current year's adjustment to reflect the consolidation of internal service funds' activities related to the enterprise funds			<u>2,025,188</u>	
Net Position of Business-Type Activities			<u>\$ 615,249,230</u>	

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Water	Wastewater	Airport	Waterfront	Solid Waste
OPERATING REVENUES					
Sales	\$ 64,475,335	\$ 27,862,369	\$ -	\$ -	\$ 38,285,784
Service Charges	3,766,589	816,656	9,821,623	12,692,470	-
Other Revenues	1,271,934	2,186	197,740	801,340	68,070
Total Operating Revenues	<u>69,513,858</u>	<u>28,681,211</u>	<u>10,019,363</u>	<u>13,493,810</u>	<u>38,353,854</u>
OPERATING EXPENSES					
Salaries, Wages, and Benefits	14,843,497	9,997,409	11,604,098	8,360,655	1,927,104
Material, Supplies, and Services	33,191,729	11,696,366	16,417,747	7,915,425	36,066,411
Depreciation/Amortization	10,544,378	5,224,745	6,713,936	1,625,332	59,221
Total Operating Expenses	<u>58,579,604</u>	<u>26,918,520</u>	<u>34,735,781</u>	<u>17,901,412</u>	<u>38,052,736</u>
OPERATING INCOME (LOSS)	10,934,254	1,762,691	(24,716,418)	(4,407,602)	301,118
NONOPERATING REVENUES (EXPENSES)					
Interest Income	4,683,223	998,457	2,196,704	1,227,922	297,113
Intergovernmental Revenue	2,140,095	520,696	5,991,085	-	22,503
Leases and Rents	-	41,163	21,992,798	6,087,960	5,920
Other Income	-	-	188,823	-	-
Interest Expense	(612,745)	(732,453)	(1,294,420)	(529,097)	(43,185)
Total Nonoperating Revenues (Expenses)	<u>6,210,573</u>	<u>827,863</u>	<u>29,074,990</u>	<u>6,786,785</u>	<u>282,351</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	17,144,827	2,590,554	4,358,572	2,379,183	583,469
CONTRIBUTIONS					
Capital Contributions	-	-	3,333	12,012	-
Total Contributions	<u>-</u>	<u>-</u>	<u>3,333</u>	<u>12,012</u>	<u>-</u>
TRANSFERS					
Transfers In	-	-	-	-	6,506
Transfers Out	(380,439)	(86,943)	(604,914)	(129,635)	(112,404)
Total Transfers	<u>(380,439)</u>	<u>(86,943)</u>	<u>(604,914)</u>	<u>(129,635)</u>	<u>(105,898)</u>
CHANGES IN NET POSITION	16,764,388	2,503,611	3,756,991	2,261,560	477,571
Total Net Position (Deficit) - Beginning of Year	<u>267,336,545</u>	<u>87,286,425</u>	<u>147,616,594</u>	<u>21,569,311</u>	<u>7,871,302</u>
TOTAL NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 284,100,933</u>	<u>\$ 89,790,036</u>	<u>\$ 151,373,585</u>	<u>\$ 23,830,871</u>	<u>\$ 8,348,873</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Clean Energy	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Sales	\$ -	\$ -	\$ 130,623,488	\$ -
Service Charges	54,136,729	13,289,471	94,523,538	45,481,131
Other Revenues	-	128,191	2,469,461	2,106,433
Total Operating Revenues	<u>54,136,729</u>	<u>13,417,662</u>	<u>227,616,487</u>	<u>47,587,564</u>
OPERATING EXPENSES				
Salaries, Wages, and Benefits	461,504	5,879,658	53,073,925	16,242,003
Material, Supplies, and Services	33,013,861	8,712,336	147,013,875	25,407,954
Depreciation/Amortization	-	1,438,858	25,606,470	3,628,311
Total Operating Expenses	<u>33,475,365</u>	<u>16,030,852</u>	<u>225,694,270</u>	<u>45,278,268</u>
OPERATING INCOME (LOSS)	20,661,364	(2,613,190)	1,922,217	2,309,296
NONOPERATING REVENUES (EXPENSES)				
Interest Income	305,191	446,228	10,154,838	1,280,393
Intergovernmental Revenue	-	-	8,674,379	-
Leases and Rents	-	647,207	28,775,048	-
Other Income	-	-	188,823	-
Interest Expense	-	(2,603)	(3,214,503)	(153,091)
Total Nonoperating Revenues (Expenses)	<u>305,191</u>	<u>1,090,832</u>	<u>44,578,585</u>	<u>1,127,302</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	20,966,555	(1,522,358)	46,500,802	3,436,598
CONTRIBUTIONS				
Capital Contributions	-	-	15,345	-
Total Contributions	<u>-</u>	<u>-</u>	<u>15,345</u>	<u>-</u>
TRANSFERS				
Transfers In	-	902,899	909,405	4,235,305
Transfers Out	(5,418)	(34,894)	(1,354,647)	(177,940)
Total Transfers	<u>(5,418)</u>	<u>868,005</u>	<u>(445,242)</u>	<u>4,057,365</u>
CHANGES IN NET POSITION	20,961,137	(654,353)	46,070,905	7,493,963
Total Net Position (Deficit) - Beginning of Year	<u>4,285,717</u>	<u>38,719,815</u>	<u>574,685,709</u>	<u>(34,932,838)</u>
TOTAL NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 25,246,854</u>	<u>\$ 38,065,462</u>	<u>\$ 620,756,614</u>	<u>\$ (27,438,875)</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			\$ 2,025,188	
Change in Net Position - Enterprise Funds			<u>46,070,905</u>	
Change in Net Position of Business-Type Activities			<u>\$ 48,096,093</u>	

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Water	Wastewater	Airport	Waterfront	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 67,838,826	\$ 28,499,340	\$ 7,913,666	\$ 12,180,897	\$ 38,709,527
Payments to Suppliers for Goods or Services	(32,429,996)	(11,791,469)	(13,135,501)	(7,927,656)	(37,358,847)
Payments to Employees	(13,840,168)	(9,263,344)	(10,479,718)	(7,757,074)	(1,748,274)
Receipts from Others	1,271,934	2,186	197,740	801,340	68,070
Net Cash Provided (Used) by Operating Activities	22,840,596	7,446,713	(15,503,813)	(2,702,493)	(329,524)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash Transfers In	-	-	-	-	6,506
Cash Transfers Out	(380,439)	(86,943)	(604,914)	(129,635)	(112,404)
Advances from (to) Other Funds	-	-	-	-	-
Operating Grants Received	2,140,095	520,696	5,991,085	-	22,503
Net Cash Provided (Used) by Noncapital Financing Activities	1,759,656	433,753	5,386,171	(129,635)	(83,395)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Loan Proceeds	-	644,064	-	-	-
Acquisition of Capital Assets	(16,713,314)	(4,666,174)	(12,197,290)	(1,705,233)	-
Lease and Rental Income	-	41,163	21,992,798	6,087,960	5,920
Principal Paid on Capital Debt	(7,526,758)	(2,704,586)	(1,388,131)	(1,516,574)	-
Interest Paid	(768,136)	(847,984)	(1,308,930)	(519,093)	(43,185)
Net Cash Provided (Used) by Capital and Related Financing Activities	(25,008,208)	(7,533,517)	7,098,447	2,347,060	(37,265)
CASH FLOWS FROM INVESTING ACTIVITIES					
Loans Payments Received	422,125	-	-	-	-
Investment Income	4,683,223	998,457	2,196,704	1,227,922	297,113
Net Cash Provided (Used) by Investing Activities	5,105,348	998,457	2,196,704	1,227,922	297,113
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,697,392	1,345,406	(822,491)	742,854	(153,071)
Cash and Cash Equivalents - Beginning of Year	102,398,018	20,804,094	31,686,656	15,236,880	6,864,637
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 107,095,410</u>	<u>\$ 22,149,500</u>	<u>\$ 30,864,165</u>	<u>\$ 15,979,734</u>	<u>\$ 6,711,566</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Current Assets:					
Pooled Cash and Investments	\$ 103,428,960	\$ 22,149,499	\$ 30,864,163	\$ 15,387,629	\$ 6,711,566
Noncurrent Assets:					
Restricted:					
Cash and Investments with Fiscal Agent	3,666,450	1	2	592,105	-
Total Cash and Cash Equivalents	<u>\$ 107,095,410</u>	<u>\$ 22,149,500</u>	<u>\$ 30,864,165</u>	<u>\$ 15,979,734</u>	<u>\$ 6,711,566</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Clean Energy	Other Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 55,015,664	\$ 13,294,762	\$ 223,452,682	\$ 45,587,424
Payments to Suppliers for Goods or Services	(34,182,341)	(8,906,841)	(145,732,651)	(26,626,751)
Payments to Employees	(484,041)	(5,493,470)	(49,066,089)	(14,329,294)
Receipts from Others	-	128,191	2,469,461	2,106,433
Net Cash Provided (Used) by Operating Activities	20,349,282	(977,358)	31,123,403	6,737,812
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Transfers In	-	902,899	909,405	4,235,305
Cash Transfers Out	(5,418)	(34,894)	(1,354,647)	(177,940)
Advances from (to) Other Funds	34,695	-	34,695	(713,579)
Operating Grants Received	-	-	8,674,379	-
Net Cash Provided (Used) by Noncapital Financing Activities	29,277	868,005	8,263,832	3,343,786
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Loan Proceeds	-	-	644,064	-
Acquisition of Capital Assets	-	(403,906)	(35,685,917)	(3,205,274)
Lease and Rental Income	-	647,207	28,775,048	-
Principal Paid on Capital Debt	-	-	(13,136,049)	(530,629)
Interest Paid	-	(2,603)	(3,489,931)	(153,091)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	240,698	(22,892,785)	(3,888,994)
CASH FLOWS FROM INVESTING ACTIVITIES				
Loans Provided	-	-	422,125	-
Investment Income	305,191	446,228	10,154,838	1,280,393
Net Cash Provided (Used) by Investing Activities	305,191	446,228	10,576,963	1,280,393
NET CHANGE IN CASH AND CASH EQUIVALENTS	20,683,750	577,573	27,071,413	7,472,997
Cash and Cash Equivalents - Beginning of Year	1,920,255	8,715,630	187,626,170	34,986,527
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 22,604,005</u>	<u>\$ 9,293,203</u>	<u>\$ 214,697,583</u>	<u>\$ 42,459,524</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Current Assets:				
Pooled Cash and Investments	\$ 22,604,005	\$ 9,293,203	\$ 210,439,025	\$ 42,459,524
Noncurrent Assets:				
Restricted:				
Cash and Investments with Fiscal Agent	-	-	4,258,558	-
Total Cash and Cash Equivalents	<u>\$ 22,604,005</u>	<u>\$ 9,293,203</u>	<u>\$ 214,697,583</u>	<u>\$ 42,459,524</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Water	Wastewater	Airport	Waterfront	Solid Waste
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 10,934,254	\$ 1,762,691	\$ (24,716,418)	\$ (4,407,602)	\$ 301,118
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	10,544,378	5,224,745	6,713,936	1,625,332	59,221
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:					
Accounts Receivable	(278,185)	(173,740)	(1,374,873)	104,552	251,254
Lease Receivable	14,021	32,773	(1,601,343)	1,427,664	-
Prepays Assets and Deposits	(62,046)	-	-	-	-
Inventory	-	-	-	-	-
Deferred Outflows of Resources - Pension Related	328,721	254,921	567,058	426,610	37,283
Deferred Outflows of Resources - OPEB	-	-	-	-	-
Increase (Decrease) in Operating Liabilities and Deferred Inflows of Resources:					
Accounts Payable	993,287	(82,989)	3,179,922	(5,122)	(1,284,020)
Salaries and Benefits Payable	109,099	99,570	83,264	38,132	26,660
Deposits Payable	295,142	21	39,540	19,396	-
Lease Payable	-	-	-	(15,439)	(8,416)
Subscriptions Payable	(169,508)	(12,114)	102,324	8,330	-
Unearned Revenue	(422,125)	-	(183,504)	(83,434)	172,489
Compensated Absences Payable	28,726	8,292	83,936	(40,021)	45,439
Net Pension Liability	576,130	398,801	422,349	195,480	74,481
Total Other Postemployment Benefit Liability	-	-	-	-	-
Claims and Judgements	-	-	-	-	-
Deferred Inflows of Resources - Lease Related	(11,951)	(38,739)	1,212,223	(1,979,751)	-
Deferred Inflows of Resources - Pension Related	(39,347)	(27,519)	(32,227)	(16,620)	(5,033)
Deferred Inflows of Resources - OPEB Related	-	-	-	-	-
Total Adjustments	<u>11,906,342</u>	<u>5,684,022</u>	<u>9,212,605</u>	<u>1,705,109</u>	<u>(630,642)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 22,840,596</u>	<u>\$ 7,446,713</u>	<u>\$ (15,503,813)</u>	<u>\$ (2,702,493)</u>	<u>\$ (329,524)</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING AND INVESTING ACTIVITIES					
Capital Contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,333</u>	<u>\$ 12,012</u>	<u>\$ -</u>
Capital Assets in Accounts Payable	<u>\$ 2,171,416</u>	<u>\$ 333,299</u>	<u>\$ 2,939,005</u>	<u>\$ 53,000</u>	<u>\$ -</u>
Change in Fair Value	<u>\$ 1,838,410</u>	<u>\$ 391,725</u>	<u>\$ 552,096</u>	<u>\$ 273,578</u>	<u>\$ 119,176</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Clean Energy	Other Enterprise Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 20,661,364	\$ (2,613,190)	\$ 1,922,217	\$ 2,309,296
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	-	1,438,858	25,606,470	3,628,311
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:				
Accounts Receivable	899,995	(40,563)	(611,560)	106,293
Lease Receivable	-	508,759	381,874	-
Prepays Assets and Deposits	(456,857)	-	(518,903)	(492,893)
Inventory	-	29,899	29,899	-
Deferred Outflows of Resources - Pension Related	(114,854)	163,634	1,663,373	297,957
Deferred Outflows of Resources - OPEB	-	-	-	(2,248,883)
Increase (Decrease) in Operating Liabilities and Deferred Inflows of Resources:				
Accounts Payable	(711,623)	(152,780)	1,936,675	(617,668)
Salaries and Benefits Payable	24,276	45,426	426,427	194,175
Deposits Payable	-	25,399	379,498	-
Lease Payable	-	(71,624)	(95,479)	(5,259)
Subscriptions Payable	-	-	(70,968)	(447,132)
Unearned Revenue	(21,060)	13,917	(523,717)	-
Compensated Absences Payable	47,430	48,414	222,216	36,203
Net Pension Liability	20,711	139,088	1,827,040	505,344
Total Other Postemployment Benefit Liability	-	-	-	(3,996,605)
Claims and Judgements	-	-	-	344,155
Deferred Inflows of Resources - Lease Related	-	(502,221)	(1,320,439)	-
Deferred Inflows of Resources - Pension Related	(100)	(10,374)	(131,220)	(34,612)
Deferred Inflows of Resources - OPEB Related	-	-	-	7,159,130
Total Adjustments	<u>(312,082)</u>	<u>1,635,832</u>	<u>29,201,186</u>	<u>4,428,516</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 20,349,282</u>	<u>\$ (977,358)</u>	<u>\$ 31,123,403</u>	<u>\$ 6,737,812</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING AND INVESTING ACTIVITIES				
Capital Contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,345</u>	<u>\$ -</u>
Capital Assets in Accounts Payable	<u>\$ -</u>	<u>\$ 600</u>	<u>\$ 5,497,320</u>	<u>\$ -</u>
Change in Fair Value	<u>\$ -</u>	<u>\$ 164,410</u>	<u>\$ 3,339,395</u>	<u>\$ 569,273</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024**

	<u>Custodial Funds</u>
ASSETS	
Current Assets:	
Pooled Cash and Investments	\$ 587,681
Accounts Receivable, Net	62,760
Loans Receivable	<u>2,052,972</u>
Total Current Assets	<u>2,703,413</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,542
Due to the City Of Santa Barbara	<u>66,600</u>
Total Current Liabilities	<u>68,142</u>
NET POSITION	
Restricted for Others	<u>2,635,271</u>
Total Net Position	<u><u>\$ 2,635,271</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA BARBARA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024**

	<u>Custodial Funds</u>
ADDITIONS	
Investment Income:	
Interest	\$ 52,058
Charges for Service	147,625
Total Additions	<u>199,683</u>
DEDUCTIONS	
Administrative Expenses	219,182
Program Expenses	72,177
Total Deductions	<u>291,359</u>
CHANGE IN NET POSITION	(91,676)
Net Position - Beginning of Year	<u>2,726,947</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,635,271</u></u>

See accompanying Notes to Basic Financial Statements.



CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Santa Barbara, California (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The following summary of the City's more significant accounting policies is presented to assist the reader in interpreting the basic financial statements and other data in this report. These policies should be viewed as an integral part of the accompanying basic financial statements.

A. Description of the Financial Reporting Entity

The City's reporting entity includes the City (the primary government) and its component units. In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended. The basic, but not the only, criterion for including a potential component unit within the City's reporting entity is whether the City Council, as the City's governing body, has financial accountability for the potential component unit. The most significant manifestations of financial accountability include the ability of the Council to appoint a voting majority of the organization's governing body and the ability to impose its will on the organization; or that there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City may be deemed to be financially accountable if an organization is fiscally dependent on the City regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board. In addition to those organizations for which the City may be financially accountable, other organizations for which the City is not financially accountable, but for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete, may also be component units. Component units are presented on a "blended" basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Based upon the application of these criteria, the following is a brief review of the City and each component unit within the City's reporting entity.

CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Description of the Financial Reporting Entity (Continued)

City of Santa Barbara

The City of Santa Barbara (the primary government) was incorporated on August 26, 1850. The City is a charter city under the laws of the state of California and operates under a Council-Administrator form of government. The Council consists of six council members elected by district, and a mayor elected at-large. The City will institute its first even year election in November 2024, with three Councilmember seats to be elected in November 2024, and three Councilmember seats and the Mayoral seat to be elected in November 2026. The current City Charter was adopted on May 2, 1967 and provides for the following services: public safety (police and fire), construction and maintenance of highways and streets, sanitation, culture and recreation, public improvements, planning, zoning and general administration. Enterprise funds, operated in a manner similar to a private business, include water, wastewater, solid waste, airport, parking, golf, and waterfront.

Santa Barbara Public Financing Authority

The Santa Barbara Public Financing Authority was formed on April 1, 2002, by a joint powers agreement between the City of Santa Barbara and the Redevelopment Agency of the City of Santa Barbara. It was created to acquire and finance the acquisition of public capital improvements necessary or convenient for the operation of the City or Agency. The Santa Barbara Public Financing Authority did not have any activity during the fiscal year and is considered a blended component unit of the City. Separate financial statements are not prepared for the Authority.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 among program revenues are reported instead as *general revenues*.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Governmental Fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position (i.e., fund balances) as presented in these statements to the net position presented in the government-wide financial statements.

Proprietary Fund financial statements include a statement of net position, a statement of revenues, expenses, and changes in fund net position, and a statement of cash flows for each proprietary fund and nonmajor funds aggregated. A column representing internal service funds is also presented in these statements. However, a portion of the internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

The following are the major governmental funds of the City:

General Fund

This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Affordable Housing Special Revenue Fund

This fund accounts for affordable housing financial activity of the City. This includes monitoring low and moderate income housing covenants and accounting for payments on outstanding housing loans. Revenues are derived from principal and interest payments made by loan recipients.

Measure C Capital Project Fund

This fund accounts for capital projects financed by Measure C sales tax revenue.

Street Grant Capital Project Fund

This fund accounts for street-related capital projects financed by various grants.

The following are the major proprietary funds of the City:

Water Fund

This fund accounts for the provisions of water services to the residents of the City and some residents of the County.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Wastewater Fund

This fund accounts for the provision of sewer services to the residents of the City and some residents of the County.

Airport Fund

This fund accounts for the operation of the municipal airport and the administration of leases of airport property.

Waterfront Fund

This fund accounts for the operation of the City managed waterfront that includes a public wharf, a small craft harbor, and parking facilities.

Solid Waste Fund

This fund accounts for refuse revenues received from customers, payments remitted to the trash hauler, and franchise and recycling fees paid by hauler that are used for recycling programs in the City.

Clean Energy Fund

This fund accounts for the cost to procure clean and renewable electricity on behalf of the Santa Barbara Community.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds

This fund accounts for the proceeds of specific revenue sources (other than special assessments or major capital projects), that are restricted to expenditures for special purposes.

Capital Projects Funds

This fund accounts for financial resources to be used for the acquisition or construction of major facilities other than those financed by Proprietary Funds.

Proprietary Funds

Internal Service Funds

This fund accounts for (1) a maintenance facility for fleet and motor pool equipment used by all City departments, (2) intra-city service building maintenance operations, (3) information systems and computer support services, (4) self-insurance operations of workers' compensation, unemployment, and general liability insurance coverage, (5) postemployment health insurance and other benefits for City employees at retirement, and (6) energy management coordination for all City operations.

CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Fiduciary Funds

Custodial Funds

This fund is used to account for resources held by the City in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. The custodial funds account for (1) moneys received from agencies for low- and moderate-income applicant's rehabilitation housing loans, and (2) moneys received from agencies for the California Law Enforcement Tracking System (CLETS).

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus and the accrual basis of accounting*, as is the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the granting agency have been met.

Governmental funds are reported using the *current financial resources measurement focus and the modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant funds and sales taxes earned but not received by the end of the fiscal period are recorded as a receivable, and revenue is recognized if collected within 90 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary, private-purpose trust funds, and custodial funds are reported using the *economic resources measurement focus and the accrual basis of accounting*.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. New Accounting Pronouncements

GASB Statement No. 100, Accounting Changes and Error Corrections – An Amendment to GASB Statement No. 62 defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. The Statement prescribes the accounting and financial reporting for each type of accounting change and for error corrections. See Note 19 for further information on how the implementation of GASB Statement No. 100 had on the City's financial statements.

E. Interfund Activities

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column. In the statement of activities, internal services funds transactions have been eliminated. However, transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated: "due to and from other funds", "advances to and from other funds", and "transfers in and out".

F. Definition of Operating and Nonoperating Revenues and Expenses

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. The principal operating revenues of the water, wastewater, solid waste, clean energy, parking, golf, airport and waterfront enterprise funds, and the City's internal service funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue service charges, leases and rents, and other revenue. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

G. Flow Assumption for Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy for all fund types to use restricted resources first, and then unrestricted resources as they are needed.

CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Property Tax Calendar

In 1978, a State constitutional amendment (Article XIII A) provided that the ad valorem real property tax rate be limited to 1% of market value and be levied only by the county and shared with all other jurisdictions. The County of Santa Barbara collects the property taxes and distributes them to taxing jurisdictions on the basis of the taxing jurisdictions' assessed valuations, subject to adjustments for voter approved debt.

Property taxes are formally due on November 1 and February 1 and become delinquent as of December 10 and April 10, respectively. Taxes become a lien on the property effective March 1 of the preceding year.

The City is a participant of the County's Teeter plan, which means the City would receive the full amount of tax due regardless of the amount actually collected. The County would assume the risk associated with collecting all existing and future past due property tax balances.

I. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with original maturities of three months or less from the date of acquisition. With respect to cash and investments with fiscal agents, all investments have an original maturity of less than three months and are considered to be cash equivalents.

The City's proprietary fund participates in the pooling of City-wide cash and investments. Amounts held in the City pool are available to the fund on demand and are considered to be cash and cash equivalents for statement of cash flow purposes. Investments not held in the City pool that are short-term investments with original maturities of three months or less from the date of acquisition are considered cash and cash equivalents.

J. Investment Policies

Effective July 1, 1997, the City adopted the provisions of GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and External Investments Pools*, as amended by GASB 72, which requires that governmental entities, including governmental external investment pools, report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred.

The fair value of pooled investments is determined annually and is based on current market prices received from the City's securities custodian. The Local Agency Investment Fund (LAIF) is required to invest in accordance with state statutes.

CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Investment Policies (Continued)

The City has developed a formal investment policy that is more restrictive than the state of California Government Code. The policy is adopted annually by the City Council.

K. Receivables and Payables

Interfund transactions are reflected as either: loans, services, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the *governmental activities* and the *business-type activities* are reported in the government-wide financial statements as “internal balances.”

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 between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Loans receivable in the governmental funds include the Affordable Housing Fund, Community Development Block Grant loans, Home Investment Partnership loans, Water fund loans, and Employee Mortgages.

All accounts receivables are shown net of an allowance for uncollectible amounts, including water, wastewater, airport waterfront, solid waste, golf, and parking. The allowance is estimated based on historical collections.

L. Inventories and Prepaid Assets

Inventories are stated at cost (first-in, first-out basis) and lower of average cost or market for proprietary funds. Governmental fund inventories are recorded as expenditures when consumed rather than when purchased. Proprietary fund inventories consist primarily of materials and supplies held for consumption. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide and fund financial statements.

CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Capital Assets

Capital assets which include land, buildings, improvements to buildings, improvements other than buildings, equipment, construction in progress, and infrastructure (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide basic financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of one year and an initial individual cost of \$25,000 or more for equipment and other improvements, \$100,000 or more for building improvements and infrastructure, and all buildings, regardless of cost. Such assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in results of operations. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets (except land, works of art, and construction in progress) of the primary government are depreciated using the straight-line method using the estimated useful lives listed below.

Buildings	40 to 50 Years
Building Improvements	40 to 50 Years
Improvements Other Than Buildings	25 to 50 Years
Equipment	5 to 20 Years
Infrastructure (Except for the Maintained Pavement Subsystem)	10 to 100 Years

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Subscription-Based Information Technology Arrangements (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Capital Assets (Continued)

The City has networks of infrastructure assets such as roads, water and wastewater treatment plants, drainage systems, and sidewalks. The streets pavement subsystem of the road network is reported using the modified approach. The City has established a pavement condition assessment process. Approximately one-third of the entire subsystem is assessed on a rotating basis every two years so that the entire street network is inspected every six years. Each road segment is inspected and the Pavement Condition Index (PCI) value from zero to one hundred (0-100) is calculated for each road segment. PCI's of 71 to 100 are considered "Good/Excellent," PCI's from 51 to 70 are considered "At Risk," PCI's from 25 to 50 are considered "Poor," and PCI's from 0 to 24 are considered "Very Poor/Failed." Accordingly, depreciation is not reported for this subsystem and all costs, except for betterments and major improvements made to the subsystem, are expensed rather than capitalized.

N. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63 and GASB Statement No. 65, the City recognizes deferred outflows and inflows of resources. A deferred outflow of resources represents a consumption of net assets that applies to future periods. A deferred inflow of resources represents an acquisition of net assets that applies to future periods. Refer to Note 10 and Note 4 for a detailed listing of the deferred outflows and deferred inflows of resources the City has recognized.

O. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. For fire safety employees the value of the sick pay benefit is converted to additional years of service for purposes of calculating retirement benefits provided by the Public Employees Retirement System (PERS) and the employee is, therefore, compensated through an increased retirement benefit. All other employees upon retirement and with a minimum of 500 hours of accumulated sick pay benefits may elect to have an annuity or the cash value of an annuity for the value of those accumulated hours, calculated based on comparable actuarial assumptions used by PERS.

Governmental funds recognize the cost of vacation and sick pay benefits when payments are made to employees. The City has determined that 90% of the liability for compensated absences in both the governmental activities and the business-type activities at June 30, 2024, is deemed current and expected to be paid within the next 12 months with current financial resources.

The compensated absences for governmental funds will generally be liquidated through the general fund. The balances in the proprietary funds will generally be liquidated through the individual funds.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, and gains and losses on refunding, are deferred and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The proceeds of long-term debt issued are reported as “other financing sources.” Bonds payable are reported net of the applicable bond premium or discount and gains and losses on refunding. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Premiums received on debt issuances are reported as “other financing sources” while discounts are reported as “other financing uses.”

Q. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office and are in accordance with the implementation of GASB Statement No. 68. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS’s website under Forms and Publications.

R. Other Postemployment Benefits

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the City’s plan, have been determined by an independent actuary in accordance with GASB Statement No. 75.

S. Restricted Assets

The City has funds held by trustees or fiscal agents pledged to the payment or security of bonds and certificates of participation and are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The California Government Code provides that these funds, in absence of specific statutory provisions governing the issuance of bonds or certificates, may be invested in accordance with the ordinance, resolutions, or indentures specifying the types of investments the trustees or fiscal agents may make.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Allocated Costs Policy

Expenses reported for functional activities include allocated indirect expenses pursuant to a cost allocation plan.

U. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 DEPOSITS AND INVESTMENTS

Cash and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 386,534,235
Cash and Investments with Fiscal Agents	4,258,558
Fiduciary Funds:	
Cash and Investments	587,681
Total Cash and Investments	<u>\$ 391,380,474</u>
Cash on Hand	\$ 48,305
Demand Deposit Accounts with Financial Institutions	71,401,248
Investments	319,930,921
Total Cash and Investments	<u>\$ 391,380,474</u>

All of the City's deposits, except certain cash balances held by fiscal agents, are entirely insured or collateralized.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

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

The table below identifies the investment types that are authorized for the City 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 trustees/fiscal agents 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percent of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
U.S. Agency Securities	5 Years	None	None
State of California/Local Agency Obligations	5 Years	None	None
Banker's Acceptances	180 Days	40%	10%
Commercial Paper	270 Days	40%	10%
Negotiable Certificates of Deposit	5 Years	15%	3%
Repurchase Agreements	1 Year	None	None
Reverse Repurchase Agreements	92 Days	20%	None
Medium-Term Notes	5 Years	30%	5%
Supranational Obligations	5 Years	30%	None
Public Bank Obligations	5 Years	None	None
U.S. Government Money Market Funds	N/A	20%	10%
Bank/Time Deposits/Non-Negotiable CDs	5 Years	None	None
Placement Deposit Services	5 Years	30%	None
State Investment Pool (LAIF)	N/A	\$75 million*	N/A

* Excluding amounts held by trustees/fiscal agents that are not subject to California Government Code restrictions.

Investments Authorized by Debt Agreements

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

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments Authorized by Debt Agreements (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percent of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 Days	None	None
Commercial Paper	270 Days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 Years	None	None
State Investment Pool (LAIF)	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity its fair value will be to changes in market interest rates. In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the weighted average maturity of the overall investment portfolio to 2½ years. In addition, the City employs a "buy and hold" investment strategy whereby investments are held to maturity at which time the investment is redeemed at par. This strategy limits the City's exposure to declines in fair value to unforeseen emergencies when the need for cash beyond that which is planned and anticipated may arise.

Portfolio diversification is also employed as a way to control risk, including those associated with market changes or issuer default. To control market price risks, volatile investments are avoided, and to control risks of illiquidity, a minimum of 10% of the total portfolio is held in highly marketable U.S. Treasury Bills and Notes and/or the State of California Local Agency Investment Fund (LAIF) and/or Money Market Funds and/or securities maturing within 90 days.

<u>Authorized Investment Type</u>	<u>Fair Value</u>	<u>Weighted-Average Maturity</u>
U.S. Treasury Notes	\$ 69,369,009	.5 Years
U.S. Agency Securities	148,069,770	.8 Years
Corporate Medium Term Notes	6,742,930	.0 Years
Supranational Obligations	14,419,600	.1 Years
State Investment Pool (LAIF)	74,723,703	N/A
Held by Trustees/Fiscal Agents:		
Money Market Fund	3,248,964	N/A
Investment Contracts	1,009,525	N/A
Section 115 PARS	2,347,420	N/A
Total	<u>\$ 319,930,921</u>	

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy 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.

United States Treasury Notes, United States Government – Sponsored Agency securities, corporate medium-term notes, and negotiable certificates of deposit are classified in Level 2 of the fair value hierarchy and are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

<u>Investment Type</u>	<u>June 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury Notes	\$ 69,369,009	\$ -	\$ 69,369,009	\$ -
U.S. Agency Securities	148,069,770	-	148,069,770	-
Corporate Medium-Term Notes	6,742,930	-	6,742,930	-
Supranational Obligations	14,419,600	-	14,419,600	-
Total Investments at Fair Value	238,601,309	<u>\$ -</u>	<u>\$ 238,601,309</u>	<u>\$ -</u>
Investments at Amortized Cost:				
Held by Trustees/Fiscal Agents:				
Money Market Funds	3,248,964			
Investment Contracts	1,009,525			
Section 115 PARS	2,347,420			
Subtotal	6,605,909			
Investments not Subject to Hierarchy:				
State Investment Pool (LAIF)	74,723,703			
Total Investments	<u>\$ 319,930,921</u>			

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

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

Investment Type	Fair Value of Investment	Min. Legal Rating	Not Required To be Rated	Rating as of Year-End				
				AAA/Aaa	AA+	AA	A+	Unrated
U.S. Treasury Notes	\$ 69,369,009	N/A	\$ 69,369,009	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Agency Securities	148,069,770	N/A	-	148,069,770	-	-	-	-
Corporate Medium-Term Notes	6,742,930	A	-	-	4,787,330	-	1,955,600	-
Supranational Obligations	14,419,600	N/A	-	14,419,600	-	-	-	-
Local Agency Investment Pool (LAIF)	74,723,703	N/A	-	-	-	-	-	74,723,703
Held by Trustees/Fiscal Agents:								
Money Market	3,248,964	N/A	-	-	-	-	-	3,248,964
Investment Contracts	1,009,525	N/A	1,009,525	-	-	-	-	-
Section 115 PARS	2,347,420	N/A	2,347,420	-	-	-	-	-
Total	<u>\$ 319,930,921</u>		<u>\$ 72,725,954</u>	<u>\$ 162,489,370</u>	<u>\$ 4,787,330</u>	<u>\$ -</u>	<u>\$ 1,955,600</u>	<u>\$ 77,972,667</u>

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. Investments in any one issuer that represent 5% or more of total City's investments are as follows:

Issuer	Investment Type	Reported Amount	Percent
U.S. Treasury Note	Government Sponsored	\$ 69,369,010	21.7 %
Federal Home Loan Bank	Government Sponsored	56,385,250	17.6
Federal Farm Credit Bank	Government Sponsored	47,571,420	14.9
Federal Home Loan Mortgage Corp.	Government Sponsored	30,556,190	9.6

Disclosure Risk Relating to Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by 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 market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Disclosure Risk Relating to Custodial Credit Risk (Continued)

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of June 30, 2024, the deposits were collateralized in accordance with Section 53652 of the California Government Code by the pledging financial institution in the City's name.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 3 UNEARNED REVENUE

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, the government-wide statement of net position, as well as governmental and proprietary funds, defers revenue recognition in connection with resources that have been received as of year-end, but not yet earned. Assets recognized in connection with a transaction before the earnings process is complete are offset by a corresponding liability for unearned revenue.

At June 30, 2024, the various components of unearned revenue reported are as follows:

	Unearned
Governmental Funds:	
General Fund:	
Advance on American Rescue Plan Act Funding	\$ 1,110,483
Prepaid Parks and Recreation Fees	2,366,087
Subtotal	3,476,570
Other Governmental Funds:	
Miscellaneous Grants Fund:	
Advance on Library Grant Funding	325,887
Advance on Police Grant Funding	366,302
FEMA Reimbursement Fund:	
Advance on FEMA Grant Funding	335,612
Subtotal	1,027,801
Total Governmental Funds	\$ 4,504,371

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 UNEARNED REVENUE (CONTINUED)

	Unearned
Business-Type Activities:	
Water Fund:	
Joint Venture Agreement	\$ 2,864,317
Waterfront Fund:	
Prepaid Slipholder Revenue	250,337
Solid Waste Fund:	
Advance on State Grant Funding	323,739
Airport Fund:	
Prepaid Rent Revenue	278,584
Golf Course Fund:	
Golf Gift Cards and Credit Vouchers	185,805
Total Business-Type Activities	\$ 3,902,782

NOTE 4 DEFERRED OUTFLOWS 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 recognized deferred outflows of resources in the entity-wide and proprietary fund statements. This item represents a consumption of net assets that applies to future periods. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Deferred outflows of resources balances as reported on the statement of net position for the year ended June 30, 2024, were as follows:

	Balance June 30, 2024
Governmental Activities:	
Deferred Pension-Related Items	\$ 107,945,274
Deferred OPEB-Related Items	13,507,659
Total	\$ 121,452,933
Business-Type Activities:	
Deferred Loss on Refunding:	
2013 Water Certificates of Participation	\$ 194,689
2014 Waterfront Refunding Revenue Bonds	159,614
2016 Wastewater Revenue Refunding Bonds	38,208
2019 Airport Revenue Refunding Bonds	487,454
Deferred Pension-Related Items	20,757,020
Total	\$ 21,636,985

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 DEFERRED OUTFLOWS OF RESOURCES (CONTINUED)

Gains and losses related to changes in net pension liability and total OPEB liability are recognized systematically over time. Amounts are first recognized in pension and OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pension or OPEB and are to be recognized in future pension and OPEB expense. The recognition period differs based on the source of the gain or loss. For the net difference between the projected and actual earnings on plan investments it is five years. All other amounts are recognized over the expected average remaining service lifetime.

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTE 5 CAPITAL ASSETS

Governmental Activities

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Transfers/ Remeasurements/ Reclassifications	Decreases	Ending Balance
Governmental Activities:					
Nondeprecating/Amortizing Capital Assets:					
Construction in Progress	\$ 38,118,139	\$ 29,266,203	\$ (6,397,118)	\$ (292,105)	\$ 60,695,119
Art and Historical Treasures	1,758,893	-	-	-	1,758,893
Land	51,160,364	-	-	-	51,160,364
Streets	160,101,178	-	-	-	160,101,178
Total Nondeprecating/Amortizing Capital Assets	251,138,574	29,266,203	(6,397,118)	(292,105)	273,715,554
Depreciating/Amortizing Capital Assets:					
Buildings	30,569,592	-	-	-	30,569,592
Building Improvements	52,818,538	306,516	176,534	-	53,301,588
Improvements Other than Buildings	86,470,923	269,544	1,821,023	-	88,561,490
Equipment	53,163,485	2,015,665	6,142	(656,697)	54,528,595
Infrastructure	265,800,015	1,526,967	4,353,699	-	271,680,681
Right-to-Use Assets - Subscriptions	2,870,574	1,349,218	-	-	4,219,792
Right-to-Use Assets - Leases Buildings	2,997,700	676,248	-	(614,101)	3,059,847
Subtotal	494,690,827	6,144,158	6,357,398	(1,270,798)	505,921,585
Less: Accumulated Depreciation/Amortization for:					
Buildings	17,402,799	525,542	-	-	17,928,341
Building Improvements	11,721,429	1,196,789	-	-	12,918,218
Improvements Other than Buildings	34,726,769	2,707,465	-	-	37,434,234
Equipment	38,999,421	2,746,458	(39,720)	(656,697)	41,049,462
Infrastructure	105,553,403	4,734,001	-	-	110,287,404
Right-to-Use Assets - Subscriptions	888,659	1,225,255	-	-	2,113,914
Right-to-Use Assets - Leases Buildings	794,052	503,579	-	(614,101)	683,530
Subtotal	210,086,532	13,639,089	(39,720)	(1,270,798)	222,415,103
Total Capital Assets Being Depreciated/Amortization, Net	284,604,295	(7,494,931)	6,397,118	-	283,506,482
Governmental Activities Capital Assets, Net	<u>\$ 535,742,869</u>	<u>\$ 21,771,272</u>	<u>\$ -</u>	<u>\$ (292,105)</u>	<u>\$ 557,222,036</u>

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Governmental Activities (Continued)

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Governmental Activities:	
Administration	\$ 4,493,282
Public Safety	634,685
Public Works	6,066,329
Community Services	1,605,954
Community Development	838,839
Total Depreciation Expense - Governmental Activities	<u>\$ 13,639,089</u>

Business-Type Activities

	Beginning Balance	Increases	Transfers/ Reclassifications	Decreases	Ending Balance
Business-Type Activities:					
Nondeprecating/Amortizing Capital Assets:					
Land	\$ 24,944,374	\$ -	\$ -	\$ -	\$ 24,944,374
Construction in Progress	40,017,055	22,879,236	(6,180,643)	-	56,715,648
Total Nondeprecating/Amortizing Capital Assets	64,961,429	22,879,236	(6,180,643)	-	81,660,022
Depreciating/Amortizing Capital Assets:					
Buildings	136,167,323	-	-	-	136,167,323
Building Improvements	13,633,364	-	465,560	-	14,098,924
Improvements Other Than Buildings	466,771,643	934,232	4,409,016	-	472,114,891
Equipment	62,080,019	869,684	1,306,067	-	64,255,770
Underground Piping	238,265,990	10,656,847	-	-	248,922,837
Infrastructure	193,683,396	-	-	-	193,683,396
Right-to-Use Assets - Subscriptions	1,365,195	361,262	-	-	1,726,457
Right-to-Use Assets - Leases Buildings	1,279,213	-	-	-	1,279,213
Subtotal	1,113,246,143	12,822,025	6,180,643	-	1,132,248,811
Less: Accumulated Depreciation/Amortization for:					
Buildings	54,327,062	2,282,034	-	-	56,609,096
Building Improvements	6,185,320	312,616	-	-	6,497,936
Improvements Other Than Buildings	294,238,921	9,772,689	-	-	304,011,610
Equipment	51,395,673	2,238,382	-	-	53,634,055
Underground Piping	153,142,789	5,837,653	-	-	158,980,442
Infrastructure	37,552,823	4,655,018	-	-	42,207,841
Right-to-Use Assets - Subscriptions	300,439	384,691	-	-	685,130
Right-to-Use Assets - Leases Buildings	177,605	123,387	-	-	300,992
Subtotal	597,320,632	25,606,470	-	-	622,927,102
Total Capital Assets Being Depreciated/Amortized, Net	515,925,511	(12,784,445)	6,180,643	-	509,321,709
Business-Type Activities Capital Assets, Net	<u>\$ 580,886,940</u>	<u>\$ 10,094,791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 590,981,731</u>

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Business-Type Activities (Continued)

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-Type Activities:	
Water	\$ 10,544,378
Wastewater	5,224,745
Airport	6,713,936
Waterfront	1,625,332
Solid Waste	59,221
Downtown Parking	1,187,605
Golf	<u>251,253</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 25,606,470</u></u>

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2024, is as follows:

The interfund balances at June 30, 2024, are generally short-term loans to cover temporary cash deficits in various funds.

<u>Receivable Fund</u>	<u>Due to/from Other Funds Payable Fund</u>	<u>Amount</u>
General Fund	Street Grant Capital Projects Fund	\$ 4,053,791
General Fund	Other Governmental Funds	<u>4,174,772</u>
	Total	<u><u>\$ 8,228,563</u></u>
	 <u>Advances to/from Other Funds</u>	
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Clean Energy Enterprise Fund	\$ 2,131,691
Internal Service Fund	Measure C Capital Fund	<u>884,634</u>
	Total	<u><u>\$ 3,016,325</u></u>

The General Fund advanced money to the Clean Energy Enterprise Fund. This advance, totaling \$2,131,691 at June 30, 2024, was for the purpose of financing the start-up costs for the Santa Barbara Clean Energy program. The advance bears interest at the rate of 1.65%. Repayments on this advance started in fiscal year 2023 and are to be repaid annually over a five-year period.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

The Internal Service Fund (Vehicle Capital Fund) advanced money to the Other Governmental Funds (Measure C Capital Projects Fund). This advance, totaling \$1,600,005 at June 30, 2024, was for the purpose of financing the Cabrillo Pavilion project. The advance bears interest at 2% and has payments due annually.

A summary of interfund transfers during the year follows:

Transfers Out	Transfers In							Total
	General Fund	Measure C Capital Fund	Street Grant Capital Fund	Other Governmental Funds	Solid Waste Enterprise Fund	Other Enterprise Funds	Internal Service	
Governmental Funds:								
General Fund	\$ -	\$ 33,501,239	\$ -	\$ 11,776,939	\$ -	\$ 902,899	\$ 3,107,406	\$ 49,288,483
Affordable Housing	122	-	-	-	-	-	7,477	7,599
Measure C Capital	-	-	-	140,578	-	-	-	140,578
Other Govt Funds	401,582	-	2,577,341	6,947,698	-	-	246,661	10,173,282
Enterprise Funds:								
Water	2,484	-	-	250,668	-	-	127,287	380,439
Wastewater	1,617	-	-	-	-	-	85,326	86,943
Airport	280,176	-	-	-	-	-	324,738	604,914
Waterfront	2,096	-	-	59,866	-	-	67,673	129,635
Solid Waste	50,383	-	-	-	-	-	62,021	112,404
Clean Energy	-	-	-	-	-	-	5,418	5,418
Other Enterprise Funds	3,084	-	-	-	-	-	31,810	34,894
Internal Service Funds	1,946	-	-	-	6,506	-	169,488	177,940
Total Transfers	\$ 743,490	\$ 33,501,239	\$ 2,577,341	\$ 19,175,749	\$ 6,506	\$ 902,899	\$ 4,235,305	\$ 61,142,529

The most significant interfund transfers related to the following:

1. Transfers from the General Fund to Other Governmental Funds totaled \$40.8 million. We processed transfers from General Fund for \$33.5 million to Measure C capital Fund for various projects throughout the city such as but not limited to: roadway, sidewalk and access ramp improvements, business corridor improvements, and design work for the development of the new Police Station. Two other significant transfers for \$3.6 million and \$1.4 million relate to CIP and February 2024 storm respectively. This last one will most likely be recovered by reimbursement to the General Fund through FEMA or CalOES.
2. Transfer from General Fund to Other Enterprise Funds total \$900K. It is primarily dominated by \$200K to Rental Housing Outreach, \$265.5K for the Downtown Ambassador program and \$303.8K for the Downtown Marketing Contract.
3. Transfer from General Fund to Internal Service Fund for \$1.4 million is a combination of seven transactions averaging \$116K each to cover items such as Network structure, Accela improvements. An accounting adjustment, \$598.3K to Fire truck lease, took place at the end of fiscal year 2024 to realign appropriately the lease schedules.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

4. Transfers between Other Governmental Funds totaled \$11.8 million and were primarily comprised of the following capital outlay transfers:
- a. \$1.4 million from Measure A Fund to Measure A capitalization Fund for maintenance of streets.
 - b. \$2.1million from Streets Fund to Streets Capital Fund.
 - c. \$2.7 million from the Creeks Fund to Creeks Capital Fund.
 - d. \$5.7million broken down in three transactions; \$2.9 million transfer out to Affordable Housing Trust (resolution 22-059), \$1.7million transfer to OPEB Fund, and \$1.1 million reclass to General Fund. Non-Dept. from Measure A.

NOTE 7 LONG-TERM DEBT

The City has issued debt in the business-type activities to provide funds for the acquisition and construction of major capital facilities. The types of debt include (1) Revenue Bonds where the City pledges income derived from a business-type activity to pay debt service, (2) certificates of participation that pledge general government revenue to pay base rent payments to the Santa Barbara Public Financing Authority for real property and improvements owned by the City, and (3) loans from other governmental agencies. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the totals for governmental activities. The claims liability item is generally liquidated by the self-insurance internal service fund (see Note 12).

Long-term liability activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due in One Year	Amount Due In More Than One Year
Governmental Activities:						
Other Long-Term Liabilities:						
Compensated Absences	\$ 9,708,995	\$ 10,525,911	\$ 9,942,593	\$ 10,292,313	\$ 9,263,084	\$ 1,029,229
Financing Agreement	3,275,011	-	530,628	2,744,383	543,217	2,201,166
Lease Payable	2,262,239	499,137	254,989	2,506,387	341,552	2,164,835
Subscription Payable	1,889,878	1,607,899	1,646,124	1,851,653	961,839	889,814
Claims Liability	21,136,000	5,122,110	4,777,955	21,480,155	4,600,000	16,880,155
Governmental Activity: Long-Term Liabilities	38,272,123	17,755,057	17,152,289	38,874,891	15,709,692	23,165,199
Business-Type Activities:						
Direct Borrowings:						
Loans	114,794,604	644,064	8,170,947	107,267,721	8,136,108	99,131,613
Other Debt:						
Revenue Bonds	35,247,759	-	3,100,104	32,147,655	3,248,721	28,898,934
Certificates of Participation	7,305,000	-	1,865,000	5,440,000	1,960,000	3,480,000
Unamortized Debt Premium	4,724,299	-	538,738	4,185,561	-	4,185,561
Unamortized Debt Discount	(34,793)	-	(8,700)	(26,093)	-	(26,093)
Subtotal	162,036,869	644,064	13,666,089	149,014,844	13,344,829	135,670,015
Other Long-Term Liabilities:						
Lease Payable	1,136,033	-	95,479	1,040,554	64,539	976,015
Subscription Payable	1,061,188	323,097	394,065	990,220	350,296	639,924
Compensated Absences	3,273,039	3,574,005	3,351,789	3,495,255	3,145,731	349,524
Subtotal	5,470,260	3,897,102	3,841,333	5,526,029	3,560,566	1,965,463
Business-Type Activity: Long-Term Liabilities	167,507,129	4,541,166	17,507,422	154,540,873	16,905,395	137,635,478
Total Debt Activity	<u>\$ 205,779,252</u>	<u>\$ 22,296,223</u>	<u>\$ 34,659,711</u>	<u>\$ 193,415,764</u>	<u>\$ 32,615,087</u>	<u>\$ 160,800,677</u>

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 LONG-TERM DEBT (CONTINUED)

Governmental Activities

On December 17, 2021, the City entered into a financing agreement for fire equipment for \$3,888,745 at a rate of 1.2977% and matures in June of 2029.

The annual requirements to amortize all long-term debt outstanding as of June 30, 2024, are as follows:

<u>Year Ending June 30,</u>	Governmental Activities		
	Principal	Interest	Total
2025	\$ 543,217	\$ 63,156	\$ 606,373
2026	556,139	50,232	606,371
2027	569,404	36,966	606,370
2028	583,024	23,347	606,371
2029	492,599	9,365	501,964
Total	<u>\$ 2,744,383</u>	<u>\$ 183,066</u>	<u>\$ 2,927,449</u>

Business-Type Activities

A description of long-term obligations outstanding at June 30, 2024 by category follows:

<u>Description</u>	<u>Amount</u>
Revenue Bonds:	
<u>Wastewater Fund</u>	
\$10,580,000 - 2016 Sewer Revenue Refunding Bonds. Bonds were issued to provide funds in order to refund the outstanding 2004A Sewer Revenue Bonds which were used to finance the acquisition of certain capital improvements to the Wastewater system. Remaining annual principal installments range from \$845,000 to \$1,120,000 through May 15, 2028. Interest rates range from 4.0% to 5.0%, payable semi-annually.	\$ 4,190,000
<u>Waterfront Fund</u>	
\$12,334,392 - Waterfront Refunding Revenue Bonds, Series 2014. Bonds were issued to provide funds in order to refund the outstanding City of Santa Barbara Waterfront Revenue Refunding Certificates of Participation, Series 2002 which were used to finance capital improvements at the waterfront. Remaining annual principal installments range from \$345,000 to \$1,092,700 through October 1, 2027. The interest rate is 3.53%.	3,527,655

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

Description (Continued)	Amount
Revenue Bonds (Continued):	
<u>Airport Fund</u>	
<p>\$29,825,000 - 2019 Airport Revenue Refunding Bonds. Bonds were issued to provide funds in order to refund the outstanding 2009 Airport Revenue Bonds which were used to finance the construction a new passenger terminal building and related parking and roadway improvements at the Santa Barbara Municipal Airport. Annual principal installments range from \$1,075,000 to \$2,345,000 through April 1, 2038. Interest rates range from 4.0% to 5.0%, payable semi-annually.</p>	\$ 24,430,000
Total Revenue Bonds	32,147,655
Certificates of Participation:	
<u>Water Fund</u>	
<p>\$22,680,000 - 2013 Refunding Water Certificates of Participation. Certificates issued to provide funds to refund the outstanding City of Santa Barbara 2002 Certificates, which were used to finance capital improvements to the water distribution system. Certificates were also used to refund a California Department of Health Services Safe Drinking Water State Revolving Fund loan, which was used to finance construction of a project that enabled the City to meet safe drinking water standards. Remaining annual principal installments range from \$1,425,000 to \$2,055,000 through October 1, 2026. Interest rates range from 3.0% to 5.0%, payable semi-annually.</p>	5,440,000
Total Certificates of Participation	5,440,000
Loans Payable:	
<u>Water Fund</u>	
<p>\$17,900,849 - California Department of Health Services Safe Drinking Water State Revolving Fund Loan. Funds used to assist in financing construction of a project which will enable the City to meet safe drinking water standards. Due in semi-annual payments of \$572,123. Interest is 2.5132% per annum. The final payment is due July 1, 2025.</p>	1,123,034
<p>\$26,614,040 California Department of Health Services Safe Drinking Water State Revolving Fund Loan. Funds used to assist in financing construction of a project which will enable the City to meet safe drinking water standards. Due in semi-annual payments of \$849,840. Interest is 2.5017% per annum. The final payment is due July 1, 2035.</p>	16,256,418

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

<u>Description (Continued)</u>	<u>Amount</u>
Loans Payable (Continued):	
<u>Water Fund</u>	
\$80,000,000 California State Water Resources Control Board Loan. Funds used to assist in financing the desalination plant reactivation project. Due in semi-annual payments of \$2,104,805. Interest is 1.663% per annum. The final payment is due July 1, 2038.	\$ 52,383,248
<u>Wastewater Fund</u>	
\$1,636,487 - California State Water Resources Control Board Loan. Funds used to assist in financing a biofuel conversion project to increase energy generated at the El Estero Wastewater Treatment Plant. Due in 20 annual payments of \$98,161. Interest is 1.8% per annum. The final payment is due December 31, 2036.	1,128,795
\$5,200,000 - California State Water Resources Control Board Loan. Funds used to assist in financing the replacement design, modifications to the washer compactor area, replacement of water compactor units, and a study of the electrical generators use for new mechanical screens and conveyance. Due in 20 annual payments of \$341,981. Interest is 2.6% per annum. The final payment is due July 31, 2033.	2,977,632
\$31,388,033 - California State Water Resources Control Loan. Funds used to assist in financing the upgrade to the aeration system and improve the secondary treatment process at the El Estero Wastewater Treatment Plant. Due in 20 annual payments of \$1,953,145. The final payment is due March 1, 2039. Interest is 1.9% per annum.	25,285,257
\$9,351,381 - California State Water Resources Control Board Loan. Funds used to assist in financing the upgrade to the Braemer Lift Station Rehabilitation Project. For the current year the City requested drawdowns of \$644,064. Principal and interest will not be due until one year from the completion of the project expected on December 31, 2025. Annual payments begin on December 2026 for 20 years at an interest rate of 1.75%. Remaining amount to be drawn down is \$8,707,317. The final payment is due December 31, 2045. An amortization schedule is not yet available for the amounts drawn to date.	644,064

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

<u>Description (Continued)</u>	<u>Amount</u>
Loans Payable (Continued):	
<u>Waterfront Fund</u>	
\$14,501,000 - State Department of Boating and Waterways	
Loan. Funds used to finance capital improvements at the marina. Interest is 4.5% per annum. Due in annual payments of \$889,263. The final payment is due August 1, 2037.	
	<u>\$ 7,469,273</u>
Total Loans Payable	<u>107,267,721</u>
Total Business-Type Activities	<u>\$ 144,855,376</u>

The annual requirements to amortize all long-term debt outstanding as of June 30, 2024, are as follows:

<u>Fiscal Year Funding</u>	<u>Business-Type Activities</u>				<u>Total</u>
	<u>Revenue Bonds</u>	<u>Principal Payments</u>		<u>Direct Borrowings Other Loans</u>	
		<u>Certificates of Participation</u>	<u>Other Loans</u>		
2025	\$ 3,248,721	\$ 1,960,000	\$ 8,136,108	\$ 13,344,829	
2026	3,396,259	2,055,000	7,164,094	12,615,353	
2027	3,542,675	1,425,000	7,317,845	12,285,520	
2028	2,905,000	-	7,475,352	10,380,352	
2029	1,515,000	-	7,636,060	9,151,060	
2030-2034	8,785,000	-	40,399,445	49,184,445	
2035-2039	8,755,000	-	29,138,817	37,893,817	
Total Principal	<u>\$ 32,147,655</u>	<u>\$ 5,440,000</u>	<u>\$ 107,267,721</u>	<u>\$ 144,855,376</u>	

<u>Fiscal Year Funding</u>	<u>Business-Type Activities</u>				<u>Total</u>
	<u>Revenue Bonds</u>	<u>Interest Payments</u>		<u>Direct Borrowings Other Loans</u>	
		<u>Certificates of Participation</u>	<u>Other Loans</u>		
2025	\$ 1,524,498	\$ 173,950	\$ 2,199,981	\$ 3,898,429	
2026	1,376,897	83,850	2,027,747	3,488,494	
2027	1,222,407	21,375	1,873,996	3,117,778	
2028	1,075,639	-	1,716,489	2,792,128	
2029	952,750	-	1,555,781	2,508,531	
2030-2034	3,014,750	-	5,522,444	8,537,194	
2035-2039	1,654,500	-	1,622,220	3,276,720	
Total Interest	<u>\$ 10,821,441</u>	<u>\$ 279,175</u>	<u>\$ 16,518,658</u>	<u>\$ 27,619,274</u>	
Total Debt	<u>\$ 42,969,096</u>	<u>\$ 5,719,175</u>	<u>\$ 123,786,379</u>	<u>\$ 172,474,650</u>	

CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

Revenue Bonds

Waterfront Refunding Revenue Bonds, Series 2014

On March 7, 2014, the City issued Waterfront Refunding Revenue Bonds, Series 2014 in the amount of \$12,334,392 to refund the 2002 Waterfront Certificates of Participation.

Sewer Revenue Refunding Bonds, Series 2016

On December 21, 2016, the City issued Sewer Revenue Refunding Bonds, Series 2016 in the amount of \$10,580,000 to refund the 2004 Sewer Revenue Bonds.

This debt issue is subject to a reserve requirement in conjunction with nonsubordinate (parity) debt issued by the City. The City is in compliance with the revenue rate covenant requiring net revenues of the wastewater system to be at least equal to 1.20 times the amount necessary to pay principal and interest on the bonds and all other parity bonds.

Airport Refunding Revenue Bonds, Series 2019

On April 1, 2019, the Santa Barbara Financing Authority (Authority) issued Refunding Revenue Bonds, Series 2019 in the amount of \$29,825,000 to refund the 2009 Airport Revenue bonds.

The City and Authority entered into a Facility Lease agreement whereby the City pledges to make the necessary annual appropriations and make base rental payments equal to the annual debt service requirements. The remaining annual payments range between \$2,460,500 to \$2,472,750. The final payment is due April 1, 2038.

Certificates of Participation

Water Revenue Refunding Certificates of Participation, Series 2013

On May 22, 2013, the City issued Water Revenue Refunding Certificates of Participation, Series 2013 in the amount of \$22,680,000 to refund the 2003 California Department of Health Services Safe Drinking Water Loan and Water Revenue Certificates of Participation, Series 2002.

This debt issue is subject to a reserve requirement in conjunction with nonsubordinate (parity) debt issued by the City. The City is in compliance with the revenue rate covenant requiring net revenues of the water system to be at least equal to 1.25 times the amount necessary to pay principal and interest on the bonds and all other parity bonds.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 CONTINGENCIES AND COMMITMENTS

Litigation and Claims

The City is presently involved in matters of litigation and claims that have arisen in the normal course of conducting City business. City management believes that, based upon consultation with the City Attorney, these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City.

Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. Grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the City.

Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to contracts not yet performed and purchase orders not yet filled (executory contracts; and open purchase orders). Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities but, rather, as restricted or committed governmental fund balance. As of June 30, 2024, total governmental fund encumbrance balances for the City are as follows:

General Fund	\$ 2,775,641
Measure C Capital Fund	22,082,193
Street Grant Fund	16,614,599
Other Governmental Funds	18,620,840
Total Governmental Funds	<u>\$ 60,093,273</u>

NOTE 9 RETIREMENT COMMITMENTS

The following is a summary of pension related items for the year ended June 30, 2024:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability</u>	<u>Pension Expense</u>
Miscellaneous	\$ 62,463,114	\$ (305,297)	\$ 208,286,471	\$ 36,577,840
Safety Police	30,590,934	(1,685,391)	117,449,130	17,792,241
Safety Fire	35,622,014	(3,052,000)	91,493,628	10,900,041
Safety Retirement	26,232	-	93,232	19,609
Total	<u>\$ 128,702,294</u>	<u>\$ (5,042,688)</u>	<u>\$ 417,322,461</u>	<u>\$ 65,289,731</u>

Pension liabilities are liquidated from the related employees' home program, with the majority funded out of the General Fund.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

A. Public Employees' Retirement System (CalPERS)

1. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police) and Miscellaneous (all other) Plans, agent multiemployer defined benefit pension plans and the City's Safety (fire) Plan, a cost-sharing defined benefit plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by state statute and Local Government 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

CalPERS 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. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least five years of services. PEPRAs miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for nonduty disability benefits after five years of service.

The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related.

Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. Pursuant to PEPRA, the Miscellaneous and Safety (Police and Fire) "Classic" plans are closed to new entrants as of January 1, 2013.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

A. Public Employees' Retirement System (CalPERS) (Continued)

1. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

Hire Date	Miscellaneous Plan		Safety Police Plan		Safety Fire Plan	
	Prior to April 1 2012 (Tier 1)	After January 1 2013 (PEPRA)	Prior to April 1 2012 (Tier 1)	After January 1 2013 (PEPRA)	Prior to April 1 2013	After January 1 2013 (PEPRA)
Benefit Formula	2.7% at 55	2% at 62	3% at 50	2.7% at 57	3% at 50	2.7% at 57
Benefit Vesting Schedule		5 Years of Credited Service			5 Years of Credited Service	5 Years of Credited Service
Benefit Payments		Monthly for Life			Monthly for Life	Monthly for Life
Retirement Age	50 and up	52 and up	50 and up	50 and up	50 and up	50 and up
Monthly Benefits, as a Percent of Eligible Compensation	2.0% - 2.7%	1.0% - 2.5%	3.00%	2.0% - 2.7%	3.00%	2.0% - 2.7%
Required Employee Contribution Rates	7.53%	6.75%	10.42%	12.00%	8.99%	13.75%
Required Employer Contribution Rates						
Normal Cost Rate	12.370%	11.320%	23.550%	23.550%	29.090%	14.500%
Payment of Unfunded Liability	\$ 18,160,730	\$ -	\$ 7,720,186	\$ -	\$ 6,305,647	\$ -

Employees Covered

At the measurement date ended June 30, 2023, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety (Police)</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	1,212	286
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,057	83
Active Employees	791	121
Total	<u>3,060</u>	<u>490</u>

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

A. Public Employees' Retirement System (CalPERS) (Continued)

1. 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 are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS's annual actuarial valuation process. 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. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. The City made contributions to the Miscellaneous, Safety (police) and Safety (fire) during the fiscal year ended June 30, 2024, of \$27,706,627, \$11,701,880, and \$9,345,001, respectively.

2. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

A. Public Employees' Retirement System (CalPERS) (Continued)

2. Net Pension Liability (Continued)

Actuarial Assumptions (Continued)

	<u>Miscellaneous Plan</u>	<u>Safety Police Plan</u>	<u>Safety Fire Plan</u>
Valuation Date	June 30, 2022	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2023	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:			
Discount Rate	6.90%	6.90%	6.90%
Inflation	2.30%	2.30%	2.30%
Projected Salary Increase	(1)	(1)	(1)
Mortality Rate Table	(2)	(2)	(2)
Post-Retirement Benefit Increase	(3)	(3)	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

(3) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of 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 (geometric) 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

A. Public Employees' Retirement System (CalPERS) (Continued)

2. Net Pension Liability (Continued)

Long-Term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as follows:

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return (a) (b)</u>
Global Equity - Cap-weighted	30.00 %	4.54 %
Global Equity - Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	<u>100.00 %</u>	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change in Assumptions

None in fiscal year ended June 30, 2024.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

A. Public Employees' Retirement System (CalPERS) (Continued)

3. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan follows:

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2022 (Measurement Date)	\$ 719,054,167	\$ 516,265,720	\$ 202,788,447
Changes in the Year:			
Service Cost	12,549,353	-	12,549,353
Interest on the Total Pension Liability	49,212,492	-	49,212,492
Changes of Benefit Terms	718,430	-	718,430
Differences Between Actual and Expected Experience	6,986,493	-	6,986,493
Contribution - Employer	-	26,738,073	(26,738,073)
Contribution - Employee	-	5,451,316	(5,451,316)
Net Investment Income	-	32,158,993	(32,158,993)
Benefit Payments, Including Refunds of Employee Contributions	(39,618,535)	(39,618,535)	-
Administrative Expenses	-	(379,638)	379,638
Net Changes	<u>29,848,233</u>	<u>24,350,209</u>	<u>5,498,024</u>
Balance at June 30, 2023 (Measurement Date)	<u>\$ 748,902,400</u>	<u>\$ 540,615,929</u>	<u>\$ 208,286,471</u>
	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2022 (Measurement Date)	\$ 325,783,244	\$ 215,373,122	\$ 110,410,122
Changes in the Year:			
Service Cost	5,083,581	-	5,083,581
Interest on the Total Pension Liability	22,440,322	-	22,440,322
Changes of Benefit Terms	132,258	-	132,258
Differences Between Actual and Expected Experience	6,081,287	-	6,081,287
Contribution - Employer	-	11,557,330	(11,557,330)
Contribution - Employee	-	1,920,427	(1,920,427)
Net Investment Income	-	13,379,058	(13,379,058)
Benefit Payments, Including Refunds of Employee Contributions	(18,633,081)	(18,633,081)	-
Administrative Expenses	-	(158,375)	158,375
Net Changes	<u>15,104,367</u>	<u>8,065,359</u>	<u>7,039,008</u>
Balance at June 30, 2023 (Measurement Date)	<u>\$ 340,887,611</u>	<u>\$ 223,438,481</u>	<u>\$ 117,449,130</u>

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

A. Public Employees' Retirement System (CalPERS) (Continued)

3. Changes in the Net Pension Liability (Continued)

Proportionate Share of Net Pension Liability

As of June 30, 2024, the City reported net pension liabilities for its proportionate shares of the net pension liability for the Safety Fire Plan as follows:

	Proportionate Share of Net Pension Liability
	\$ 91,493,628
Safety Fire Plan	

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Safety Fire Plan as of June 30, 2022 and 2023, was as follows:

	Safety Fire
Proportion - June 30, 2022	1.26718 %
Proportion - June 30, 2023	1.22401
Change - Increase (Decrease)	(0.04317)%

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

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Plan Type	Discount Rate		
	1% Decrease (5.90%)	Current Rate (6.90%)	1% Increase (7.90%)
Miscellaneous	\$ 305,905,176	\$ 208,286,471	\$ 127,754,422
Safety Police	163,323,691	117,449,130	79,984,472
Safety Fire	123,368,597	91,493,628	65,433,573
Total	\$ 592,597,464	\$ 417,229,229	\$ 273,172,467

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

A. Public Employees' Retirement System (CalPERS) (Continued)

4. Pension Plan Fiduciary Net Position

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

5. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City of Santa Barbara Miscellaneous, Safety Police, and Safety Fire Plans recognized pension expense/(income) of \$36,577,840, \$17,792,241, and \$10,900,041 respectively. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 27,706,627	\$ -
Differences Between Actual and Expected Experience	4,577,357	(305,297)
Changes of Assumptions	5,954,088	-
Net Differences Between Projected and Actual Earnings on Plan Investments	24,225,042	-
Total	\$ 62,463,114	\$ (305,297)
	Safety Police Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 11,701,880	\$ -
Differences Between Actual and Expected Experience	4,114,550	(1,685,391)
Changes of Assumptions	4,680,950	-
Net Differences Between Projected and Actual Earnings on Plan Investments	10,093,554	-
Total	\$ 30,590,934	\$ (1,685,391)

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

A. Public Employees' Retirement System (CalPERS) (Continued)

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

	Safety Fire Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 9,345,001	\$ -
Differences Between Actual and Expected Experience	6,717,320	(575,074)
Changes of Assumptions	5,339,690	-
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	1,699,125	(2,476,926)
Net Differences Between Projected and Actual Earnings on Plan Investments	12,520,878	-
Total	\$ 35,622,014	\$ (3,052,000)

\$27,706,627 for Miscellaneous, \$11,701,880 for Safety Police, and \$9,345,001 for Safety Fire are reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Miscellaneous Plan Deferred Outflows/Inflows of Resources	Safety Police Plan Deferred Outflows/Inflows of Resources	Safety Fire Plan Deferred Outflows/Inflows of Resources
2025	\$ 12,285,239	\$ 6,139,274	\$ 7,058,989
2026	4,521,950	3,663,363	5,255,795
2027	17,011,595	7,141,386	10,560,748
2028	632,406	259,640	349,481
Total	\$ 34,451,190	\$ 17,203,663	\$ 23,225,013

6. Payable to the Pension Plan

At June 30, 2024, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

B. City Safety Retirement Pension Plan

1. General Information about the Pension Plan

Plan Description

In addition to the CalPERS, the City provides an additional single-employer defined benefit pension plan. The Safety Retirement Plan was established to account for the accumulation of resources to be used for retirement benefits for those police and fire employees hired between May 1937 and May 1965, and who were disabled due to job related injuries. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 68.

Benefits Provided and Employees Covered

As of June 30, 2023 measurement date, a total of five retirees (or beneficiaries) are receiving benefits from the Safety Retirement Pension Trust Fund.

2. Total Pension Liability

The total pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2023. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Measurement Date	June 30, 2023
Valuation Date	June 30, 2023
Discount Rate	3.65%
Salary Increases	Not Assumed

Mortality rates were based on CalPERS 2000-2019 Experience Study. Mortality improvement Scale MP-2021 applied on a generational basis.

Discount Rate

The discount rate used to measure the total pension liability was 3.65% based on bond buyer 20-Bond General Obligation Index as of June 30, 2023.

Change in Assumption

The discount rate changed from 3.54% to 3.65%.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

B. City Safety Retirement Pension Plan (Continued)

3. Changes in Total Pension Liability

The changes in the total pension liability are as follows:

	Total Pension Liability
Balance at June 30, 2022	\$ 99,855
Changes in the Year:	
Interest on Total Pension Liability	3,071
Differences Between Actual and Expected Experience	16,834
Changes in Assumptions	(296)
Benefit Payments	(26,232)
Net Changes	(6,623)
Balance at June 30, 2023	\$ 93,232

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the total pension liability of the Plan, calculated using the discount rate of 3.65%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate.

	1% Lower (2.65%)	Current Discount Rate (3.65%)	1% Higher (4.65%)
Safety Fire Plan			
Plan's Net Pension Liability/Assets	\$ 95,997	\$ 93,232	\$ 90,636

4. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense of \$19,609. As of June 30, 2024, for the Safety Retirement Plan, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Benefit Payments Made After the Measurement Date	\$ 26,232	\$ -
Total	\$ 26,232	\$ -

\$26,232 reported as deferred outflows of resources related to employer benefit payments made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

C. Deferred Compensation Plan

The City offers two deferred compensation plans for regular employees and one for hourly employees created in accordance with Internal Revenue Code (IRC) Section 457. Under the terms of these plans, employees may defer amounts of income up to a maximum of \$17,500 per year or 100% of includable compensation, whichever is less. Amounts so deferred may be withdrawn or directed for future payment at separation of employment but may not be paid to the employee during employment with the City except for a catastrophic circumstance creating an undue and unforeseen financial hardship for the employee.

Effective January 1, 1999, Federal legislation (Small Business Job Protection Act of 1996) requires the Section 457 plan assets to be placed in trust for the exclusive use of the plan participants and their beneficiaries. The City's deferred compensation administrator qualifies as the plan trustee to meet Federal requirements. Since the plan assets are no longer considered the property and rights of the City, such assets are no longer reflected in the accompanying basic financial statements.

NOTE 10 DEFERRED 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 recognized deferred inflows of resources in the entity-wide and proprietary fund statements. This item represents a consumption of net assets that applies to future periods. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized in the current period. Revenue must also be susceptible to accrual (i.e., measurable and available to finance expenditures of the current period). Governmental funds report revenues not considered available to liquidate liabilities of the current period as deferred inflows of resources.

Gains and losses related to changes in net pension liability and total OPEB liability are recognized systematically over time. Amounts are first recognized in pension or OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pension or OPEB and are recognized in future pension and OPEB expense. The recognition period differs based on the source of the gain or loss. For the net difference between the projected and actual earnings on plan investments it is five years. All other amounts are recognized over the expected average remaining service lifetime. Lease related inflows are amortized on a straight-line basis over the length of the lease agreement.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 DEFERRED INFLOWS OF RESOURCES (CONTINUED)

Deferred inflows of resources balances as reported on the statement of net position for the year ended June 30, 2024, were as follows:

Governmental Activities:	
Deferred Pension-Related Items	\$ 4,941,235
Deferred OPEB-Related Items	22,255,212
Deferred Lease-Related Items	4,030,765
Total	<u>\$ 31,227,212</u>
Business-Type Activities:	
Deferred Pension-Related Items	\$ 101,453
Deferred Lease-Related Items	29,942,046
Total	<u>\$ 30,043,499</u>

Deferred inflows of resources balances as reported on the Governmental Funds Balance Sheet for the year ended June 30, 2024, were as follows:

Governmental Fund Financials:	
Major Government Funds:	
General Fund - Lease Related Items	\$ 3,717,172
General Fund - Unavailable Fire Department Grant Revenue	1,274
General Fund - Unavailable CalRecycle Grant Revenue	19,917
General Fund - Unavailable Administrative Citation Revenue	330,381
Street Grant Capital Fund - Unavailable Grant Revenue	12,477,332
Total	<u>\$ 16,546,076</u>
Nonmajor Governmental Funds:	
Streets Fund - Lease Related Items	\$ 313,593
Misc. Grants Fund - Unavailable Grant Revenue	326,712
PLHA Fund - Unavailable Grant Revenue	652,689
FEMA Reimbursement Fund - Unavailable Grant Revenue	649,939
Total	<u>\$ 1,942,933</u>

CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 CLASSIFICATION OF NET POSITION

In the government-wide financial statements, net position are classified as the following:

- **Net investment in capital assets.** This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.
- **Restricted net position.** This category presents all external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position.** This category represents the net position of the City, which are not restricted for any project or other purpose.

In the Fund financial statements, governmental funds report the following fund balance classifications:

- **Nonspendable fund balance.** Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted fund balance.** Amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.
- **Committed fund balance.** Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, the City Council of the City of Santa Barbara. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution by the City Council of the City of Santa Barbara.
- **Assigned fund balance.** Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Administrator or Finance Director are authorized to assign amounts to a specific purpose as per the approved City Council Resolution No. 12-069.
- **Unassigned fund balance.** Residual amounts that have not been restricted, committed, or assigned to specific purposes.

The General Fund is the only fund that may report a positive unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned for those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 CLASSIFICATION OF NET POSITION (CONTINUED)

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted or unrestricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

The City's general fund reserve policy consists of a Disaster Reserve of 15% of the general fund's most recently adopted fiscal year operating budget and a Contingency Reserve of 10% of the general fund's most recently adopted fiscal year operating budget. The use of the Disaster Reserve is limited to federal, or state declared disasters and may only be used only after other available funds are exhausted, including the contingency reserve. The purpose of the Contingency reserve is to allow for the orderly implementation of a balancing strategy to address the fiscal impacts of unexpected events such as natural disasters, revenue impacts resulting from state actions or unfunded state mandates, unexpected loss of external funding from sources such as grants, unplanned loss of, or damage to, a City facility, mitigation of an emergency that poses a threat to public health and safety and adverse judicial actual that requires large cash payments to third parties.

The components of the City's fund balances at June 30, 2024, consist of the following:

	General Fund	Special Revenue	Capital Projects		Other Governmental Fund	Governmental Funds
		Fund	Funds			
		Affordable Housing	Measure C	Street Grant Capital		
Fund Balances:						
Nonspendable:						
Prepaid Assets and Deposits	\$ 111,504	\$ -	\$ -	\$ -	\$ -	\$ 111,504
Loans Receivable	5,645	-	-	-	-	5,645
Advances to Other Funds	2,131,691	-	-	-	-	2,131,691
Restricted for:						
Administration	1,677,986	-	-	-	-	1,677,986
Public Safety	266,934	-	-	-	887,713	1,154,647
Public Works	12,326	-	-	-	18,768,876	18,781,202
Community Services	-	-	-	-	6,864,285	6,864,285
Community Development	2,254,168	-	-	-	4,474,520	6,728,688
Capital Improvements	-	-	-	-	4,488,612	4,488,612
Affordable Housing	-	68,008,654	-	-	-	68,008,654
Committed for:						
Capital Improvements	-	-	38,887,572	-	12,110,990	50,998,562
Contingencies	18,172,356	-	-	-	-	18,172,356
Disaster Contingency	27,258,534	-	-	-	-	27,258,534
Unassigned	(4,751,662)	-	-	(7,091,204)	(3,066,748)	(14,909,614)
Total Fund Balances	\$47,139,482	\$ 68,008,654	\$38,887,572	\$ (7,091,204)	\$ 44,528,248	\$ 191,472,752

CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 SELF-INSURANCE FUND

The City is partially self-insured for workers' compensation, and general and automobile liability claims, and fully self-insured for unemployment claims. The City has been partially self-insured for workers' compensation since 1974, and partially self-insured for general and automobile liability since 1978. There have been no significant changes in insurance coverage as compared to last year and settlements have not exceeded coverage in any of the past three fiscal years.

The City's workers' compensation program maintains a self-insured retention of \$750,000. The City purchases an excess insurance policy that provides statutory coverage limits for any loss that exceeds the City's self-insured retention. The excess insurance coverage consists of a \$5 million pooled layer above the City's self-insured retention amount plus the use of commercial insurance above the pooled layer. Employers' liability coverage is also included within the limits of the \$5 million pooled layer.

The City's general and automobile liability program maintains a self-insured retention of \$1,000,000. Excess liability coverage is provided through a Joint Powers Agreement. The City joined the Authority of California Cities Excess Liability (ACCEL) in July 1986. ACCEL is a public entity risk sharing pool created for the purpose of pooling various public sector risks. ACCEL began its 38th year in July 2024 with membership totaling 13 cities. ACCEL was formed under the Joint Powers Agreement (JPA) provisions of State Law (Government Code Sections 990, 990.4, 990.8 and 65006515). In addition to the joint powers agreement, ACCEL is governed by bylaws, an investment policy, and a Memorandum of Coverage, adopted by the ACCEL members.

ACCEL now transfers most of its risk sharing exposures through the purchase of a series of commercial insurance policies underwritten by various carriers. ACCEL members have a \$1 million self-insured retention. ACCEL pools the next \$9 million of loss exposures, and commercial insurance carriers provide \$50 million in coverage above that level. Thus, the City's participation in ACCEL provides liability coverage of \$60 million.

A Memorandum of Coverage acts as the instrument by which member cities are protected against covered losses above the self-insured retention (SIR). This document also serves as the manuscript form for which the commercial carriers provide coverage. Coverage includes comprehensive general and automobile liability protecting against bodily injury, property damage, public officials' errors and omissions, personal injury, employment practices, as well as damages arising from owned, non-owned, and hired automobiles.

A Board of Directors (the Board) consisting of one representative from each member city governs ACCEL. The Board controls all aspects of ACCEL policy including budgeting, finance, underwriting, and claims. ACCEL conducts annual financial, claims, and payroll audits, and an annual actuarial study. A retrospective rating is performed each year on the program year ended five years earlier. The retrospective rating determines each member's share of losses and potential deposit return. ACCEL members share pooled losses above their self-insured retention.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 SELF-INSURANCE FUND (CONTINUED)

Losses are paid from a pool of funds comprised of the member deposits. Deposits are actuarially determined to ensure that funds are available to pay any losses within the pooled layer. ACCEL collects a deposit from every member City for each program year in which the member participates. Separate deposit accounts are set for each member for each year of participation. Deposits are invested into pre-approved vehicles and each member account is credited monthly with investment income at the rate earned by the investment vehicle. ACCEL adopted its investment policy in accordance with existing government code criteria.

Insurable property is covered for all risks by policies with a pooled aggregate limit of \$1 billion. Earthquake and flood coverage have designated limits of \$30 million per peril. Unique risks such as airport liability, marine hull protection and indemnity, and boiler and machinery are fully insured. The City also maintains a faithful performance bond, and cyber liability insurance. The City filed two separate claims under the property insurance policy and one claim under the pollution policy during FY2024. No other claims were filed during fiscal year 2024.

The City's self-insurance fund is financed through contributions made by the City's General and Enterprise Funds. A cost allocation plan is used to apportion self-insurance fund costs. An actuarial study is performed every two years. Actuarially determined liabilities in the fund include provisions for "incurred but not reported" claims. As of June 30, 2024, the estimated outstanding liabilities using the 75% confidence level are \$20,459,000 for workers' compensation and \$4,769,000 for general and automobile liability. These liabilities are based on an actuarial valuation as of June 30, 2024. There are no unpaid claims for which annuity contracts have been purchased.

The City is self-insured for unemployment claims. At June 30, 2024, the liability for unemployment claims was \$28,971, which is not included below. A summary of changes in claims liabilities is shown below:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Claims Liabilities - July 1	\$ 21,136,000	\$ 18,323,786	\$ 18,386,428
Incurred Claims	4,777,955	5,795,706	4,908,663
Actuarial Adjustment	344,155	2,812,214	(62,642)
Payments on Claims Attributable to Events of Current and Prior Years	<u>(4,777,955)</u>	<u>(5,795,706)</u>	<u>(4,908,663)</u>
Claims Liabilities - June 30	<u><u>\$ 21,480,155</u></u>	<u><u>\$ 21,136,000</u></u>	<u><u>\$ 18,323,786</u></u>

CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13 JOINT POWER AGREEMENTS

Central Coast Water Authority

In 1991, the City's electorate approved participation in the State Water Project (SWP). As a result, the City joined in the formation of the Central Coast Water Authority (CCWA) in September 1991. The purpose of the Central Coast Water Authority is to provide for the financing, construction, operation, and maintenance of certain local (non-state owned) facilities required to deliver water from the SWP to certain water purveyors and users in Santa Barbara County.

Each CCWA Member Agency, including the City of Santa Barbara, has entered into a Water Supply Agreement to provide for the development, financing, construction, operation, and maintenance of the CCWA Project. The purpose of the Water Supply Agreement is to assist in carrying out the purposes of CCWA with respect to the CCWA Project by: (1) requiring CCWA to sell, and the Santa Barbara Project participants to buy, a specified amount of water from CCWA (take or pay); and (2) assigning the Santa Barbara Project participant's entitlement rights in the State Water Project to CCWA. Although the City does have an ongoing financial responsibility pursuant to the Water Supply Agreement between the City and CCWA, the City does not have an equity interest as defined by GASB Cod. Sec. J50.105.

Each Santa Barbara Project participant is required to pay to CCWA an amount equal to its share of the total cost of "fixed project costs" and certain other costs in the proportion established in the Water Supply Agreement. This includes the Santa Barbara Project participant's share of payments to the California Department of Water Resources (DWR) under the State Water Supply Contract (including capital, operation, maintenance, power, and replacement costs of the DWR facilities), debt service on CCWA bonds, and all CCWA operating and administrative costs.

Each Santa Barbara Project participant is required to make payments under its Water Supply Agreement solely from the revenues of its water system. Each participant has agreed in its Water Supply Agreement to fix, prescribe, and collect rates and charges for its water system which will be at least sufficient to yield each fiscal year net revenues equal to 125% of the sum of (1) the payments required pursuant to the Water Supply Agreement, and (2) debt service on any existing participant obligation for which revenues are also pledged.

CCWA is composed of eight Member Agencies, all of which are public agencies. CCWA was organized and exists under a joint exercise of power agreement among the various participating public agencies. The Board of Directors is made up of one representative from each participating entity. Votes on the Board are apportioned between the entities based upon each entity's pro-rata share of the water provided by the project. The City's voting share of the project, based upon approximate allocation of State Water entitlement, is 11.47%. Operating and capital expenses are allocated among the members based upon various formulas recognizing the benefits of the various project components to each member.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 13 JOINT POWER AGREEMENTS (CONTINUED)

Central Coast Water Authority (Continued)

Pursuant to the Water Supply Agreement, the City of Santa Barbara's payments to CCWA includes its share of DWR's fixed and variable costs, the debt service requirements on the CCWA Bonds, CCWA's fixed operating and maintenance costs, and variable costs, as shown on the following table:

Fiscal Year	DWR Costs		CCWA Costs			Total CCWA and DWR Costs
	Fixed Costs	Variable Costs (1)	Fixed Costs	Variable Costs (1)	Total CCWA Costs	
2024-25	\$ 3,352,560	\$ 107,013	\$ 1,045,555	\$ 172,922	\$ 1,218,477	\$ 4,678,050
2025-26	3,010,347	607,251	1,097,832	698,249	1,796,081	5,413,679
2026-27	2,945,346	343,126	1,152,724	180,225	1,332,949	4,621,421
2027-28	3,043,371	360,282	1,210,360	190,352	1,400,712	4,804,365
2028-29	3,037,905	378,296	1,270,878	200,984	1,471,862	4,888,063
Total	\$ 15,389,529	\$ 1,795,968	\$ 5,777,349	\$ 1,442,732	\$ 7,220,081	\$ 24,405,578

(1) Source: CCWA State Water Cost 10-Year Projections.

Additional information and complete financial statements for the CCWA are available for public inspection in the Finance Department at City Hall, 735 Anacapa Street, between the hours of 7:30 a.m. and 5:30 p.m., Monday through Thursday.

Cater Treatment Plant Cost-Sharing Agreement

In 1978, the City of Santa Barbara entered into a cost-sharing agreement with the Carpinteria Valley Water District (Carpinteria) and the Montecito Water District (Montecito) for regional water treatment at the Cater Water Treatment Plant (Treatment Plant). Under the agreement, Carpinteria and Montecito pay for the Treatment Plant operating costs according to each agency's proportional share of total treated water volumes. Additionally, Carpinteria and Montecito jointly pay for 39.73% of capital maintenance, renewal, and replacement costs.

The Districts also agreed to reimburse the City for a pro rata portion of capital expenses of the Treatment Plant including debt issued by and loans secured by the City to make the capital improvements. The City currently has two loans outstanding with the California State Department of Water Resources for improvements to the Plant (see Note 7) with principal balances outstanding totaling \$17,379,452 (\$1,123,033 and \$16,256,419). Of these loan balances, \$1,123,033 is shared by the City of Santa Barbara (80.3%) and Montecito (19.7%); \$10,731,139 is shared by the City of Santa Barbara (75.37%) and Montecito (24.63%); and \$5,525,280 is for the City of Santa Barbara (100%) for improvements to the Ortega Groundwater Treatment Plant.

The Districts repay the City semiannually for the costs of the water treatment improvements plus interest. These repayments by the Districts will be paid through June 30, 2035.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 13 JOINT POWER AGREEMENTS (CONTINUED)

Cachuma Operation and Maintenance Board

The Cachuma Operation and Maintenance Board (COMB) is a California Joint Powers Agency (JPA) formed in 1956 pursuant to an agreement with the Bureau of Reclamation. The agreement transferred to the Cachuma Member Units the responsibility to operate, repair and maintain all Cachuma Project facilities, except Bradbury Dam, which the Bureau of Reclamation has continued to operate. COMB's Member Units include Carpinteria Valley Water District, City of Santa Barbara, Goleta Water District, and Montecito Water District. An Amended and Restated Agreement for the Establishment of a Board of Control to Operate and Maintain the Cachuma Project (Cachuma Operation and Maintenance Board) was adopted on May 23, 1996 and amended on September 16, 2003. In October 2018 the COMB JPA Separation Agreement was signed, acknowledging the removal of the Santa Ynez River Water Conservation District Improvement District No. 1 from COMB membership.

COMB is responsible for diversion of water to the South Coast through the Tecolote Tunnel, and operation and maintenance of the South Coast Conduit pipeline, flow control valves, meters, and instrumentation at control stations, and turnouts along the South Coast Conduit and at four regulating reservoirs. COMB coordinates closely with the Bureau of Reclamation and Member Units' staff to ensure that water supplies meet daily demands. The Fisheries Division of COMB conducts fish monitoring and habitat improvement projects to implement provisions of the October 2000 Lower Santa Ynez River Fish Management Plan. Following is a summary of the preliminary Fiscal Year 2024 year-end COMB expenditures, as presented at the August 26, 2024, COMB Board Meeting:

Operations Division	\$ 3,372,409
Fisheries Division	1,544,190
Operations Subtotal	<u>\$ 4,916,599</u>
 Total Fiscal Year 2024 Expenditures	 <u>\$ 4,916,599</u>

Expenditures for fiscal year 2024 represent normal costs for operation and maintenance of Cachuma Project facilities, as well as some special projects. The numbers above represent gross expenditures, prior to any revenue offsets from grants or other funds. Expenditures are allocated to Member Units in relation to percentage share of Cachuma Project yield. The City's share is typically 32.19% for costs apportioned among all Cachuma Member Units, and 35.89% for costs apportioned only among COMB Member Agencies (South Coast Member Units).

Cachuma Conservation Release Board

The Cachuma Conservation Release Board (CCRB) is a joint powers agency formed in January 1973 by Carpinteria Valley Water District, the City of Santa Barbara, Goleta Water District, and the Montecito Water District. In January 2011, Carpinteria withdrew its membership. CCRB was established to represent its members in protecting their Cachuma Project water rights and other related interests. CCRB's activities are funded by its Members, which in turn are funded by their water rate payors.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 13 JOINT POWER AGREEMENTS (CONTINUED)

Cachuma Conservation Release Board (Continued)

In 1993, CCRB began development of a Fish Management Plan Program in the Lower Santa Ynez River with many federal, state, and local partners. CCRB was the primary implementing agency of the fisheries program until January 2011. At that time, implementation of the Fish Management Plan was transferred to the Cachuma Operation and Maintenance Board (COMB). Since that time, CCRB has focused on issues related to the Cachuma Project water rights.

The U.S. Bureau of Reclamation, on behalf of the Cachuma Project Member Units, holds the Cachuma Project water right permits, and CCRB is the agency responsible for the actions and decisions relative to the terms and conditions of those permits for CCRB Member Units. These include issues related to downstream releases of water from Cachuma Reservoir for the benefit and protection of steelhead/rainbow trout and their habitats, and protection of the Cachuma Project water supply. Since 2000, CCRB has participated in multiple water rights hearings before the State Water Resources Control Board to establish the Cachuma Project operating parameters necessary to conform to the various parties' water rights. Since that time CCRB has participated in hearings related to the Final EIR on the water rights issues and continued legal and technical consultation for a new Water Rights Order (WR 2019-148), which the Water Resources Control Board ultimately approved and issued in September 2019. With its issuance, CCRB is now assisting Reclamation in implementing requirements of the Order for the Cachuma Project. In some instances, the costs for this work are shared with other parties that have similar interests.

Following is a summary of preliminary Fiscal Year 2024 year-end CCRB expenditures as of June 30, 2024, for the portion of these activities that CCRB funds, as presented at the October 7, 2024, CCRB Board Meeting:

General and Administrative	\$ 226,641
Legal Activities	141,349
Consultant Activities	298,986
SWRCB Water Rights	103,094
Hydrologic Technical Support	5,925
Total Fiscal Year 2024 Expenditures	\$ 775,995

Cachuma Project yield held by CCRB members, resulting in a City cost share percentage of 40.88%, for most items. This represents approximately \$317,227 in City costs for fiscal year 2024 excluding any offsets from other CCRB income.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 EMPLOYEE MORTGAGE LOAN ASSISTANCE PROGRAM

On October 2, 2001, the City Council created an Employee Mortgage Loan Assistance Program (EMLAP). The purpose of the program was to help the City attract and retain highly qualified employees by providing assistance in dealing with the high cost of home ownership in the Santa Barbara area. The goals of the program included establishing a more stable workforce and by promoting local homeownership, and reducing commuting distances and times. The program was open to all permanent employees who are “first-time homebuyers” (defined as not having owned a market-rate home on the South Coast of Santa Barbara County within the last three years). Homes purchased under the City’s EMLAP must be located on the South Coast of Santa Barbara County. The City’s EMLAP was structured using a combination of an employee down payment, traditional bank mortgage financing, and City-provided financing as follows:

Employee Down Payment (Minimum)	5 %
Bank-Provided 1st Deed of Trust Loan	80
City-Funded 2nd Deed of Trust Loan (Maximum)	15
Total Financing	100 %

Under the terms of the EMLAP, City participation was limited to a purchase price of \$1,250,000. Therefore, the maximum second deed of trust loan available to an employee was \$187,500 (15% of \$1,250,000). Interest on the City loan is variable, adjusted annually, and is set equal to the most recent quarterly interest rate paid the City for the state of California Local Agency Investment Fund (LAIF rate) balances. The loan is repayable over 15 years, with interest only due for the first five years, converting to a 30-year amortization schedule payable over 10 years with a balloon payment due at the end of 15 years. Payments are made by payroll deduction. To assist the employee, the City also paid up to four points to the bank on the employee’s first deed of trust loan up to \$40,000 to “buy down” the interest rate on the first trust deed.

The points paid by the City are to be repaid when the second trust deed is refinanced or if the home is sold. However, if the employee maintains continuous employment with the City for five years from the date of the loan, then 25% of the value of the points loan obligation will be forgiven, and after 10 years 50% will be forgiven. Upon termination of employment the second deed of trust loan, and any related points, are payable either on the fifth anniversary of the loan, or 180 days from the last day of employment, whichever is longer.

As of June 30, 2024, the City has \$5,645 in employee loans outstanding. The City has loaned all approved funds and is not currently accepting any new applications for EMLAP loans.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 15 LEASES

Lease Receivable

The City, acting as lessor, leases for the use land under long-term, noncancelable lease agreements, which expire at various dates through 2043 with an interest rates ranging from 3.5% of 4.75% depending on the length of the lease agreement. During the fiscal year ended June 30, 2024, the City recognized \$9,088,809 and \$1,552,003 in lease revenue and interest revenue, respectively, pursuant to these agreements.

Lease Payable

The City leases equipment and property under noncancelable lease agreements. A portion of these leases are allocated to the Golf Course Enterprise Fund, The leases expire at varies dates through 2043 including options. As of June 30, 2024, lease assets and the related accumulated amortization totaled \$4,339,060 and \$984,522, respectively.

Total future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 341,552	\$ 103,000	\$ 64,539	\$ 46,462
2026	358,742	88,765	34,427	44,757
2027	317,326	74,217	34,034	43,337
2028	95,113	66,713	37,932	41,760
2029	92,333	62,928	42,110	39,998
2030-2034	331,582	265,061	181,019	175,844
2035-2039	467,478	177,911	311,652	118,607
2040-2043	502,261	43,850	334,841	29,234
Total	<u>\$ 2,506,387</u>	<u>\$ 882,445</u>	<u>\$ 1,040,554</u>	<u>\$ 539,999</u>

NOTE 16 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The City has entered into subscription-based information technology arrangements (SBITAs) for various software applications. The SBITA arrangements expire at various dates through 2029 and provide for renewal options.

As of June 30, 2024, SBITA assets and the related accumulated amortization totaled \$5,946,249 and \$2,799,044, respectively.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 961,839	\$ 42,789	\$ 350,296	\$ 26,345
2026	602,668	16,302	399,508	11,393
2027	174,101	6,833	194,177	1,945
2028	79,801	2,902	46,239	-
2029	33,244	354	-	-
Total	<u>\$ 1,851,653</u>	<u>\$ 69,180</u>	<u>\$ 990,220</u>	<u>\$ 39,683</u>

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 17 DEFICIT FUND EQUITY

The following funds had deficit balances as of June 30, 2024:

Street Grant Capital Fund	\$ (7,091,204)
Permanent Local Housing Allocation Fund	(453,490)
Street Sweeping Fund	(98,803)
FEMA Reimbursement Fund	(2,438,457)
Self-Insurance Internal Service Fund	(11,005,376)
Postemployment Benefits Internal Service Fund	(50,805,327)

Deficit in the Streets Grants Capital Funds, Permanent Local Housing Allocation, Street Sweeping, and FEMA Reimbursement, will be eliminated through receipt of revenue in fiscal year 2025. The deficit equity has been created by recognition of reimbursable costs, where payment had not been received by the City within the recognition period for the year ended June 30, 2024. The deficit in the Self-Insurance Internal Service Fund represents the present value of future claim payments that are anticipated to be paid in future fiscal years. The deficit will be funded by increasing charges to other funds in future fiscal years. The deficit in the Postemployment Benefits Internal Service Fund represents the benefit liability of future retiree medical and sick leave benefits. This liability grew significantly in fiscal year 2020-2021 due to the City's change in healthcare plans to CalPERS medical, which includes a benefit option for retirees age 65 and older, for which the City will incur some costs. The deficit will be funded by increasing charges to other funds in future fiscal years.

NOTE 18 OTHER POSTEMPLOYMENT BENEFITS

The following is a summary of OPEB related items for the year ended June 30, 2024:

	Deferred Outflows	Deferred Inflows	Total OPEB Liability	OPEB Expense
Retiree Medical Care Benefits	\$ 11,681,149	\$(20,940,213)	\$ 34,951,579	\$ 2,034,887
Sick Leave Retiree Benefits	1,826,510	(1,314,999)	8,583,118	907,477
Total	<u>\$ 13,507,659</u>	<u>\$(22,255,212)</u>	<u>\$ 43,534,697</u>	<u>\$ 2,942,364</u>

A. Retiree Medical Care Benefits and Implied Subsidy of Retiree Health Insurance Premiums

1. Plan Description

The City provides a retiree medical insurance contribution benefit, in accordance with employee Memorandum of Understanding, to retired employees. This is a single-employer defined benefits OPEB plan. The benefit is applicable to employees who retire from City service and,

- a. have at least 10 or 15 years of classified or unclassified service, depending on bargaining unit; or
- b. retire from City with an industrial disability.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 18 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. Retiree Medical Care Benefits and Implied Subsidy of Retiree Health Insurance Premiums (Continued)

1. Plan Description (Continued)

The City contributes an amount each month toward the purchase of medical insurance for the retiree and his/her spouse or domestic partner registered with the City Clerk or the Secretary of State, if applicable. Eligibility and the monthly amount is determined by the applicable Memorandum of Agreement of the retired employee. The payment is based upon the employees' years of service up to a maximum of 35 years, multiplied by the annual amount for the respective employee unit.

The City will continue to make its contribution until the retiree reaches age 65 or dies, whichever occurs first, provided however, that if the retiree dies before reaching the age of 65 and there is a surviving spouse or registered domestic partner, the City's contribution shall cease when the retiree would have reached age 65. Thereafter, the spouse may remain on the insurance plan, at his/her own cost, subject to the conditions set forth by the insurance company.

Beginning January 1, 2020, the City replaced its current medical plans with medical plans offered through CalPERS Health Benefits Program. Contracting agencies such as the City of Santa Barbara are required to provide an employer health contribution toward the cost of the monthly premium for all employees and annuitants. Retirees age 65 or older have the option to purchase a Medicare Supplement plan offered through CalPERS, and the Public Employees' Medical & Hospital Care Act (PEMHCA) requires the City to make the minimum contributions including administrative fee toward the retiree's health premium and allows for various contribution methods. This change to the plan resulted in a significant increase to the total OPEB liability for the fiscal year ended June 30, 2021. However, it does not apply to retirees electing Medicare coverage in non- CalPERS medical plans.

For the Police bargaining unit only: The City will continue the normal retiree medical allowance past the age of 65 for the six specified employees named in the Police Memorandum of Understanding who retire after December 23, 2006 and thereafter certify, on an annual basis, that they are not eligible to apply for Medicare Part A (hospitalization) coverage on the basis of their City service, other covered employment, through a spouse's covered employment, or through any other means.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 18 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. Retiree Medical Care Benefits and Implied Subsidy of Retiree Health Insurance Premiums (Continued)

1. Plan Description (Continued)

In addition to the direct City paid contributions, retirees covered under the City's plans receive pre-65 benefits that are subsidized as the cost of their coverage is based on blended (active and retiree) premium rates instead of normally higher retiree only rates. This implicit subsidy is also considered in the valuation for retirees electing City healthcare plan coverage. However, it does not apply to retirees electing coverage in non-City plans.

2. Employees Covered

As of the June 30, 2024, the following current and former employees were covered by the benefit terms under the plan:

	Number of Covered Participants
Inactive Currently Receiving Benefits	383
Inactive Entitled to but not yet Receiving Benefits	615
Active Employees*	983
Total	1,981

*Excludes active employees who would not meet service eligibility at age 65.

3. Contributions

The City currently administers its retiree medical plan. There is no requirement to contribute any amount beyond the pay-as-you-go contributions. If retirees elect medical insurance coverage through the City, the retiree pays the entire cost of the premiums, less the City's monthly payment to the retiree. The City is evaluating various options for funding the postretirement health benefits liability. The City has not set up a trust for purposes of funding the required retiree medical payments but continues to fund the benefit on a pay-as-you-go basis in the current year.

For the year ended June 30, 2024, cash benefit payments were \$882,163 and the estimated implied subsidy was \$528,328 resulting in total payments of \$1,410,491.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 18 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. Retiree Medical Care Benefits and Implied Subsidy of Retiree Health Insurance Premiums (Continued)

4. Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2023 for the measurement period July 1, 2022 through June 30, 2023. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2023.

Actuarial Assumptions

Discount Rate	3.65%
Inflation	2.50%
Salary Increases	2.75% (Merit tables from CalPERS 2000-2019 Experience Study)
Mortality Rate	CalPERS 2000-2019 Experience Study
Mortality Improvement	Projected fully generational with Scale MP-2021
Healthcare Trend Rate	Non-Medicare -8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 and later years

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. The discount rate is based on the bond buyer 20-bond index.

Change in Assumption

The discount rate changed from 3.54% to 3.65%.

5. Changes in the Total OPEB Liability

The changes in the total OPEB liability for the plan are as follows:

	<u>Total OPEB Liability</u>
Changes in Total OPEB Liability (Measurement Period 7/1/22 - 6/30/23):	
Service Cost	\$ 2,099,664
Interest	1,422,132
Actual vs. Expected Experience	4,241,401
Assumption Changes	(10,220,197)
Benefit Payments	<u>(1,329,960)</u>
Net Changes	(3,786,960)
Total OPEB Liability - Beginning of Year	<u>38,738,539</u>
Total OPEB Liability - End of Year	<u><u>\$ 34,951,579</u></u>

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 18 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. Retiree Medical Care Benefits and Implied Subsidy of Retiree Health Insurance Premiums (Continued)

6. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate, for the measurement period June 30, 2023.

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	<u>\$ 39,812,016</u>	<u>\$ 34,951,579</u>	<u>\$ 30,956,477</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total 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:

	Healthcare Trend Rate		
	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	<u>\$ 30,396,446</u>	<u>\$ 34,951,579</u>	<u>\$ 40,724,305</u>

7. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$2,034,887. At June 30, 2024, the City's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 4,989,712	\$ (20,547,213)
Differences Between Actual and Expected Experience	5,280,946	(393,000)
Employer Benefit Payments Made Subsequent to the Measurement Date	1,410,491	-
Total	<u>\$ 11,681,149</u>	<u>\$ (20,940,213)</u>

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 18 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. Retiree Medical Care Benefits and Implied Subsidy of Retiree Health Insurance Premiums (Continued)

7. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The \$1,410,491 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (1,495,261)
2026	(1,412,261)
2027	(1,335,261)
2028	(1,289,261)
2029	(1,683,109)
Thereafter	<u>(3,454,402)</u>
Total	<u>\$ (10,669,555)</u>

B. Sick Leave Retiree Benefits

1. Plan Description

The City provides additional retirement benefits based on unused accumulated sick leave to eligible employees who retire with CalPERS pension benefits immediately upon termination of employment from the City. This is a single-employer defined benefits OPEB plan. Under this plan, unused accumulated sick leave balances are converted to credited service that is used to provide additional retirement benefits. Annuity benefits are determined based on credited service, final average compensation, and the CalPERS benefit formulas. Employees are eligible for benefits if they terminate employment at a minimum of age 50- and 5-years' service. Eligibility is applicable to employees who have accrued at least 500 hours of unused sick leave.

2. Employees Covered

As of the June 30, 2023 measurement date, the following current and former employees were covered by the benefit terms under the plan:

	<u>Number of Covered Participants</u>
Inactive Currently Receiving Benefits	<u>1</u>
Active Employees	<u>976</u>
Total	<u><u>977</u></u>

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 18 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Sick Leave Retiree Benefits (Continued)

3. Contributions

The City has not set up a trust for purposes of funding the required sick leave retiree benefits but continues to fund the benefit on a pay-as-you-go basis in the current year. Included in benefit payments are employees that receive a lump sum payment at retirement and elect not to receive an on-going benefit. The City is evaluating various options for funding the postretirement benefits liability.

4. Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2023 for the measurement period July 1, 2022 through June 30, 2023. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2023.

Actuarial Assumptions

Discount Rate	3.65%
Inflation	2.50%
Salary Increases	2.75% (Merit tables from CalPERS 2000-2019 Experience Study)
Mortality Rate	CalPERS 2000-2019 Experience Study
Mortality Improvement	Projected fully generational with Scale MP-2021
Healthcare Trend Rate	Benefit is not dependent on healthcare trend

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. The discount rate is based on the bond buyer 20-bond index.

Change in Assumption

The discount rate changed from 3.54% to 3.65%.

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 18 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Sick Leave Retiree Benefits (Continued)

5. Changes in the Total OPEB Liability

The changes in the total OPEB liability for the plan are as follows:

	Total OPEB Liability
Changes in Total OPEB Liability (Measurement Period 7/1/22 - 6/30/23):	
Service Cost	\$ 591,506
Interest	320,639
Changes of Benefit Terms	-
Actual vs. Expected Experience	(75,817)
Assumption Changes	(392,653)
Benefit Payments	(653,320)
Net Changes	(209,645)
Total OPEB Liability - Beginning of Year	8,792,763
Total OPEB Liability - End of Year	\$ 8,583,118

6. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate, for the measurement period June 30, 2023:

	Discount Rate		
	1% Decrease (2.65%)	Current Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 9,056,048	\$ 8,583,118	\$ 8,129,874

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 18 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Sick Leave Retiree Benefits (Continued)

7. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$907,477. At June 30, 2024, the City's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 393,119	\$ (1,155,500)
Differences Between Actual and Expected Experience	815,160	(159,499)
Employer Benefit Payments Made Subsequent to the Measurement Date	618,231	-
Total	\$ 1,826,510	\$ (1,314,999)

The \$618,231 reported as deferred outflows of resources related to employer benefit payments made subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2025	\$ (4,668)
2026	(4,688)
2027	(4,668)
2028	(5,668)
2029	24,332
Thereafter	(111,380)
Total	\$ (106,740)

**CITY OF SANTA BARBARA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 19 ACCOUNTING CHANGES AND ERROR CORRECTIONS

Change in Fund Presentation from Nonmajor to Major

Effective July 1, 2023, Special Revenue Measure C Fund met the criteria to be reported as a major governmental fund. For the fiscal year ended June 30, 2023, this fund was reported as a nonmajor governmental fund. The effect of this change within the financial reporting entity is shown in the table below.

	June 30, 2023 As Previously Presented	Changes to or Within the Financial Reporting Entity	June 30, 2023 As Restated
Governmental Funds:			
Major Funds:			
Special Revenue Measure C Fund	\$ -	\$ 38,982,620	\$ 38,982,620
Nonmajor Governmental Funds	72,022,175	(38,982,620)	33,039,555
Total	<u>\$ 79,256,856</u>	<u>\$ -</u>	<u>\$ 79,256,856</u>



REQUIRED SUPPLEMENTARY INFORMATION



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CITY OF SANTA BARBARA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
SAFETY RETIREMENT AND SAFETY SERVICE RETIREMENT PLANS
LAST TEN FISCAL YEARS

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:					
Interest on Total Pension Liability	\$ 3,071	\$ 2,123	\$ 3,124	\$ 6,130	\$ 7,135
Differences Between Expected and Actual Experience	16,834	16,997	(16,140)	(10,704)	23,260
Changes in Assumptions	(296)	(4,425)	(1,370)	5,666	809
Changes in Benefits	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(26,232)	(26,232)	(31,152)	(38,631)	(42,216)
Net Change in Total Pension Liability	(6,623)	(11,537)	(45,538)	(37,539)	(11,012)
Total Pension Liability - Beginning of Year	99,855	111,392	156,930	194,469	205,481
Total Pension Liability - End of Year (a)	93,232	99,855	111,392	156,930	194,469
Plan Fiduciary Net Position:					
Contributions - Employer	-	-	-	-	-
Net Investment Income	-	-	-	-	-
Benefit Payments	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-
Plan Fiduciary Net Position - Beginning of Year	-	-	-	-	-
Plan Fiduciary Net Position - End of Year (b)	-	-	-	-	-
Total Pension Liability - Ending (a)-(b)	\$ 93,232	\$ 99,855	\$ 111,392	\$ 156,930	\$ 194,469
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Changes in Assumptions:

From fiscal year June 30, 2020 to June 30, 2021:

The discount rate was reduced from 3.5% to 2.21%.

From fiscal year June 30, 2021 to June 30, 2022:

The discount rate was reduced from 2.21% to 2.16%.

From fiscal year June 30, 2021 to June 30, 2022:

The discount rate was increased from 2.16% to 3.54%.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was increased from 3.54% to 3.65%.

During the fiscal year ended June 30, 2017, the safety service retirement plan trust was closed.

See accompanying Notes to Required Supplementary Information.

CITY OF SANTA BARBARA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
SAFETY RETIREMENT AND SAFETY SERVICE RETIREMENT PLANS (CONTINUED)
LAST TEN FISCAL YEARS

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Interest on Total Pension Liability	\$ 8,117	\$ 16,437	\$ 38,189	\$ 58,515	\$ 63,008
Differences Between Expected and Actual Experience	(4,543)	26,062	41,577	(237,062)	-
Changes in Assumptions	(2,865)	(13,101)	64,419	42,874	-
Changes in Benefits	-	(416,227)	(227,990)	54,434	-
Benefit Payments, Including Refunds of Employee Contributions	(43,905)	(90,589)	(116,087)	(113,370)	(173,700)
Net Change in Total Pension Liability	(43,196)	(477,418)	(199,892)	(194,609)	(110,692)
Total Pension Liability - Beginning of Year	248,677	726,095	925,987	1,120,596	1,231,288
Total Pension Liability - End of Year (a)	205,481	248,677	726,095	925,987	1,120,596
Plan Fiduciary Net Position:					
Contributions - Employer	-	48,972	48,972	49,611	102,126
Net Investment Income	-	4,392	28,595	1,123	62,733
Benefit Payments	-	(506,816)	(116,087)	(113,370)	(173,700)
Net Change in Plan Fiduciary Net Position	-	(453,452)	(38,520)	(62,636)	(8,841)
Plan Fiduciary Net Position - Beginning of Year	-	453,452	491,972	554,608	563,449
Plan Fiduciary Net Position - End of Year (b)	-	-	453,452	491,972	554,608
Total Pension Liability - Ending (a)-(b)	\$ 205,481	\$ 248,677	\$ 272,643	\$ 434,015	\$ 565,988
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	0.00%	62.45%	53.13%	49.49%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Changes in Assumptions:

From fiscal year June 30, 2020 to June 30, 2021:

The discount rate was reduced from 3.5% to 2.21%.

From fiscal year June 30, 2021 to June 30, 2022:

The discount rate was reduced from 2.21% to 2.16%.

From fiscal year June 30, 2021 to June 30, 2022:

The discount rate was increased from 2.16% to 3.54%.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was increased from 3.54% to 3.65%.

During the fiscal year ended June 30, 2017, the safety service retirement plan trust was closed.

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA BARBARA
SCHEDULE OF CONTRIBUTIONS
SAFETY RETIREMENT AND SAFETY SERVICE RETIREMENT PLANS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Actuarially Determined Contribution	\$ 26,232	\$ 26,232	\$ 26,232	\$ 31,152	\$ 38,631
Contributions in Relation to the Actuarially Determined Contributions	<u>(26,232)</u>	<u>(26,232)</u>	<u>(26,232)</u>	<u>(31,152)</u>	<u>(38,631)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

During the fiscal year ended June 30, 2017, the safety service retirement plan trust was closed.

**CITY OF SANTA BARBARA
SCHEDULE OF CONTRIBUTIONS
SAFETY RETIREMENT AND SAFETY SERVICE RETIREMENT PLANS (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year Ended	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Actuarially Determined Contribution	\$ 42,216	\$ 43,905	\$ 48,972	\$ 49,611	\$ 108,000
Contributions in Relation to the Actuarially Determined Contributions	<u>(42,216)</u>	<u>(43,905)</u>	<u>(48,972)</u>	<u>(49,611)</u>	<u>(104,000)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

During the fiscal year ended June 30, 2017, the safety service retirement plan trust was closed.

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA BARBARA
 SCHEDULE OF INVESTMENT RETURNS
 SAFETY RETIREMENT AND SAFETY SERVICE RETIREMENT PLANS
 LAST TEN FISCAL YEARS**

Measurement Date	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.40%

Notes to Schedule:

During the fiscal year ended June 30, 2017, the safety service retirement plan trust was closed.

CITY OF SANTA BARBARA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
CALPERS MISCELLANEOUS PENSION PLANS
LAST TEN FISCAL YEARS

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:					
Service Cost	\$ 12,549,353	\$ 12,049,649	\$ 10,993,296	\$ 11,117,944	\$ 11,242,442
Interest on Total Pension Liability	49,212,492	47,202,721	45,902,084	44,176,368	42,609,454
Differences Between Expected and Actual Experience	6,986,493	(1,068,539)	1,483,308	(1,621,002)	5,289,518
Changes in Assumptions	-	20,839,306	-	-	-
Changes in Benefits	718,430	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(39,618,535)	(36,541,549)	(33,626,670)	(31,532,186)	(28,975,301)
Net Change in Total Pension Liability	29,848,233	42,481,588	24,752,018	22,141,124	30,166,113
Total Pension Liability - Beginning of Year	719,054,167	676,572,579	651,820,561	629,679,437	599,513,324
Total Pension Liability - End of Year (a)	748,902,400	719,054,167	676,572,579	651,820,561	629,679,437
Plan Fiduciary Net Position:					
Contributions - Employer	26,738,073	23,992,213	20,887,408	19,279,801	17,336,444
Contributions - Employee	5,451,316	4,643,550	6,252,846	6,253,457	5,841,003
Net Investment Income	32,158,993	(43,054,573)	106,462,271	22,662,797	28,408,000
Benefit Payments	(39,618,535)	(36,541,549)	(33,626,670)	(31,532,186)	(28,975,301)
Plan to Plan Resource Movement	-	-	-	-	-
Administrative Expense	(379,638)	(353,568)	(467,575)	(637,272)	(306,672)
Other Miscellaneous Income (Expense)	-	-	-	-	999
Net Change in Plan Fiduciary Net Position	24,350,209	(51,313,927)	99,508,280	16,026,597	22,304,473
Plan Fiduciary Net Position - Beginning of Year	516,265,720	567,579,647	468,071,367	452,044,770	429,740,297
Plan Fiduciary Net Position - End of Year (b)	540,615,929	516,265,720	567,579,647	468,071,367	452,044,770
Net Pension Liability - Ending (a)-(b)	<u>\$ 208,286,471</u>	<u>\$ 202,788,447</u>	<u>\$ 108,992,932</u>	<u>\$ 183,749,194</u>	<u>\$ 177,634,667</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.19%	71.80%	83.89%	71.81%	71.79%
Covered Payroll	\$ 71,879,023	\$ 61,614,977	\$ 59,925,660	\$ 59,948,680	\$ 58,650,784
Net Pension Liability as Percentage of Covered Payroll	289.77%	329.12%	181.88%	306.51%	302.87%

Notes to Schedule:

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

Inflation was reduced from 2.75% to 2.50%.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%, and the inflation rate decreased from 2.5% to 2.3%.

See accompanying Notes to Required Supplementary Information.

CITY OF SANTA BARBARA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
CALPERS MISCELLANEOUS PENSION PLANS (CONTINUED)
LAST TEN FISCAL YEARS

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Service Cost	\$ 10,848,882	\$ 10,827,663	\$ 9,760,428	\$ 9,563,623	\$ 9,676,642
Interest on Total Pension Liability	40,531,753	39,079,614	37,902,710	36,129,828	34,649,348
Differences Between Expected and Actual Experience	(291,764)	(5,119,771)	(132,903)	(4,360,012)	-
Changes in Assumptions	(3,358,919)	32,405,333	-	(8,848,255)	-
Changes in Benefits	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(26,641,065)	(25,274,088)	(23,474,988)	(21,493,097)	(20,041,269)
Net Change in Total Pension Liability	21,088,887	51,918,751	24,055,247	10,992,087	24,284,721
Total Pension Liability - Beginning of Year	578,424,437	526,505,686	502,450,439	491,458,352	467,173,631
Total Pension Liability - End of Year (a)	599,513,324	578,424,437	526,505,686	502,450,439	491,458,352
Plan Fiduciary Net Position:					
Contributions - Employer	15,654,944	14,693,333	14,184,385	13,162,072	11,373,020
Contributions - Employee	5,249,989	5,071,882	4,988,705	4,833,301	4,587,261
Net Investment Income	34,092,665	40,908,639	2,007,173	8,218,938	54,806,585
Benefit Payments	(26,641,065)	(25,274,088)	(23,474,988)	(21,493,097)	(20,041,269)
Plan to Plan Resource Movement	(999)	(10,124)	-	(1,157)	-
Administrative Expense	(628,306)	(543,859)	(226,033)	(435,768)	-
Other Miscellaneous Income (Expense)	(1,193,164)	-	-	-	-
Net Change in Plan Fiduciary Net Position	26,534,064	34,845,783	(2,520,758)	4,284,289	50,725,597
Plan Fiduciary Net Position - Beginning of Year	403,206,233	368,360,450	370,881,208	366,596,919	315,871,322
Plan Fiduciary Net Position - End of Year (b)	429,740,297	403,206,233	368,360,450	370,881,208	366,596,919
Net Pension Liability - Ending (a)-(b)	\$ 169,773,027	\$ 175,218,204	\$ 158,145,236	\$ 131,569,231	\$ 124,861,433
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.68%	69.71%	69.96%	73.81%	74.59%
Covered Payroll	\$ 57,069,164	\$ 55,884,714	\$ 55,485,351	\$ 53,022,251	\$ 50,588,866
Net Pension Liability as Percentage of Covered Payroll	297.49%	313.54%	285.02%	248.14%	246.82%

Notes to Schedule:

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

Inflation was reduced from 2.75% to 2.50%.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%, and the inflation rate decreased from 2.5% to 2.3%.

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA BARBARA
SCHEDULE OF CONTRIBUTIONS
CALPERS MISCELLANEOUS PENSION PLANS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarially Determined Contributions	\$ 27,706,627	\$ 26,711,721	\$ 23,966,588	\$ 20,836,231	\$ 19,206,093
Contributions in Relation to the Actuarially Determined Contributions	<u>(27,706,627)</u>	<u>(26,711,721)</u>	<u>(23,966,588)</u>	<u>(20,836,231)</u>	<u>(19,206,093)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 77,295,321	\$ 71,879,023	\$ 61,614,977	\$ 59,925,660	\$ 59,948,680
Contributions as a Percentage of Covered Payroll	35.85%	37.16%	38.90%	34.77%	32.04%
Notes to Schedule:					
Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.300%	2.300%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	6.90% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) The probabilities of retirement are based on the 2010 CalPERS Experience Study report.

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA BARBARA
SCHEDULE OF CONTRIBUTIONS
CALPERS MISCELLANEOUS PENSION PLANS (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contributions	\$ 17,247,341	\$ 15,613,850	\$ 14,693,333	\$ 14,184,385	\$ 13,162,072
Contributions in Relation to the Actuarially Determined Contributions	<u>(17,247,341)</u>	<u>(15,613,850)</u>	<u>(14,693,333)</u>	<u>(14,184,385)</u>	<u>(13,162,072)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 58,650,784	\$ 57,069,164	\$ 55,884,714	\$ 55,485,351	\$ 53,022,251
Contributions as a Percentage of Covered Payroll	29.41%	27.36%	26.29%	25.56%	24.82%
Notes to Schedule:					
Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine					
Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) The probabilities of retirement are based on the 2010 CalPERS Experience Study report.

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA BARBARA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
CALPERS SAFETY POLICE PENSION PLANS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:					
Service Cost	\$ 5,083,581	\$ 5,268,330	\$ 5,132,860	\$ 5,127,183	\$ 5,038,115
Interest on Total Pension Liability	22,440,322	21,422,699	20,991,410	20,289,464	19,515,209
Differences Between Expected and Actual Experience	6,081,287	(4,278,299)	422,522	1,353,894	-
Changes in Assumptions	-	11,882,412	-	-	1,774,631
Changes in Benefits	132,258	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(18,633,081)	(17,495,066)	(16,321,634)	(15,727,551)	(14,518,454)
Net Change in Total Pension Liability	15,104,367	16,800,076	10,225,158	11,042,990	11,809,501
Total Pension Liability - Beginning of Year	325,783,244	308,983,168	298,758,010	287,715,020	275,905,519
Total Pension Liability - End of Year (a)	340,887,611	325,783,244	308,983,168	298,758,010	287,715,020
Plan Fiduciary Net Position:					
Contributions - Employer	11,557,330	10,513,730	9,754,764	9,073,135	8,168,274
Contributions - Employee	1,920,427	1,684,704	1,720,503	1,840,823	1,606,426
Net Investment Income	13,379,058	(18,111,553)	45,022,492	9,697,393	12,279,660
Benefit Payments	(18,633,081)	(17,495,066)	(16,321,634)	(15,727,551)	(14,518,454)
Plan to Plan Resource Movement	-	-	-	-	-
Administrative Expense	(158,375)	(148,839)	(198,742)	(273,976)	(133,404)
Other Miscellaneous Income (Expense)	-	-	-	-	436
Net Change in Plan Fiduciary Net Position	8,065,359	(23,557,024)	39,977,383	4,609,824	7,402,938
Plan Fiduciary Net Position - Beginning of Year	215,373,122	238,930,146	198,952,763	194,342,939	186,940,001
Plan Fiduciary Net Position - End of Year (b)	223,438,481	215,373,122	238,930,146	198,952,763	194,342,939
Net Pension Liability - Ending (a)-(b)	\$ 117,449,130	\$ 110,410,122	\$ 70,053,022	\$ 99,805,247	\$ 93,372,081
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.55%	66.11%	77.33%	66.59%	67.55%
Covered Payroll	\$ 16,990,529	\$ 15,488,312	\$ 15,924,804	\$ 16,359,278	\$ 16,273,075
Net Pension Liability as Percentage of Covered Payroll	691.26%	712.86%	439.90%	610.08%	573.78%

Notes to Schedule:

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

Inflation was reduced from 2.75% to 2.50%.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%, and the inflation rate decreased from 2.5% to 2.3%.

See accompanying Notes to Required Supplementary Information.

CITY OF SANTA BARBARA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
CALPERS SAFETY POLICE PENSION PLANS (CONTINUED)
LAST TEN FISCAL YEARS

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Service Cost	\$ 4,857,235	\$ 4,491,601	\$ 4,497,742	\$ 5,010,613	\$ 5,186,081
Interest on Total Pension Liability	18,703,388	17,958,387	17,452,394	16,967,585	16,640,662
Differences Between Expected and Actual Experience	2,285,455	(1,701,292)	(4,101,607)	(7,448,519)	-
Changes in Assumptions	(1,262,820)	15,186,679	-	(4,242,689)	-
Changes in Benefits	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(13,624,691)	(12,846,960)	(11,957,196)	(10,608,382)	(9,641,215)
Net Change in Total Pension Liability	10,958,567	23,088,415	5,891,333	(321,392)	12,185,528
Total Pension Liability - Beginning of Year	264,946,952	241,858,537	235,967,204	236,288,596	224,103,068
Total Pension Liability - End of Year (a)	275,905,519	264,946,952	241,858,537	235,967,204	236,288,596
Plan Fiduciary Net Position:					
Contributions - Employer	7,279,784	6,100,953	5,502,842	5,729,090	5,811,400
Contributions - Employee	1,434,341	1,408,892	1,366,145	1,462,940	1,514,918
Net Investment Income	14,936,635	18,139,466	934,079	3,780,559	25,268,419
Benefit Payments	(13,624,691)	(12,846,960)	(11,957,196)	(10,608,382)	(9,641,215)
Plan to Plan Resource Movement	(436)	10,605	-	(3,426)	-
Administrative Expense	(276,932)	(243,830)	(103,244)	(184,197)	-
Other Miscellaneous Income (Expense)	(525,899)	-	-	-	-
Net Change in Plan Fiduciary Net Position	9,222,802	12,569,126	(4,257,374)	176,584	22,953,522
Plan Fiduciary Net Position - Beginning of Year	177,717,199	165,148,073	169,405,447	169,228,863	146,281,803
Plan Fiduciary Net Position - End of Year (b)	186,940,001	177,717,199	165,148,073	169,405,447	169,235,325
Net Pension Liability - Ending (a)-(b)	\$ 88,965,518	\$ 87,229,753	\$ 76,710,464	\$ 66,561,757	\$ 67,053,271
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.76%	67.08%	68.28%	71.79%	71.62%
Covered Payroll	\$ 15,669,261	\$ 14,020,481	\$ 15,555,046	\$ 17,232,219	\$ 17,126,518
Net Pension Liability as Percentage of Covered Payroll	567.77%	622.16%	493.15%	386.26%	391.52%

Notes to Schedule:

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

Inflation was reduced from 2.75% to 2.50%.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%, and the inflation rate decreased from 2.5% to 2.3%.

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA BARBARA
SCHEDULE OF CONTRIBUTIONS
CALPERS SAFETY POLICE PENSION PLANS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarially Determined Contribution	\$ 11,701,880	\$ 11,554,507	\$ 10,508,925	\$ 9,753,264	\$ 9,081,466
Contributions in Relation to the Actuarially Determined Contributions	<u>(11,701,880)</u>	<u>(11,554,507)</u>	<u>(10,508,925)</u>	<u>(9,753,264)</u>	<u>(9,081,466)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 17,260,587	\$ 16,990,529	\$ 15,488,312	\$ 15,924,804	\$ 16,359,278
Contributions as a Percentage of Covered Payroll	67.80%	68.01%	67.85%	61.25%	55.51%
Notes to Schedule:					
Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.300%	2.300%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.9% (3)	6.9% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) The probabilities of retirement are based on the 2010 CalPERS Experience Study report.

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA BARBARA
SCHEDULE OF CONTRIBUTIONS
CALPERS SAFETY POLICE PENSION PLANS (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution Contributions in Relation to the Actuarially Determined Contributions	\$ 8,203,564	\$ 7,293,109	\$ 6,100,953	\$ 5,502,842	\$ 5,729,090
	<u>(8,203,564)</u>	<u>(7,293,109)</u>	<u>(6,100,953)</u>	<u>(5,502,842)</u>	<u>(5,729,090)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 16,273,075	\$ 15,669,261	\$ 14,020,481	\$ 15,555,046	\$ 17,232,219
Contributions as a Percentage of Covered Payroll	24.16%	46.54%	43.51%	35.38%	33.25%
Notes to Schedule:					
Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) The probabilities of retirement are based on the 2010 CalPERS Experience Study report.

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

See accompanying Notes to Required Supplementary Information.

CITY OF SANTA BARBARA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE PLAN'S NET PENSION LIABILITY
AND RELATED RATIOS AS OF THE MEASUREMENT DATE
CALPERS SAFETY FIRE – COST SHARING PENSION PLAN
LAST TEN YEARS

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Plan's Proportion of the Net Pension Liability/(Asset)	1.2240%	1.2672%	1.6843%	1.1714%	1.1737%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 91,493,628	\$ 87,075,506	\$ 59,108,788	\$ 78,043,509	\$ 73,267,837
Plan's Covered Payroll	\$ 12,711,898	\$ 11,264,741	\$ 11,458,176	\$ 11,236,079	\$ 11,685,352
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	719.75%	772.99%	515.87%	694.58%	627.01%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	60.62%	61.27%	72.47%	62.55%	75.26%

Notes to Schedule:

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%, and the inflation rate decreased from 2.5% to 2.3%.

See accompanying Notes to Required Supplementary Information.

CITY OF SANTA BARBARA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE PLAN'S NET PENSION LIABILITY
AND RELATED RATIOS AS OF THE MEASUREMENT DATE
CALPERS SAFETY FIRE – COST SHARING PENSION PLAN (CONTINUED)
LAST TEN YEARS

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's Proportion of the Net Pension Liability/(Asset)	1.1777%	1.1421%	1.1758%	1.2449%	0.7390%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 69,104,402	\$ 68,239,700	\$ 60,895,072	\$ 51,295,415	\$ 45,980,620
Plan's Covered Payroll	\$ 11,156,660	\$ 10,848,464	\$ 10,699,018	\$ 10,382,054	\$ 10,161,327
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	619.40%	629.03%	569.17%	494.08%	452.51%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.26%	68.81%	75.87%	79.82%	78.40%

Notes to Schedule:

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%, and the inflation rate decreased from 2.5% to 2.3%.

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA BARBARA
SCHEDULE OF CONTRIBUTIONS
CALPERS SAFETY FIRE – COST-SHARING PENSION PLAN
LAST TEN FISCAL YEARS**

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarially Determined Contribution	\$ 9,345,001	\$ 8,944,875	\$ 8,084,528	\$ 7,467,695	\$ 6,804,672
Contributions in Relation to the Actuarially Determined Contributions	<u>(9,345,001)</u>	<u>(8,944,875)</u>	<u>(8,084,528)</u>	<u>(7,467,695)</u>	<u>(6,804,672)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 13,013,309	\$ 12,711,898	\$ 11,264,741	\$ 11,458,176	\$ 11,236,079
Contributions as a Percentage of Covered Payroll	71.81%	70.37%	71.77%	65.17%	60.56%
Notes to Schedule:					
Valuation Date	6/30/2020	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.30%	2.50%	2.50%	2.63%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	6.90% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) The probabilities of retirement are based on the 2010 CalPERS Experience Study report.

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA BARBARA
SCHEDULE OF CONTRIBUTIONS
CALPERS SAFETY FIRE – COST-SHARING PENSION PLAN (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 6,089,508	\$ 5,446,909	\$ 4,917,209	\$ 3,672,002	\$ 3,535,869
Contributions in Relation to the Actuarially Determined Contributions	(6,089,508)	(5,446,909)	(4,917,209)	(3,672,002)	(3,535,869)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 11,685,352	\$ 11,156,660	\$ 10,848,464	\$ 10,699,018	\$ 10,382,054
Contributions as a Percentage of Covered Payroll	24.16%	48.82%	45.33%	34.32%	34.06%
Notes to Schedule:					
Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) The probabilities of retirement are based on the 2010 CalPERS Experience Study report.

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

See accompanying Notes to Required Supplementary Information.

CITY OF SANTA BARBARA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Period Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Retiree Medical Benefits and Implied Subsidy of Retiree Health Insurance Premiums							
Total OPEB Liability:							
Service Cost	\$ 2,099,664	\$ 2,842,600	\$ 2,914,906	\$ 1,163,015	\$ 1,072,000	\$ 1,095,000	\$ 1,207,000
Interest on Total OPEB Liability	1,422,132	1,008,996	1,087,405	708,978	769,000	702,000	574,000
Differences Between Expected and Actual Experience	4,241,401	-	2,377,732	-	(973,000)	-	-
Changes in Assumptions	(10,220,197)	(8,338,795)	(7,582,037)	8,962,160	486,000	(403,000)	(1,015,000)
Changes in Benefits	-	-	-	17,472,095	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,329,960)	(1,288,904)	(1,144,612)	(1,077,000)	(1,113,000)	(1,094,000)	(1,220,000)
Net Change in Total OPEB Liability	(3,786,960)	(5,776,103)	(2,346,606)	27,229,248	241,000	300,000	(454,000)
Total OPEB Liability - Beginning of Year	38,738,539	44,514,642	46,861,248	19,632,000	19,391,000	19,091,000	19,545,000
Total OPEB Liability - End of Year (a)	\$ 34,951,579	\$ 38,738,539	\$ 44,514,642	\$ 46,861,248	\$ 19,632,000	\$ 19,391,000	\$ 19,091,000
Covered Employee Payroll	\$ 115,931,602	\$ 106,919,079	\$ 106,214,415	\$ 106,214,415	\$ 104,812,000	\$ 104,063,000	\$ 99,027,000
Total OPEB Liability as Percentage of Covered Employee Payroll	30.15%	36.23%	41.91%	44.12%	18.73%	18.63%	19.28%
Sick Leave Retiree Benefits							
Total OPEB Liability:							
Service Cost	\$ 591,506	\$ 700,761	\$ 565,386	\$ 457,457	\$ 435,000	\$ 440,000	\$ 474,000
Interest on Total OPEB Liability	320,639	209,205	162,185	244,438	277,000	260,000	212,000
Differences Between Expected and Actual Experience	(75,817)	-	1,099,518	497,075	(165,000)	-	-
Changes in Assumptions	(392,653)	(676,426)	(122,511)	-	132,000	(105,000)	(265,000)
Changes in Benefits	-	-	1,474,847	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(653,320)	(850,860)	(1,085,312)	(819,000)	(936,000)	(453,000)	(628,000)
Net Change in Total OPEB Liability	(209,645)	(617,320)	2,094,113	379,970	(257,000)	142,000	(207,000)
Total OPEB Liability - Beginning of Year	8,792,763	9,410,083	7,315,970	6,936,000	7,193,000	7,051,000	7,258,000
Total OPEB Liability - End of Year (a)	\$ 8,583,118	\$ 8,792,763	\$ 9,410,083	\$ 7,315,970	\$ 6,936,000	\$ 7,193,000	\$ 7,051,000
Covered Employee Payroll	\$ 115,931,602	\$ 106,463,274	\$ 101,076,700	\$ 89,727,663	\$ 88,659,000	\$ 86,545,000	\$ 83,539,000
Total OPEB Liability as Percentage of Covered Employee Payroll	7.40%	8.26%	9.31%	8.15%	7.82%	8.31%	8.44%

Notes to Schedule:

There are no assets accumulated in a trust that meets the criteria of GASB codification to pay related benefits for the OPEB plan.

Benefit Changes:

The City changed to CalPERS healthcare plan (PEMHCA) effective January 1, 2020, which resulted in a significant increase to the Total OPEB liability for the year ended June 30, 2021.

Changes in Assumptions:

- From fiscal year June 30, 2017 to June 30, 2018:
Discount rate was changed from 2.85% to 3.58%.
- From fiscal year June 30, 2018 to June 30, 2019:
Discount rate was changed from 3.58% to 3.87%.
- From fiscal year June 30, 2019 to June 30, 2020:
Discount rate was changed from 3.87% to 3.50%.
- From fiscal year June 30, 2020 to June 30, 2021:
Discount rate was changed from 3.50% to 2.21%.
- From fiscal year June 30, 2021 to June 30, 2022:
Discount rate was changed from 2.21% to 2.16%.
- From fiscal year June 30, 2021 to June 30, 2022:
Discount rate was changed from 2.16% to 3.54%.
- From fiscal year June 30, 2022 to June 30, 2023:
Discount rate was changed from 3.54% to 3.65%.

* Fiscal year 2018 was the first year of implementation and, therefore, only seven years are shown.

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA BARBARA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 149,365,785	\$ 149,451,785	\$ 150,978,022	\$ 1,526,237
Franchise Fees	6,457,869	6,457,869	6,078,814	(379,055)
Intergovernmental	1,696,000	5,496,516	4,441,456	(1,055,060)
Charges for Services	29,174,495	29,304,157	30,166,625	862,468
Use of Money and Property	2,262,358	2,190,663	5,062,763	2,872,100
Fines and Forfeitures	3,034,801	3,034,801	2,393,594	(641,207)
Other Revenue	10,887,511	11,381,559	10,933,138	(448,421)
Total Revenues	<u>202,878,819</u>	<u>207,317,350</u>	<u>210,054,412</u>	<u>2,737,062</u>
EXPENDITURES				
Current:				
Mayor and City Council	3,330,720	3,408,796	3,366,038	42,758
City Attorney	5,305,532	6,629,628	4,625,666	2,003,962
City Administration	3,558,053	4,065,298	3,928,057	137,241
Human Resources	2,378,342	2,968,815	2,849,018	119,797
Finance	7,612,377	7,833,220	7,261,921	571,299
Public Safety	91,856,184	97,375,197	90,193,110	7,182,087
Public Works	13,197,783	12,621,650	11,490,638	1,131,012
Community Services	31,121,025	32,877,545	30,743,694	2,133,851
Community Development	9,877,782	10,556,656	14,831,746	(4,275,090)
Sustainability and Resilience	-	710,853	167,067	543,786
Capital Outlay	-	-	840,600	(840,600)
Debt Service:				
Principal Retirement	-	-	619,043	(619,043)
Interest and Fiscal Charges	-	-	57,203	(57,203)
Total Expenditures	<u>168,237,798</u>	<u>179,047,658</u>	<u>170,973,801</u>	<u>8,073,857</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	34,641,021	28,269,692	39,080,611	10,810,919
OTHER FINANCING SOURCES (USES)				
Subscription Obligation	-	-	840,600	840,600
Transfers In	1,073,272	828,016	743,490	(84,526)
Transfers Out	(53,291,628)	(50,625,425)	(49,288,483)	1,336,942
Total Other Financing Sources (Uses)	<u>(52,218,356)</u>	<u>(49,797,409)</u>	<u>(47,704,393)</u>	<u>2,093,016</u>
NET CHANGE IN FUND BALANCE	(17,577,335)	(21,527,717)	(8,623,782)	12,903,935
Fund Balance - Beginning of Year	55,763,264	55,763,264	55,763,264	-
FUND BALANCE - END OF YEAR	<u>\$ 38,185,929</u>	<u>\$ 34,235,547</u>	<u>\$ 47,139,482</u>	<u>\$ 12,903,935</u>

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA BARBARA
BUDGETARY COMPARISON SCHEDULE
AFFORDABLE HOUSING SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ 1,194,700	\$ 1,194,700	\$ 1,688,969	\$ 494,269
EXPENDITURES				
Current:				
Community Development	1,287,811	12,735,862	1,491,894	11,243,968
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(93,111)	(11,541,162)	197,075	11,738,237
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(7,599)	(7,599)	-
NET CHANGE IN FUND BALANCE	(93,111)	(11,548,761)	189,476	11,738,237
Fund Balance - Beginning of Year	67,819,178	67,819,178	67,819,178	-
FUND BALANCE - END OF YEAR	<u>\$ 67,726,067</u>	<u>\$ 56,270,417</u>	<u>\$ 68,008,654</u>	<u>\$ 11,738,237</u>

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA BARBARA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MODIFIED APPROACH
JUNE 30, 2024**

NOTE 1 BUDGETARY INFORMATION

A two-year financial plan is prepared from which annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and certain special revenue funds. Effective fiscal control for debt service is achieved through bond indenture provisions. While budgets are prepared for the City’s capital projects, capital projects generally span more than one year and are effectively controlled at the project level.

In February of each year, departments submit their proposed budgets to the City Administrator. These proposals are reviewed, considered, and adjusted as necessary based on funding limitations and priorities. In mid-April, the City Administrator presents a recommended budget to the City Council, as required by the City Charter. From April through mid-June, public hearings are held, and the recommended budget is reviewed in detail with the Council and Finance Committee. The budget is adopted by June 30.

The appropriated budget is prepared by fund, department, and program. Budgets are monitored at varying levels of classification detail; however, expenditures cannot legally exceed appropriations at the department level for the General Fund and at the fund level for all other legally budgeted funds. Department heads may make transfers of appropriations between line items within a program and across programs if they are within the same major object category (i.e., Salaries and Benefits, Supplies and Services, Capital, etc.). The City Administrator is authorized to transfer amounts within individual departmental budgets, both between programs and between major object categories. All other adjustments to appropriations that change the total of a department (within the General Fund) or fund must be approved by Council. The FEMA Reimbursement Fund, Library Gift Fund, Canine Unit Fund and Local Housing Trust Fund did not have legally adopted budgets during the current year.

Budgeted amounts reflect the originally adopted budget and the final budget that includes re-appropriated prior year encumbrances as well as any approved revisions. The approval of prior year encumbrance carry forwards into the next fiscal year is authorized by the City Council, and implemented by the City Administrator annually. The original and amended operating budget for the General Fund is shown in the table below.

Originally Adopted Budget	\$ 221,529,426
Re-appropriated Prior Year Encumbrances	1,236,536
Amendments	6,907,121
Amended Budget	<u>\$ 229,673,083</u>

Budgeted amendments in the General Fund totaled \$8.1 million. \$1.2 million was carried forward from Fiscal Year 2023 (FY23) as encumbrances made in that year. The remaining \$6.9 million was related to City Council approved FY24 budget amendments.

CITY OF SANTA BARBARA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MODIFIED APPROACH
JUNE 30, 2024

NOTE 2 MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS

In accordance with GASB Statement No. 34, the City is required to account for and report infrastructure capital assets. The City defines infrastructure as the basic physical assets including the streets system, water and wastewater treatment plants, drainage systems, bridges, and sidewalks. Each major infrastructure network can be divided into subsystems. For example, the street network can be divided into concrete and asphalt pavements, curbs and gutters, sidewalks, streetlights, traffic control devices, landscaping and land. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems.

The City has elected to use the “Modified Approach” as defined by GASB Statement No. 34 for infrastructure reporting for its Streets Pavement System. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The City manages the eligible infrastructure capital assets using an asset management system with the characteristics of (1) an up-to-date periodic inventory is performed, (2) condition assessments and summary of results using a measurement scale is completed, and (3) annual amounts to maintain and preserve the eligible infrastructure capital assets at the established condition assessment level are estimated.
- The City documents that the eligible infrastructure capital assets are being preserved at the established and disclosed condition assessment level.

The pavement network within the City has approximately 245 miles of paved surfaces, comprised of 126 miles of residential streets, 47 miles of principal arterial and minor arterial streets, 69 miles of collector streets, and three miles of alleys. This equates to almost 41 million square feet of pavement.

The City has developed a Pavement Management System (PMS) to inventory and document the physical condition of the City’s street network, including a pavement preservation program. Every two years the City updates a Pavement Management System Report, which identifies and documents the updated condition of the City’s street network.

City-owned streets are classified based on land use, access, and traffic utilization into the following five classifications: principal arterial, minor arterial, collector, residential, and alley. A condition assessment is performed, through physical street inspections, as part of each biennial report update covering at least one-third of the City’s streets on a rotating basis. As part of the report, each street segment is assigned a condition rating based on a variety of potential defects.

**CITY OF SANTA BARBARA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MODIFIED APPROACH
JUNE 30, 2024**

**NOTE 2 MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS
(CONTINUED)**

A Pavements Condition Index (PCI) rating, a nationally recognized index, is calculated for each street segment and is expressed in a continuous scale from 0 to 100, with 100 being a brand-new street and 0 being a badly deteriorated street with virtually no remaining life. The following PCI thresholds, which are generally accepted industry standards, were assigned to each street segment:

Condition	Rating
Excellent/Good	71 to 100
At Risk	51 to 70
Poor	25 to 50
Very Poor/Failed	0 to 24

The City’s Pavement Management System (PMS) provides staff with current technical data to target a desirable level of pavement performance, while optimizing the expenditure of limited fiscal resources. The following table summarizes the average citywide PCI biennially reported since 2004. Comprehensive City-wide inspections were completed in 2023 and will be reported in the FY2024 Pavement Management Report.

Condition	Rating
2004	72
2006	71
2008	71
2010	69
2012	63
2014	64
2016	61
2018	61
2020	62
2022	63
2024	67

Prior to 2012, the City previously used the then industry standard MicroPAVER pavement management software, but in 2012 transitioned to the StreetSaver pavement management software, which is widely used throughout California. The StreetSaver program has several advantages over MicroPAVER, one being the fact that StreetSaver provides PCI information in real-time. StreetSaver utilizes a street segment’s actual inspection and maintenance history, in conjunction with standard pavement deterioration curves, to provide a real-time PCI. Real-time PCI information, as reported by StreetSaver, is more accurate than PCI information based on a past inspection or maintenance and repair treatment, as reported by MicroPAVER. This real-time PCI information provides the City with the greatest opportunity to effectively manage the PMS and accurately report the current condition of the street network.

**CITY OF SANTA BARBARA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MODIFIED APPROACH
JUNE 30, 2024**

**NOTE 2 MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS
(CONTINUED)**

As a result of this software change coupled with ongoing budgetary constraints, the average citywide PCI dropped significantly between 2010 (PCI 69) and 2012 (PCI 63). The PCI had generally been declining since 2002 due to budgetary constraints.

PCI rating levels in the mid 60's to low 70's range allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speeds. The City's formal policy with regard to pavement condition levels is to maintain a minimum average rating of no less than 60 ("At Risk") for all streets. This PCI was selected because there is a significant cost increase to maintain streets averaging below a PCI of 60. In the most recent Pavement Management System report that was run for 2023, the City's street network was rated an average PCI index value of 67 ("At Risk") with the detail condition as follows:

Condition	PCI Rating	Approximate Percent of Streets
Excellent/Good	71-100	42.9
At Risk	51-70	31.8
Poor	25-50	21.8
Very Poor/Failed	0-24	3.5

In general, streets are constantly deteriorating resulting from the following four factors: (1) traffic using the streets; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development interests trenching operations; and (4) water damage from natural precipitation and other urban runoff. The City is continuously taking actions to minimize the deterioration through short-term maintenance activities such as pothole patching.

In January 2014, the former State Route 225 was relinquished to the City from the state, adding over 4.5 centerline miles of primary arterial roadway to the City's network. This equates to nearly 1.4 million additional square feet of asphalt pavement. The additional roadway segments were inspected in summer 2014 and were included in the analyses used for the 2014 report. Caltrans micro-surfaced the entire route in summer 2011 and as a result, the roadway segments were in "good/excellent" condition, with PCIs generally in the 80s. As a result of adding a large amount of square footage with relatively high PCIs, the citywide PCI increased slightly from a PCI of 63 in 2012 to a PCI of 64 in 2014. While this addition had a short-term positive effect on the citywide PCI, over the long-term, the unfunded backlog of roadwork will be increased due to the increase in pavement square footage requiring maintenance.

**CITY OF SANTA BARBARA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MODIFIED APPROACH
JUNE 30, 2024**

**NOTE 2 MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS
(CONTINUED)**

In fiscal year 2017, the PCI had fallen below the established condition assessment level with a citywide PCI of 59. The City addressed the issue by committing to increase annual expenditures for street maintenance projects. On November 7, 2017, a 1% general sales tax measure (Measure C) was approved, with significant community support for infrastructure needs, which will generate the necessary funds required to improve the citywide PCI rating. In fiscal year 2018, expenditures on street maintenance increased by more than \$1.0 million, in part due to Measure C. In fiscal year 2019, expenditures increased significantly by nearly three times the amount of fiscal year 2018 expenditures due to Measure C revenues.

During fiscal year 2020, the world faced an unprecedented global event, as the impacts of COVID-19 unfolded. The impacts of the pandemic were substantial to revenues across the City. Thanks to delinquent collections, Measure C revenues were not impacted to the degree that other revenues such as Transient Occupancy Taxes.

In fiscal year 2024, the City expended \$16.7 million on street maintenance including both construction and soft costs (design, construction management, inspection, and required concrete improvements etc.). Additionally, the City hired a pavement engineering consultant to perform city-wide pavement inspections and reevaluate our pavement conditions based on actual conditions vs. the pavement management system calculated PCI based on work performed. The City’s street network was rated an average PCI index value of 67.

The City estimates that to reach and maintain a PCI rating of 70, approximately \$24 million would have needed to be spent in 2024, and an average of \$22.5 million would need to be budgeted for the next four years (2025 – 2028). The amount of deferred maintenance would have been reduced to \$55.6 million in 2023 and increased to \$87 million by 2028. Even with the significant increase in pavement maintenance funding made possible through Measure C, deferred maintenance costs will continue to increase for the next several years while the City improves its PCI toward 70.

A schedule of estimated annual amount calculated to maintain and preserve its streets at the current PCI rating compared to actual expenditures for street maintenance for the last five years is presented below:

<u>Fiscal Year</u>	<u>Estimate (to Maintain Current PCI)</u>	<u>Expenditures</u>	<u>PCI Rating</u>
2018-2019	\$ 8,400,000	\$ 11,530,346	61
2019-2020	7,300,000	15,033,630	62
2020-2021	7,300,000	13,867,744	62
2021-2022	8,200,000	10,167,491	63
2022-2023	12,000,000	13,128,806	66
2023-2024	15,000,000	16,657,105	67

CITY OF SANTA BARBARA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MODIFIED APPROACH
JUNE 30, 2024

**NOTE 2 MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS
(CONTINUED)**

The City's ongoing street preservation program was developed with the goal of improving the condition rating of City streets to a score above 70. The City considers a score of 72-78 to be an industry standard maintenance level that is the most cost-effective condition to maintain. Due to a lack of available funds for many years, the overall condition of the road network dropped as evidenced by the PCI rating to a point where less expensive preventative maintenance treatments, such as slurry seal, are no longer effective for many streets.

As a result, more expensive pavement rehabilitation treatments are required, such as grind and overlay; thus, significantly increasing the cost to maintain the road network. Although the PCI has increased by a few points over the past several years, more expensive pavement rehabilitation treatments will continue to be required until the PCI reaches 78, when less expensive preventative maintenance treatments will be effective for the majority of the City's street network.

Although the City is committed to improving the condition of its pavement assets, funding continues to fluctuate based on competing priorities. The fiscal year 2025 adopted budget includes \$17.3 million in appropriations for street paving projects, which is designed to ensure a continued improvement in the PCI rating. Additionally, the Measure C Oversight Committee has established the maintenance of City Streets with the goal of reaching and maintaining a 75+ in five years as one of their top five priorities to fund.

After running numerous iterations of 30-year budget scenarios utilizing the City's pavement software, it was determined that an initial investment of the program with \$25M annually for eight years followed by a reduction to \$10M annually provides the best overall return on investment. This recommended scenario requires less overall funding commitment than a steady amount over 30 years and achieves a higher PCI.



NONMAJOR GOVERNMENTAL FUNDS



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CITY OF SANTA BARBARA, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

Special Revenue Funds

Traffic Safety Fund – To account for the receipt of fines collected pursuant to the California Vehicle Code. The state of California Government Code restricts use of these funds to traffic control devices, equipment and supplies related to traffic control or traffic safety, and maintenance of public streets. The funds may not be used to pay compensation of traffic or police officers.

Creek Restoration/Water Quality Fund – To account for funds received from a 2% tax increase in the City's transient occupancy tax. The proceeds are restricted for use in the City's Creeks Restoration and Water Quality Improvement Program. Measure B was approved by the voters of Santa Barbara County in an election held on November 7, 2000. The tax became effective on January 1, 2001.

Wildland Fire Suppression Fund – To account for funds received as property tax assessments to pay for wildland fire suppression activity. These funds are restricted and expended for wildland fire suppression.

Permanent Local Housing Allocation Fund – To account for receipt and disbursement of funds received through the Permanent Local Housing Allocation (PLHA) program. The PLHA program was enacted as part of the Building Homes and Jobs Act (California Senate Bill No. 2) in 2018. Its purpose is to provide ongoing funding to local governments for housing-related projects and programs that help address their unmet housing needs.

Transportation Development Fund – To account for the receipt and disbursement of the City's share of gasoline sales tax pursuant to the Transportation Development Act of 1971. These funds are restricted for use in support of alternative transportation, including sidewalks and bikeways.

Community Development Block Grant Fund – To account for the receipt and disbursement of the City's Community Development Block Grant funds.

Police – Asset Forfeiture Fund – To account for assets confiscated by police special operations. These funds are restricted to use in support of police operations.

County Library Fund – To account for funds received and expended for library services on behalf of the County (non-City) residents.

Measure A Fund – To account for funds received from a one-half cent sales tax levied Countywide pursuant to Measure A. This measure was approved by the voters of Santa Barbara County in an election held on November 4, 2008, and became effective on April 1, 2010. The proceeds are restricted to transportation uses.

Miscellaneous Grants Fund – To account for resources received from various granting agencies.

Street Sweeping Fund – To account for funds received and expended from street sweeping parking violations revenue in connection with the City's Consolidated Clean Sweep Program which provides for sweeping of City streets in both commercial and residential neighborhoods.

HOME Program Fund – To account for the receipt and disbursement of the City's Federal HOME grant funds.

CITY OF SANTA BARBARA, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

Special Revenue Funds (Continued)

FEMA Reimbursement Fund – To account for costs incurred as a result of the three federally declared disasters from January and February 2017 winter storms, and the Thomas Fire and debris flow in December 2017 and January 2018.

Police – Supplemental Law Enforcement Fund – To account for state voter-approved grant funds (AB 3229) restricted to public safety and law enforcement.

Streets Fund – To account for receipt and expenditure of streets-committed utility users' tax for street maintenance and operating costs.

Police CAD-RMS Support Fund – To account for receipts and expenditures from participating agencies related to the operation of the systems the multi-jurisdictional Compute Aided Dispatch (CAD) and Records Management System (RMS).

Library Gifts Fund – To account for gifts and bequests made to the City library. Funds are used for library functions.

Canine Unit Fund – To account for contributions made for the Police's Canine Unit program.

Local Housing Allocation Fund – To account for city commitments of state of California PLHA funds to support street outreach services to persons experiencing homelessness, and to provide rental housing mediation services to persons at risk of losing their housing due to eviction or other rental disputes.

Capital Project Funds

General Capital Improvements Fund – To account for all capital projects financed by the General Fund.

Measure A Capital Fund – To account for capital projects financed by Measure A.

Street Capital Improvements Fund – To account for street-related capital projects not financed by Grants.

Creeks Restoration Capital Improvement Fund – To account for creeks restoration capital improvements funded by Measure B.

Utilities Undergrounding District Fund – To account for appropriations in the Utility Undergrounding Fund for the Jimeno Road Underground Utilities Assessment District to fund the design phase of the underground utilities project.

**CITY OF SANTA BARBARA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS
JUNE 30, 2024**

	Special Revenue Funds					
	Traffic Safety	Creek Restoration/Water Quality	Wildland Fire Suppression	Permanent Local Housing Allocation	Transportation Development	Community Development Block Grant
ASSETS						
Pooled Cash and Investments	\$ 16,770	\$ 3,699,991	\$ 135,982	\$ 718	\$ 201,630	\$ 819,862
Accounts Receivable, Net	20,876	-	-	-	-	-
Loans Receivable	-	-	-	-	-	2,631,558
Lease Receivable	-	-	-	-	-	-
Due from Other Governments	-	582,323	-	652,689	-	320,837
Total Assets	<u>\$ 37,646</u>	<u>\$ 4,282,314</u>	<u>\$ 135,982</u>	<u>\$ 653,407</u>	<u>\$ 201,630</u>	<u>\$ 3,772,257</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 315	\$ 178,690	\$ 1,348	\$ 33,983	\$ -	\$ 476,972
Salaries and Benefits Payable	-	52,389	5,215	4,571	-	2,112
Unearned Revenue	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	2,631,558
Interfund Payables	-	-	-	415,654	-	-
Total Liabilities	<u>315</u>	<u>231,079</u>	<u>6,563</u>	<u>454,208</u>	<u>-</u>	<u>3,110,642</u>
DEFERRED INFLOWS OF RESOURCES						
Leases	-	-	-	-	-	-
Unavailable Revenue	-	-	-	652,689	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>652,689</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Restricted for:						
Public Safety	-	-	129,419	-	-	-
Public Works	37,331	4,051,235	-	-	201,630	-
Community Services	-	-	-	-	-	-
Community Development	-	-	-	-	-	661,615
Capital Improvements	-	-	-	-	-	-
Committed to:						
Capital Improvements	-	-	-	-	-	-
Unassigned	-	-	-	(453,490)	-	-
Total Fund Balances (Deficits)	<u>37,331</u>	<u>4,051,235</u>	<u>129,419</u>	<u>(453,490)</u>	<u>201,630</u>	<u>661,615</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 37,646</u>	<u>\$ 4,282,314</u>	<u>\$ 135,982</u>	<u>\$ 653,407</u>	<u>\$ 201,630</u>	<u>\$ 3,772,257</u>

**CITY OF SANTA BARBARA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2024**

Special Revenue Funds (Continued)						
	Police - Asset Forfeiture	County Library	Measure A	Miscellaneous Grants	Street Sweeping	HOME Program
ASSETS						
Pooled Cash and Investments	\$ 673,286	\$ 54,486	\$ 2,213,324	\$ 2,360,969	\$ 1,421	\$ 600
Accounts Receivable, Net	-	-	-	-	-	-
Loans Receivable	-	-	-	-	-	10,865,716
Lease Receivable	-	-	-	-	-	-
Due from Other Governments	198	-	415,153	1,176,416	-	1,827,141
	<u>198</u>	<u>-</u>	<u>415,153</u>	<u>1,176,416</u>	<u>-</u>	<u>1,827,141</u>
Total Assets	<u>\$ 673,484</u>	<u>\$ 54,486</u>	<u>\$ 2,628,477</u>	<u>\$ 3,537,385</u>	<u>\$ 1,421</u>	<u>\$ 12,693,457</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ 25,696	\$ 11,935	\$ 714,021	\$ 644	\$ 253,888
Salaries and Benefits Payable	108,228	9,951	52,913	21,684	1,682	2,036
Unearned Revenue	-	-	-	692,189	-	-
Deposits	262,258	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	10,865,716
Interfund Payables	-	-	-	-	97,898	1,229,025
Total Liabilities	<u>370,486</u>	<u>35,647</u>	<u>64,848</u>	<u>1,427,894</u>	<u>100,224</u>	<u>12,350,665</u>
DEFERRED INFLOWS OF RESOURCES						
Leases	-	-	-	-	-	-
Unavailable Revenue	-	-	-	326,712	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>326,712</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Restricted for:						
Public Safety	302,998	-	-	218,887	-	-
Public Works	-	-	2,563,629	-	-	-
Community Services	-	18,839	-	1,595,792	-	-
Community Development	-	-	-	-	-	342,792
Capital Improvements	-	-	-	-	-	-
Committed to:						
Capital Improvements	-	-	-	-	-	-
Unassigned	-	-	-	(31,900)	(98,803)	-
Total Fund Balances (Deficits)	<u>302,998</u>	<u>18,839</u>	<u>2,563,629</u>	<u>1,782,779</u>	<u>(98,803)</u>	<u>342,792</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 673,484</u>	<u>\$ 54,486</u>	<u>\$ 2,628,477</u>	<u>\$ 3,537,385</u>	<u>\$ 1,421</u>	<u>\$ 12,693,457</u>

**CITY OF SANTA BARBARA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2024**

	Special Revenue Funds (Continued)					
	FEMA Reimbursement	Police Supplemental Law Enforcement	Streets	Police CAD-RMS Support	Library Gift	Canine Unit
ASSETS						
Pooled Cash and Investments	\$ 175,881	\$ 3,721	\$ 758,123	\$ 238,559	\$ 5,224,501	\$ 25,153
Accounts Receivable, Net	757,320	-	-	-	-	-
Loans Receivable	-	-	-	-	-	-
Lease Receivable	-	-	333,311	-	-	-
Due from Other Governments	123,718	-	986,942	-	-	-
	<u>123,718</u>	<u>-</u>	<u>986,942</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,056,919</u>	<u>\$ 3,721</u>	<u>\$ 2,078,376</u>	<u>\$ 238,559</u>	<u>\$ 5,224,501</u>	<u>\$ 25,153</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 81,335	\$ -	\$ 52,920	\$ 2,166	\$ -	\$ -
Salaries and Benefits Payable	-	-	199,060	-	-	-
Unearned Revenue	335,612	-	-	-	-	-
Deposits	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-
Interfund Payables	2,428,490	3,705	-	-	-	-
Total Liabilities	<u>2,845,437</u>	<u>3,705</u>	<u>251,980</u>	<u>2,166</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Leases	-	-	313,593	-	-	-
Unavailable Revenue	649,939	-	-	-	-	-
Total Deferred Inflows of Resources	<u>649,939</u>	<u>-</u>	<u>313,593</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Restricted for:						
Public Safety	-	16	-	236,393	-	-
Public Works	44,098	-	1,512,803	-	-	-
Community Services	-	-	-	-	5,224,501	25,153
Community Development	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	-
Committed to:						
Capital Improvements	-	-	-	-	-	-
Unassigned	(2,482,555)	-	-	-	-	-
Total Fund Balances (Deficits)	<u>(2,438,457)</u>	<u>16</u>	<u>1,512,803</u>	<u>236,393</u>	<u>5,224,501</u>	<u>25,153</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 1,056,919</u>	<u>\$ 3,721</u>	<u>\$ 2,078,376</u>	<u>\$ 238,559</u>	<u>\$ 5,224,501</u>	<u>\$ 25,153</u>

**CITY OF SANTA BARBARA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2024**

	Capital Projects Funds					Total Other Governmental Funds
	General Capital Improvements	Measure A Capital	Streets Capital Improvements	Creek Restoration Capital	Utilites Undergrounding District	
ASSETS						
Pooled Cash and Investments	\$ 4,369,358	\$ 5,168,447	\$ 8,702,670	\$ 10,436,349	\$ 67,183	\$ 48,819,097
Accounts Receivable, Net	-	-	12,667	-	-	790,863
Loans Receivable	-	-	-	-	-	13,497,274
Lease Receivable	-	-	-	-	-	333,311
Due from Other Governments	-	-	-	-	-	6,085,417
Total Assets	<u>\$ 4,369,358</u>	<u>\$ 5,168,447</u>	<u>\$ 8,715,337</u>	<u>\$ 10,436,349</u>	<u>\$ 67,183</u>	<u>\$ 69,525,962</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 319,473	\$ 743,078	\$ 654,232	\$ 78,199	\$ 3,940	\$ 3,632,835
Salaries and Benefits Payable	-	-	-	-	-	459,841
Unearned Revenue	-	-	-	-	-	1,027,801
Deposits	-	-	-	-	-	262,258
Due to Other Governments	-	-	-	-	-	13,497,274
Interfund Payables	-	-	-	-	-	4,174,772
Total Liabilities	<u>319,473</u>	<u>743,078</u>	<u>654,232</u>	<u>78,199</u>	<u>3,940</u>	<u>23,054,781</u>
DEFERRED INFLOWS OF RESOURCES						
Leases	-	-	-	-	-	313,593
Unavailable Revenue	-	-	-	-	-	1,629,340
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,942,933</u>
FUND BALANCES (DEFICITS)						
Restricted for:						
Public Safety	-	-	-	-	-	887,713
Public Works	-	-	-	10,358,150	-	18,768,876
Community Services	-	-	-	-	-	6,864,285
Community Development	-	-	-	-	-	4,474,520
Capital Improvements	-	4,425,369	-	-	63,243	4,488,612
Committed to:						
Capital Improvements	4,049,885	-	8,061,105	-	-	12,110,990
Unassigned	-	-	-	-	-	(3,066,748)
Total Fund Balances (Deficits)	<u>4,049,885</u>	<u>4,425,369</u>	<u>8,061,105</u>	<u>10,358,150</u>	<u>63,243</u>	<u>44,528,248</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 4,369,358</u>	<u>\$ 5,168,447</u>	<u>\$ 8,715,337</u>	<u>\$ 10,436,349</u>	<u>\$ 67,183</u>	<u>\$ 69,525,962</u>

**CITY OF SANTA BARBARA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – OTHER SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds					
	Traffic Safety	Creek Restoration/Water Quality	Wildland Fire Suppression	Permanent Local Housing Allocation	Transportation Development	Community Development Block Grant
REVENUES						
Taxes	\$ -	\$ 5,426,927	\$ -	\$ -	\$ 96,566	\$ -
Intergovernmental	-	-	-	704,272	-	1,021,792
Fines and Forfeitures	233,145	300,000	-	-	-	-
Charges for Services	-	-	-	-	-	-
Use of Money and Property	-	626,014	73	35	11,432	116
Other	-	9,740	315,814	-	-	430,165
Total Revenues	<u>233,145</u>	<u>6,362,681</u>	<u>315,887</u>	<u>704,307</u>	<u>107,998</u>	<u>1,452,073</u>
EXPENDITURES						
Current:						
City Attorney	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Public Safety	13,428	-	316,170	-	-	-
Public Works	-	3,113,605	-	-	50	-
Community Services	-	-	-	-	-	-
Community Development	-	-	-	503,533	-	1,548,737
Sustainability and Resilience	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	7,364	-	-	-	-
Interest and Fiscal Charges	-	37,787	-	-	-	-
Total Expenditures	<u>13,428</u>	<u>3,158,756</u>	<u>316,170</u>	<u>503,533</u>	<u>50</u>	<u>1,548,737</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	219,717	3,203,925	(283)	200,774	107,948	(96,664)
OTHER FINANCING USES						
Transfers in	-	-	-	-	-	-
Transfers out	(199,156)	(2,717,785)	(1,360)	(1,575)	(199,826)	(1,077)
Total Other Financing Uses	<u>(199,156)</u>	<u>(2,717,785)</u>	<u>(1,360)</u>	<u>(1,575)</u>	<u>(199,826)</u>	<u>(1,077)</u>
NET CHANGE IN FUND BALANCES	20,561	486,140	(1,643)	199,199	(91,878)	(97,741)
Fund Balances (Deficits) - Beginning of Year	16,770	3,565,095	131,062	(652,689)	293,508	759,356
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	-	-	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>16,770</u>	<u>3,565,095</u>	<u>131,062</u>	<u>(652,689)</u>	<u>293,508</u>	<u>759,356</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 37,331</u>	<u>\$ 4,051,235</u>	<u>\$ 129,419</u>	<u>\$ (453,490)</u>	<u>\$ 201,630</u>	<u>\$ 661,615</u>

**CITY OF SANTA BARBARA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – OTHER SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Special Revenue Funds (Continued)						
	Police - Asset Forfeiture	County Library	Measure A	Miscellaneous Grants	Street Sweeping	HOME Program
REVENUES						
Taxes	\$ -	\$ -	\$ 5,046,111	\$ -	\$ -	\$ -
Intergovernmental	50,905	378,023	-	3,094,210	-	1,827,142
Fines and Forfeitures	4,207	1,661	-	-	-	-
Charges for Services	90,588	-	-	13,659	-	-
Use of Money and Property	13,353	945	300,285	576	70	30
Other	-	125,655	-	1,833,735	-	342,770
Total Revenues	<u>159,053</u>	<u>506,284</u>	<u>5,346,396</u>	<u>4,942,180</u>	<u>70</u>	<u>2,169,942</u>
EXPENDITURES						
Current:						
City Attorney	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Public Safety	237,405	-	-	604,973	-	-
Public Works	-	-	2,713,058	-	385,138	-
Community Services	-	495,123	-	1,302,124	-	-
Community Development	-	-	-	83,383	-	1,826,547
Sustainability and Resilience	-	-	-	723,828	-	-
Capital Outlay	-	-	-	1,901,256	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>237,405</u>	<u>495,123</u>	<u>2,713,058</u>	<u>4,615,564</u>	<u>385,138</u>	<u>1,826,547</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(78,352)	11,161	2,633,338	326,616	(385,068)	343,395
OTHER FINANCING USES						
Transfers in	-	-	-	63,699	287,712	-
Transfers out	(3,504)	(1,584)	(1,873,191)	-	(1,447)	(603)
Total Other Financing Uses	<u>(3,504)</u>	<u>(1,584)</u>	<u>(1,873,191)</u>	<u>63,699</u>	<u>286,265</u>	<u>(603)</u>
NET CHANGE IN FUND BALANCES	(81,856)	9,577	760,147	390,315	(98,803)	342,792
Fund Balances (Deficits) - Beginning of Year	384,854	9,262	1,803,482	1,392,464	-	-
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	-	-	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>384,854</u>	<u>9,262</u>	<u>1,803,482</u>	<u>1,392,464</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 302,998</u>	<u>\$ 18,839</u>	<u>\$ 2,563,629</u>	<u>\$ 1,782,779</u>	<u>\$ (98,803)</u>	<u>\$ 342,792</u>

CITY OF SANTA BARBARA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – OTHER SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds (Continued)						
	FEMA Reimbursement	Police Supplemental Law Enforcement	Streets	Police CAD-RMS Support	Library Gift	Canine Unit	Local Housing Trust Fund
REVENUES							
Taxes	\$ -	\$ -	\$ 7,836,307	\$ -	\$ -	\$ -	\$ -
Intergovernmental	737,456	248,037	4,586,786	88,138	-	1,444	-
Fines and Forfeitures	-	-	-	-	-	-	-
Charges for Services	-	-	319,260	-	-	-	-
Use of Money and Property	-	(2,154)	74,030	-	-	-	86,565
Other	-	-	180,459	-	699,937	1,040	-
Total Revenues	<u>737,456</u>	<u>245,883</u>	<u>12,996,842</u>	<u>88,138</u>	<u>699,937</u>	<u>2,484</u>	<u>86,565</u>
EXPENDITURES							
Current:							
City Attorney	1,003	-	-	-	199,552	-	-
Finance	151,813	-	-	-	-	11,167	-
Public Safety	334	238,129	-	64,549	-	-	-
Public Works	22,553	-	11,121,607	-	-	-	-
Community Services	103,952	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Sustainability and Resilience	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	<u>279,655</u>	<u>238,129</u>	<u>11,121,607</u>	<u>64,549</u>	<u>199,552</u>	<u>11,167</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	457,801	7,754	1,875,235	23,589	500,385	(8,683)	86,565
OTHER FINANCING USES							
Transfers in	250,668	-	1,165,850	-	-	-	3,383,548
Transfers out	(45,215)	(7,738)	(3,216,576)	(180,122)	-	(4,525)	-
Total Other Financing Uses	<u>205,453</u>	<u>(7,738)</u>	<u>(2,050,726)</u>	<u>(180,122)</u>	<u>-</u>	<u>(4,525)</u>	<u>3,383,548</u>
NET CHANGE IN FUND BALANCES	663,254	16	(175,491)	(156,533)	500,385	(13,208)	3,470,113
Fund Balances (Deficits) - Beginning of Year	(3,101,711)	-	1,688,294	392,926	4,724,116	38,361	-
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	-	-	-	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>(3,101,711)</u>	<u>-</u>	<u>1,688,294</u>	<u>392,926</u>	<u>4,724,116</u>	<u>38,361</u>	<u>-</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (2,438,457)</u>	<u>\$ 16</u>	<u>\$ 1,512,803</u>	<u>\$ 236,393</u>	<u>\$5,224,501</u>	<u>\$ 25,153</u>	<u>\$3,470,113</u>

**CITY OF SANTA BARBARA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – OTHER SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Capital Projects Fund						Total Other Governmental Funds
	General Capital Improvements	Measure C Capital	Measure A Capital	Streets Capital Improvements	Creek Restoration Capital	Utilities Undergrounding District	
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,405,911
Intergovernmental	9,399	-	-	-	-	-	12,747,604
Fines and Forfeitures	-	-	-	-	-	-	539,013
Charges for Services	-	-	-	-	-	-	423,507
Use of Money and Property	-	-	-	-	-	-	1,111,370
Other	-	-	-	-	-	-	3,939,315
Total Revenues	9,399	-	-	-	-	-	37,166,720
EXPENDITURES							
Current:							
City Attorney	-	-	-	-	-	-	200,555
Finance	-	-	-	-	-	-	162,980
Public Safety	-	-	-	-	-	-	1,474,988
Public Works	21,798	-	-	-	-	-	17,377,809
Community Services	-	-	-	-	-	-	1,901,199
Community Development	-	-	-	-	-	-	3,962,200
Sustainability and Resilience	-	-	-	-	-	-	723,828
Capital Outlay	3,988,938	-	1,636,855	832,640	402,457	69,638	8,831,784
Debt Service:							
Principal Retirement	-	-	-	-	-	-	7,364
Interest and Fiscal Charges	-	-	-	-	-	-	37,787
Total Expenditures	4,010,736	-	1,636,855	832,640	402,457	69,638	34,680,494
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,001,337)	-	(1,636,855)	(832,640)	(402,457)	(69,638)	2,486,226
OTHER FINANCING USES							
Transfers in	4,966,966	-	1,903,004	4,321,421	2,700,000	132,881	19,175,749
Transfers out	(29,060)	-	(602,291)	-	(1,086,647)	-	(10,173,282)
Total Other Financing Uses	4,937,906	-	1,300,713	4,321,421	1,613,353	132,881	9,002,467
NET CHANGE IN FUND BALANCES	936,569	-	(336,142)	3,488,781	1,210,896	63,243	11,488,693
Fund Balances (Deficits) - Beginning of Year	3,113,316	38,982,620	4,761,511	4,572,324	9,147,254	-	72,022,175
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	-	(38,982,620)	-	-	-	-	(38,982,620)
Fund Balances (Deficits) - Beginning of Year, as Restated	3,113,316	-	4,761,511	4,572,324	9,147,254	-	33,039,555
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 4,049,885</u>	<u>\$ -</u>	<u>\$ 4,425,369</u>	<u>\$ 8,061,105</u>	<u>\$ 10,358,150</u>	<u>\$ 63,243</u>	<u>\$ 44,528,248</u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
TRAFFIC SAFETY
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and Forfeitures	\$ 245,000	\$ 245,000	\$ 233,145	\$ (11,855)
EXPENDITURES				
Current:				
Public Safety	15,000	15,000	13,428	1,572
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	230,000	230,000	219,717	(10,283)
OTHER FINANCING USES				
Transfers Out	(230,000)	(230,000)	(199,156)	30,844
NET CHANGE IN FUND BALANCE	-	-	20,561	20,561
Fund Balance - Beginning of Year	16,770	16,770	16,770	-
FUND BALANCE - END OF YEAR	<u>\$ 16,770</u>	<u>\$ 16,770</u>	<u>\$ 37,331</u>	<u>\$ 20,561</u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CREEK RESTORATION/WATER QUALITY
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 5,500,157	\$ 5,500,157	\$ 5,426,927	\$ (73,230)
Fines and Forfeitures	-	300,000	300,000	-
Use of Money and Property	234,600	234,600	626,014	391,414
Other	12,314	18,814	9,740	(9,074)
Total Revenues	<u>5,747,071</u>	<u>6,053,571</u>	<u>6,362,681</u>	<u>309,110</u>
EXPENDITURES				
Current:				
Public Works	3,735,356	4,486,033	3,113,605	1,372,428
Debt Service:				
Principal Retirement	-	-	7,364	(7,364)
Interest and Fiscal Charges	-	-	37,787	(37,787)
Total Expenditures	<u>3,735,356</u>	<u>4,486,033</u>	<u>3,158,756</u>	<u>1,327,277</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,011,715	1,567,538	3,203,925	1,636,387
OTHER FINANCING USES				
Transfers Out	<u>(2,710,000)</u>	<u>(2,717,785)</u>	<u>(2,717,785)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(998,285)	(1,150,247)	486,140	1,636,387
Fund Balance - Beginning of Year	<u>3,565,095</u>	<u>3,565,095</u>	<u>3,565,095</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,566,810</u>	<u>\$ 2,414,848</u>	<u>\$ 4,051,235</u>	<u>\$ 1,636,387</u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
WILDLAND FIRE SUPPRESSION
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ 73	\$ 73
Other	299,442	299,442	315,814	16,372
Total Revenues	<u>299,442</u>	<u>299,442</u>	<u>315,887</u>	<u>16,445</u>
EXPENDITURES				
Current:				
Public Safety	325,998	340,002	316,170	23,832
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(26,556)	(40,560)	(283)	40,277
OTHER FINANCING USES				
Transfers Out	-	1,360	(1,360)	(2,720)
NET CHANGE IN FUND BALANCE	(26,556)	(39,200)	(1,643)	37,557
Fund Balance - Beginning of Year	131,062	131,062	131,062	-
FUND BALANCE - END OF YEAR	<u>\$ 104,506</u>	<u>\$ 91,862</u>	<u>\$ 129,419</u>	<u>\$ 37,557</u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
PERMANENT LOCAL HOUSING ALLOCATION
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 550,000	\$ 1,867,749	\$ 704,272	\$ (1,163,477)
Use of Money and Property	-	-	35	35
Total Revenues	<u>550,000</u>	<u>1,867,749</u>	<u>704,307</u>	<u>(1,163,442)</u>
EXPENDITURES				
Current:				
Community Development	548,953	1,239,963	503,533	736,430
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,047	627,786	200,774	(427,012)
OTHER FINANCING USES				
Transfers Out	-	1,360	(1,575)	(2,935)
NET CHANGE IN FUND BALANCE	1,047	629,146	199,199	(429,947)
Fund Balance (Deficit) - Beginning of Year	<u>(652,689)</u>	<u>(652,689)</u>	<u>(652,689)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (651,642)</u>	<u>\$ (23,543)</u>	<u>\$ (453,490)</u>	<u>\$ (429,947)</u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
TRANSPORTATION DEVELOPMENT
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 80,000	\$ 84,464	\$ 96,566	\$ 12,102
Use of Money and Property	3,800	3,800	11,432	7,632
Total Revenues	<u>83,800</u>	<u>88,264</u>	<u>107,998</u>	<u>19,734</u>
EXPENDITURES				
Current:				
Public Works	<u>83,800</u>	<u>143,211</u>	<u>50</u>	<u>143,161</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(54,947)	107,948	162,895
OTHER FINANCING USES				
Transfers Out	<u>-</u>	<u>(199,826)</u>	<u>(199,826)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(254,773)	(91,878)	162,895
Fund Balance - Beginning of Year	<u>293,508</u>	<u>293,508</u>	<u>293,508</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 293,508</u></u>	<u><u>\$ 38,735</u></u>	<u><u>\$ 201,630</u></u>	<u><u>\$ 162,895</u></u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 876,711	\$ 1,803,297	\$ 1,021,792	\$ (781,505)
Use of Money and Property	-	-	116	116
Other	300,000	300,000	430,165	130,165
Total Revenues	<u>1,176,711</u>	<u>2,103,297</u>	<u>1,452,073</u>	<u>(651,224)</u>
EXPENDITURES				
Current:				
Development Services	<u>1,223,100</u>	<u>2,773,680</u>	<u>1,548,737</u>	<u>1,224,943</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(46,389)	(670,383)	(96,664)	573,719
OTHER FINANCING USES				
Transfers Out	<u>-</u>	<u>1,077</u>	<u>(1,077)</u>	<u>2,154</u>
NET CHANGE IN FUND BALANCE	(46,389)	(669,306)	(97,741)	571,565
Fund Balance - Beginning of Year	<u>759,356</u>	<u>759,356</u>	<u>759,356</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 712,967</u></u>	<u><u>\$ 90,050</u></u>	<u><u>\$ 661,615</u></u>	<u><u>\$ 571,565</u></u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
POLICE – ASSET FORFEITURE
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 52,000	\$ 52,000	\$ 50,905	\$ (1,095)
Fines and Forfeitures	-	-	4,207	4,207
Charges for Services	95,000	95,000	90,588	(4,412)
Use of Money and Property	-	-	13,353	13,353
Total Revenues	<u>147,000</u>	<u>147,000</u>	<u>159,053</u>	<u>12,053</u>
EXPENDITURES				
Current:				
Public Safety	<u>323,001</u>	<u>365,071</u>	<u>237,405</u>	<u>127,666</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(176,001)	(218,071)	(78,352)	139,719
OTHER FINANCING USES				
Transfers Out	<u>-</u>	<u>(3,504)</u>	<u>(3,504)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(176,001)	(221,575)	(81,856)	139,719
Fund Balance - Beginning of Year	<u>384,854</u>	<u>384,854</u>	<u>384,854</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 208,853</u>	<u>\$ 163,279</u>	<u>\$ 302,998</u>	<u>\$ 139,719</u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
COUNTY LIBRARY
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 93,908	\$ 363,925	\$ 378,023	\$ 14,098
Fines and Forfeitures	1,550	1,550	1,661	111
Use of Money and Property	-	-	945	945
Other	127,000	127,000	125,655	(1,345)
Total Revenues	<u>222,458</u>	<u>492,475</u>	<u>506,284</u>	<u>13,809</u>
EXPENDITURES				
Current:				
Community Services	491,966	495,249	495,123	126
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(269,508)	(2,774)	11,161	13,935
OTHER FINANCING USES				
Transfers Out	-	(1,584)	(1,584)	-
NET CHANGE IN FUND BALANCE	(269,508)	(4,358)	9,577	13,935
Fund Balance - Beginning of Year	<u>9,262</u>	<u>9,262</u>	<u>9,262</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (260,246)</u>	<u>\$ 4,904</u>	<u>\$ 18,839</u>	<u>\$ 13,935</u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
MEASURE A
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 5,217,279	\$ 5,217,279	\$ 5,046,111	\$ (171,168)
Use of Money and Property	81,300	81,300	300,285	218,985
Total Revenues	<u>5,298,579</u>	<u>5,298,579</u>	<u>5,346,396</u>	<u>47,817</u>
EXPENDITURES				
Current:				
Public Works	<u>3,216,133</u>	<u>3,173,478</u>	<u>2,713,058</u>	<u>460,420</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,082,446	2,125,101	2,633,338	508,237
OTHER FINANCING USES				
Transfers Out	<u>(2,540,600)</u>	<u>(1,873,191)</u>	<u>(1,873,191)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(458,154)	251,910	760,147	508,237
Fund Balance - Beginning of Year	<u>1,803,482</u>	<u>1,803,482</u>	<u>1,803,482</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,345,328</u></u>	<u><u>\$ 2,055,392</u></u>	<u><u>\$ 2,563,629</u></u>	<u><u>\$ 508,237</u></u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
MISCELLANEOUS GRANTS
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 14,101,226	\$ 3,094,210	\$ (11,007,016)
Charges for Services	15,500	17,071	13,659	(3,412)
Use of Money and Property	-	-	576	576
Other	244,361	2,303,484	1,833,735	(469,749)
Total Revenues	<u>259,861</u>	<u>16,421,781</u>	<u>4,942,180</u>	<u>(11,479,601)</u>
EXPENDITURES				
Current:				
Public Safety	10,000	2,261,436	604,973	1,656,463
Development Services	-	1,745,029	-	1,745,029
Community Services	555,361	4,946,844	1,302,124	3,644,720
Public Works	-	-	83,383	(83,383)
Sustainability and Resilience	-	5,431,512	723,828	4,707,684
Capital Outlay	-	3,437,644	1,901,256	1,536,388
Total Expenditures	<u>565,361</u>	<u>17,822,465</u>	<u>4,615,564</u>	<u>13,206,901</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(305,500)	(1,400,684)	326,616	1,727,300
OTHER FINANCING USES				
Transfers In	-	595,033	63,699	(531,334)
NET CHANGE IN FUND BALANCE	(305,500)	(805,651)	390,315	1,195,966
Fund Balance - Beginning of Year	<u>1,392,464</u>	<u>1,392,464</u>	<u>1,392,464</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,086,964</u>	<u>\$ 586,813</u>	<u>\$ 1,782,779</u>	<u>\$ 1,195,966</u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
STREET SWEEPING
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and Forfeitures	\$ 714,000	\$ -	\$ -	\$ -
Use of Money and Property	-	-	70	70
Total Revenues	<u>714,000</u>	<u>-</u>	<u>70</u>	<u>70</u>
EXPENDITURES				
Current:				
Public Works	<u>903,133</u>	<u>506,118</u>	<u>385,138</u>	<u>120,980</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(189,133)	(506,118)	(385,068)	121,050
OTHER FINANCING USES				
Transfers In	493,375	287,712	287,712	-
Transfers Out	<u>(401,636)</u>	<u>(1,447)</u>	<u>(1,447)</u>	<u>-</u>
Total Other Financing Uses	<u>91,739</u>	<u>286,265</u>	<u>286,265</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(97,394)	(219,853)	(98,803)	121,050
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (97,394)</u>	<u>\$ (219,853)</u>	<u>\$ (98,803)</u>	<u>\$ 121,050</u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
HOME PROGRAM
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,375,466	\$ 3,988,906	\$ 1,827,142	\$ (2,161,764)
Use of Money and Property	-	-	30	30
Other	150,000	136,340	342,770	206,430
Total Revenues	<u>2,525,466</u>	<u>4,125,246</u>	<u>2,169,942</u>	<u>(1,955,304)</u>
EXPENDITURES				
Current:				
Development Services	<u>2,528,817</u>	<u>3,834,075</u>	<u>1,826,547</u>	<u>2,007,528</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,351)	291,171	343,395	52,224
OTHER FINANCING USES				
Transfers Out	<u>-</u>	<u>(603)</u>	<u>(603)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(3,351)	290,568	342,792	52,224
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (3,351)</u>	<u>\$ 290,568</u>	<u>\$ 342,792</u>	<u>\$ 52,224</u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
POLICE – SUPPLEMENTAL LAW ENFORCEMENT
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 218,104	\$ 218,104	\$ 248,037	\$ 29,933
Use of Money and Property	-	-	(2,154)	(2,154)
Total Revenues	218,104	218,104	245,883	27,779
EXPENDITURES				
Current:				
Public Safety	483,196	475,458	238,129	237,329
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(265,092)	(257,354)	7,754	265,108
OTHER FINANCING USES				
Transfers Out	-	(7,738)	(7,738)	-
NET CHANGE IN FUND BALANCE	(265,092)	(265,092)	16	265,108
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ (265,092)</u>	<u>\$ (265,092)</u>	<u>\$ 16</u>	<u>\$ 265,108</u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
STREETS
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 7,375,415	\$ 7,375,415	\$ 7,836,307	\$ 460,892
Intergovernmental	4,426,151	4,426,151	4,586,786	160,635
Charges for Services	254,694	254,694	319,260	64,566
Use of Money and Property	36,968	36,968	74,030	37,062
Other	32,500	32,500	180,459	147,959
Total Revenues	<u>12,125,728</u>	<u>12,125,728</u>	<u>12,996,842</u>	<u>871,114</u>
EXPENDITURES				
Current:				
Public Works	<u>11,270,259</u>	<u>11,485,508</u>	<u>11,121,607</u>	<u>363,901</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	855,469	640,220	1,875,235	507,213
OTHER FINANCING USES				
Transfers In	1,105,984	1,165,850	1,165,850	-
Transfers Out	<u>(2,486,874)</u>	<u>(3,216,576)</u>	<u>(3,216,576)</u>	<u>-</u>
Total Other Financing Uses	<u>(1,380,890)</u>	<u>(2,050,726)</u>	<u>(2,050,726)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(525,421)	(1,410,506)	(175,491)	507,213
Fund Balance - Beginning of Year	<u>1,688,294</u>	<u>1,688,294</u>	<u>1,688,294</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,162,873</u>	<u>\$ 277,788</u>	<u>\$ 1,512,803</u>	<u>\$ 507,213</u>

**CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
POLICE CAD-RMS SUPPORT
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 88,137	\$ 88,137	\$ 88,138	\$ 1
EXPENDITURES				
Current:				
Public Safety	88,228	111,043	64,549	46,494
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(91)	(22,906)	23,589	46,495
OTHER FINANCING USES				
Transfers Out	-	(180,122)	(180,122)	-
NET CHANGE IN FUND BALANCE	(91)	(203,028)	(156,533)	46,495
Fund Balance - Beginning of Year	392,926	392,926	392,926	-
FUND BALANCE - END OF YEAR	<u>\$ 392,835</u>	<u>\$ 189,898</u>	<u>\$ 236,393</u>	<u>\$ 46,495</u>

NONMAJOR PROPRIETARY FUNDS



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CITY OF SANTA BARBARA, CALIFORNIA
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2024

Downtown Parking Fund – To account for the provision of parking services in the downtown area of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, capital acquisition and construction, financing and related debt service, and billing and collection of fees.

Golf Course Fund – To account for the operation of municipal golf course. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, capital acquisition and construction, financing and related debt service, and billing and collection of fees.

**CITY OF SANTA BARBARA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2024**

	Downtown Parking	Golf Course	Total
ASSETS			
Current Assets:			
Pooled Cash and Investments	\$ 4,468,819	\$ 4,824,384	\$ 9,293,203
Receivables:			
Accounts	188,428	7,401	195,829
Leases	152,419	141,443	293,862
Deposits	-	225,000	225,000
Inventories	-	101,374	101,374
Total Current Assets	4,809,666	5,299,602	10,109,268
Noncurrent Assets:			
Leases, Noncurrent	438,605	146,474	585,079
Capital Assets:			
Nondepreciable/Amortizable	10,641,593	342,302	10,983,895
Depreciable/Amortizable, Net	22,711,331	2,121,806	24,833,137
Total Noncurrent Assets	33,791,529	2,610,582	36,402,111
Total Assets	38,601,195	7,910,184	46,511,379
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related	1,526,404	53,785	1,580,189
LIABILITIES			
Current Liabilities:			
Accounts Payable	172,031	376,452	548,483
Salaries and Benefits Payable	209,704	3,981	213,685
Unearned Revenue	-	185,805	185,805
Deposits	20,623	30,692	51,315
Lease Payable	-	37,528	37,528
Compensated Absences Payable	300,165	-	300,165
Total Current Liabilities	702,523	634,458	1,336,981
Noncurrent Liabilities:			
Lease Payable, Noncurrent	-	4,028	4,028
Compensated Absences Payable	33,351	-	33,351
Net Pension Liability	6,001,808	1,833,500	7,835,308
Total Noncurrent Liabilities	6,035,159	1,837,528	7,872,687
Total Liabilities	6,737,682	2,471,986	9,209,668
DEFERRED INFLOWS OF RESOURCES			
Pension Related	7,461	263	7,724
Lease Related	541,386	267,328	808,714
Total Deferred Inflows of Resources	548,847	267,591	816,438
NET POSITION			
Net Investment in Capital Assets	33,334,968	2,464,108	35,799,076
Unrestricted	(493,898)	2,760,284	2,266,386
Total Net Position	\$ 32,841,070	\$ 5,224,392	\$ 38,065,462

**CITY OF SANTA BARBARA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2024**

	Downtown Parking	Golf Course	Total
OPERATING REVENUES			
Service Charges	\$ 9,055,616	\$ 4,233,855	\$ 13,289,471
Other Revenues	53,009	75,182	128,191
Total Operating Revenues	9,108,625	4,309,037	13,417,662
OPERATING EXPENSES			
Salaries, Wages, and Benefits	5,764,282	115,376	5,879,658
Material, Supplies, and Services	5,494,970	3,217,366	8,712,336
Depreciation/Amortization	1,187,605	251,253	1,438,858
Total Operating Expenses	12,446,857	3,583,995	16,030,852
OPERATING INCOME (LOSS)	(3,338,232)	725,042	(2,613,190)
NONOPERATING REVENUES (EXPENSES)			
Investment Income (Loss)	238,976	207,252	446,228
Leases and Rents	379,239	267,968	647,207
Interest Expense	-	(2,603)	(2,603)
Total Nonoperating Revenues (Expenses)	618,215	472,617	1,090,832
INCOME (LOSS) BEFORE TRANSFERS	(2,720,017)	1,197,659	(1,522,358)
TRANSFERS			
Transfers In	902,899	-	902,899
Transfers Out	(33,809)	(1,085)	(34,894)
Total Transfers	869,090	(1,085)	868,005
CHANGES IN NET POSITION	(1,850,927)	1,196,574	(654,353)
Total Net Position - Beginning of Year	34,691,997	4,027,818	38,719,815
TOTAL NET POSITION - END OF YEAR	\$ 32,841,070	\$ 5,224,392	\$ 38,065,462

**CITY OF SANTA BARBARA
COMBINING STATEMENT CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2024**

	Downtown Parking	Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 9,025,808	\$ 4,268,954	\$ 13,294,762
Payments to Suppliers of Goods or Services	(5,617,207)	(3,289,634)	(8,906,841)
Payments to Employees	(5,381,511)	(111,959)	(5,493,470)
Receipts from Others	53,009	75,182	128,191
Net Cash Provided (Used) by Operating Activities	(1,919,901)	942,543	(977,358)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received from Other Funds	902,899	-	902,899
Cash Paid to Other Funds	(33,809)	(1,085)	(34,894)
Net Cash Provided (Used) by Noncapital Financing Activities	869,090	(1,085)	868,005
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(335,397)	(68,509)	(403,906)
Lease and Rental Income	379,239	267,968	647,207
Interest Paid	-	(2,603)	(2,603)
Net Cash Provided by Capital and Related Financing Activities	43,842	196,856	240,698
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	238,976	207,252	446,228
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(767,993)	1,345,566	577,573
Cash and Cash Equivalents - Beginning of Year	5,236,812	3,478,818	8,715,630
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,468,819</u>	<u>\$ 4,824,384</u>	<u>\$ 9,293,203</u>

**CITY OF SANTA BARBARA
COMBINING STATEMENT CASH FLOWS (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2024**

	Downtown Parking	Golf Course	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (3,338,232)	\$ 725,042	\$ (2,613,190)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	1,187,605	251,253	1,438,858
Accounts Receivable	(50,597)	10,034	(40,563)
Lease Receivable	372,174	136,585	508,759
Inventory	-	29,899	29,899
Deferred Outflows - Pension Related	165,920	(2,286)	163,634
Accounts Payable	(122,237)	(30,543)	(152,780)
Salaries and Benefits Payable	44,185	1,241	45,426
Deposits Payable	17,173	8,226	25,399
Lease Payable	-	(71,624)	(71,624)
Compensated Absences Payable	48,414	-	48,414
Unearned Revenue	-	13,917	13,917
Net Pension Liability	134,354	4,734	139,088
Deferred Inflows - Lease Related	(368,558)	(133,663)	(502,221)
Deferred Inflows - Pension Related	(10,102)	(272)	(10,374)
Total Adjustments	1,418,331	217,501	1,635,832
Net Cash Provided (Used) by Operating Activities	\$ (1,919,901)	\$ 942,543	\$ (977,358)
 SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING AND INVESTING ACTIVITIES			
Capital Assets in Accounts Payable	\$ 600	\$ -	\$ 600
Change in Fair Value	\$ 78,671	\$ 85,739	\$ 164,410



INTERNAL SERVICE FUNDS



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CITY OF SANTA BARBARA, CALIFORNIA
INTERNAL SERVICE FUNDS
JUNE 30, 2024

Intra-City Service Fund – To account for the operating and capital costs of City-wide building maintenance operations, custodial services, and communications.

Self-Insurance Fund – To account for the cost of providing workers' compensation, unemployment, liability, employee health insurance coverage, and other postemployment benefits, on a City-wide basis.

Postemployment Benefits Fund – To account for the cost of retiree health insurance coverage, and other postemployment benefits, on a City-wide basis.

Information Systems Fund – To account for the cost of providing computer equipment and service to all departments and funds within the City.

Vehicle Capital Fund – To account for the costs of operating an automotive maintenance facility, maintaining all City departmental vehicles, and purchasing new vehicles for use within the City-wide organization.

Energy Management Fund – To account for the costs to provide energy efficiency and conservation management, energy generation project management, and electric and gas utility coordination for all City departments.

**CITY OF SANTA BARBARA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2024**

	Intra-City Service	Self-Insurance	Postemployment Benefits	Information Systems	Vehicle Capital	Energy Management	Total
ASSETS							
Current Assets:							
Pooled Cash and Investments	\$2,524,921	\$ 9,800,838	\$ 1,693,493	\$ 2,180,992	\$ 24,984,402	\$ 1,274,878	\$ 42,459,524
Accounts Receivable, Net	668	108,570	-	-	29,462	11,010	149,710
Prepays Assets and Deposits	454,173	1,879,350	-	-	129,123	-	2,462,646
Total Current Assets	2,979,762	11,788,758	1,693,493	2,180,992	25,142,987	1,285,888	45,071,880
Noncurrent Assets:							
Advance to Other Funds	-	-	-	-	884,634	-	884,634
Capital Assets:							
Nondepreciable/Amortizable	-	-	-	-	594,132	-	594,132
Depreciable/Amortizable, Net	4,932,243	86,749	-	2,841,013	11,897,428	533,185	20,290,618
Total Capital Assets, Net	4,932,243	86,749	-	2,841,013	12,491,560	533,185	21,769,384
Total Noncurrent Assets	4,932,243	86,749	-	2,841,013	13,376,194	533,185	21,769,384
Total Assets	7,912,005	11,875,507	1,693,493	5,022,005	38,519,181	1,819,073	66,841,264
DEFERRED OUTFLOWS OF RESOURCES							
Pension Related	2,012,882	446,247	-	2,063,652	848,048	370,397	5,741,226
OPEB Related	-	-	13,507,659	-	-	-	13,507,659
Total Deferred Outflows of Resources	2,012,882	446,247	13,507,659	2,063,652	848,048	370,397	19,248,885
LIABILITIES							
Current Liabilities:							
Accounts Payable	176,596	331,812	-	69,279	88,082	181,156	846,925
Salaries and Benefits Payable	158,969	35,408	216,570	155,277	65,429	30,737	662,390
Subscription Payable	-	21,381	-	658,413	-	-	679,794
Lease Payable	-	-	-	-	-	6,839	6,839
Current Portion Long-Term Debt	-	-	-	-	543,217	-	543,217
Compensated Absences Payable	234,137	66,586	-	262,236	108,536	45,436	716,931
Claims Payable	-	4,600,000	-	-	-	-	4,600,000
Total OPEB Liability, Due in One Year	-	-	1,991,632	-	-	-	1,991,632
Total Current Liabilities	569,702	5,055,187	2,208,202	1,145,205	805,264	264,168	10,047,728
Noncurrent Liabilities:							
Subscriptions Payable, Net of Current Portion	-	63,629	-	561,566	-	-	625,195
Lease Payable, Net of Current Portion	-	-	-	-	-	561,049	561,049
Compensated Absences Payable Long-Term Debt, Net of Current Portion	26,015	7,397	-	29,137	12,060	5,048	79,657
Claims Payable	-	16,880,155	-	-	2,201,166	-	2,201,166
Net Pension Liability	8,600,873	1,318,581	-	4,891,175	3,360,358	1,136,750	19,307,737
Total Other Postemployment Benefit Liability	-	-	41,543,065	-	-	-	41,543,065
Total Noncurrent Liabilities	8,626,888	18,269,762	41,543,065	5,481,878	5,573,584	1,702,847	81,198,024
Total Liabilities	9,196,590	23,324,949	43,751,267	6,627,083	6,378,848	1,967,015	91,245,752
DEFERRED INFLOWS OF RESOURCES							
Pension Related	9,838	2,181	-	10,086	4,145	1,810	28,060
OPEB Related	-	-	22,255,212	-	-	-	22,255,212
Total Deferred Inflows of Resources	9,838	2,181	22,255,212	10,086	4,145	1,810	22,283,272
NET POSITION							
Net Investment In Capital Assets Unrestricted	4,932,243 (4,213,784)	86,749 (11,092,125)	- (50,805,327)	2,841,013 (2,392,525)	9,747,177 23,237,059	533,185 (312,540)	18,140,367 (45,579,242)
Total Net Position	\$ 718,459	\$ (11,005,376)	\$ (50,805,327)	\$ 448,488	\$ 32,984,236	\$ 220,645	\$ (27,438,875)

**CITY OF SANTA BARBARA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	Intra-City Service	Self-Insurance	Postemployment Benefits	Information Systems	Vehicle Capital	Energy Management	Total
OPERATING REVENUES							
Service Charges	\$ 7,223,523	\$ 17,582,659	\$ 3,429,308	\$ 5,976,836	\$ 8,275,756	\$ 2,993,049	\$ 45,481,131
Other Revenues	579,992	322,908	-	202,662	948,606	52,265	2,106,433
Total Operating Revenues	7,803,515	17,905,567	3,429,308	6,179,498	9,224,362	3,045,314	47,587,564
OPERATING EXPENSES							
Salaries, Wages, and Benefits	4,883,091	969,503	3,646,720	3,946,817	1,985,400	810,472	16,242,003
Materials, Supplies, and Services	2,960,419	15,902,844	-	2,273,810	2,135,242	2,135,639	25,407,954
Depreciation/Amortization	234,728	25,710	-	1,400,492	1,938,560	28,821	3,628,311
Total Operating Expenses	8,078,238	16,898,057	3,646,720	7,621,119	6,059,202	2,974,932	45,278,268
OPERATING INCOME (LOSS)	(274,723)	1,007,510	(217,412)	(1,441,621)	3,165,160	70,382	2,309,296
NONOPERATING REVENUES							
Interest Income	2,572	310,534	-	1,711	965,271	305	1,280,393
Interest Expense	-	(1,910)	-	(48,446)	(75,744)	(26,991)	(153,091)
Total Nonoperating Revenues	2,572	308,624	-	(46,735)	889,527	(26,686)	1,127,302
INCOME (LOSS) BEFORE TRANSFERS	(272,151)	1,316,134	(217,412)	(1,488,356)	4,054,687	43,696	3,436,598
TRANSFERS							
Transfers In	29,060	75,825	2,342,997	953,303	834,120	-	4,235,305
Transfers Out	(94,567)	(8,746)	(6,506)	(39,278)	(19,674)	(9,169)	(177,940)
Total Transfers	(65,507)	67,079	2,336,491	914,025	814,446	(9,169)	4,057,365
CHANGES IN NET POSITION	(337,658)	1,383,213	2,119,079	(574,331)	4,869,133	34,527	7,493,963
Total Net Position (Deficit) - Beginning of Year	1,056,117	(12,388,589)	(52,924,406)	1,022,819	28,115,103	186,118	(34,932,838)
TOTAL NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 718,459</u>	<u>\$ (11,005,376)</u>	<u>\$ (50,805,327)</u>	<u>\$ 448,488</u>	<u>\$ 32,984,236</u>	<u>\$ 220,645</u>	<u>\$ (27,438,875)</u>

**CITY OF SANTA BARBARA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	Intra-City Service	Self-Insurance	Postemployment Benefits	Information Systems	Vehicle Capital	Energy Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from Customers and Users	\$ 7,223,843	\$ 17,694,123	\$ 3,429,308	\$ 5,976,836	\$ 8,265,818	\$ 2,997,496	\$ 45,587,424
Payments to Suppliers of Goods or Services	(2,984,039)	(16,264,854)	10,144	(2,863,056)	(2,429,441)	(2,095,505)	(26,626,751)
Payments to Employees	(4,360,372)	(861,830)	(2,653,500)	(3,945,523)	(1,748,757)	(759,312)	(14,329,294)
Receipts from Others	579,992	322,908	-	202,662	948,606	52,265	2,106,433
Net Cash Provided (Used) by Operating Activities	459,424	890,347	785,952	(629,081)	5,036,226	194,944	6,737,812
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Cash Transfers In	29,060	75,825	2,342,997	953,303	834,120	-	4,235,305
Cash Transfers Out	(94,567)	(8,746)	(6,506)	(39,278)	(19,674)	(9,169)	(177,940)
Advance from (to) Other Funds	-	-	(1,428,950)	-	715,371	-	(713,579)
Net Cash Provided (Used) by Noncapital Financing Activities	(65,507)	67,079	907,541	914,025	1,529,817	(9,169)	3,343,786
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of Capital Assets, Net	-	(97,593)	-	(497,882)	(2,609,799)	-	(3,205,274)
Principal Paid on Capital Debt	-	-	-	-	(530,629)	-	(530,629)
Interest Paid on Capital Debt	-	(1,910)	-	(48,446)	(75,744)	(26,991)	(153,091)
Net Cash Used by Capital and Related Financing Activities	-	(99,503)	-	(546,328)	(3,216,172)	(26,991)	(3,888,994)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment Income (Loss)	2,572	310,534	-	1,711	965,271	305	1,280,393
NET CHANGE IN CASH AND CASH EQUIVALENTS							
	396,489	1,168,457	1,693,493	(259,673)	4,315,142	159,089	7,472,997
Cash and Cash Equivalents - Beginning of Year	2,128,432	8,632,381	-	2,440,665	20,669,260	1,115,789	34,986,527
CASH AND CASH EQUIVALENTS - END OF YEAR							
	<u>\$ 2,524,921</u>	<u>\$ 9,800,838</u>	<u>\$ 1,693,493</u>	<u>\$ 2,180,992</u>	<u>\$ 24,984,402</u>	<u>\$ 1,274,878</u>	<u>\$ 42,459,524</u>

**CITY OF SANTA BARBARA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	Intra-City Service	Self-Insurance	Postemployment Benefits	Information Systems	Vehicle Capital	Energy Management	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES							
Operating Income (Loss)	\$ (274,723)	\$ 1,007,510	\$ (217,412)	\$ (1,441,621)	\$ 3,165,160	\$ 70,382	\$ 2,309,296
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation and Amortization	234,728	25,710	-	1,400,492	1,938,560	28,821	3,628,311
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:							
Accounts Receivable	320	111,464	-	-	(9,938)	4,447	106,293
Prepaid Assets	53,375	(572,908)	10,144	-	16,496	-	(492,893)
Deferred Outflows of Resources - Pension Related	350,887	49,835	-	(261,960)	127,728	31,467	297,957
Deferred Outflows of Resources - OPEB Related	-	-	(2,248,883)	-	-	-	(2,248,883)
Increase (Decrease) in Operating Liabilities and Deferred Inflows of Resources:							
Accounts Payable	(76,995)	(203,121)	-	(72,250)	(310,695)	45,393	(617,668)
Salaries and Benefits Payable	40,257	8,616	79,578	47,124	14,672	3,928	194,175
Leases Payable	-	-	-	-	-	(5,259)	(5,259)
Subscriptions Payable	-	69,864	-	(516,996)	-	-	(447,132)
Unearned Revenue	-	-	-	-	-	-	-
Compensated Absences Payable	(30,907)	12,911	-	43,098	25,579	(14,478)	36,203
Net Pension Liability	177,175	39,278	-	181,643	74,645	32,603	505,344
Total Other Postemployment Benefit Liability	-	-	(3,996,605)	-	-	-	(3,996,605)
Claims and Judgements	-	344,155	-	-	-	-	344,155
Deferred Inflows of Resources - Pension Related	(14,693)	(2,967)	-	(8,611)	(5,981)	(2,360)	(34,612)
Deferred Inflows of Resources - OPEB Related	-	-	7,159,130	-	-	-	7,159,130
Total Adjustments	734,147	(117,163)	1,003,364	812,540	1,871,066	124,562	4,428,516
Net Cash Provided (Used) by Operating Activities	<u>\$ 459,424</u>	<u>\$ 890,347</u>	<u>\$ 785,952</u>	<u>\$ (629,081)</u>	<u>\$ 5,036,226</u>	<u>\$ 194,944</u>	<u>\$ 6,737,812</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITY							
Change in Fair Value	<u>\$ -</u>	<u>\$ 173,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 395,408</u>	<u>\$ -</u>	<u>\$ 569,273</u>



FIDUCIARY FUNDS



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CITY OF SANTA BARBARA, CALIFORNIA
FIDUCIARY FUNDS
JUNE 30, 2024

Custodial Funds

Revolving Rehabilitation Loan Fund – To account for moneys received from various public agencies for funding of rehabilitation loans to low- and moderate-income applicants.

Law Enforcement Telecommunication System Fund – To account for moneys received from various participating public agencies for the purchase of computer equipment for communication with the California Law Enforcement Tracking System (CLETS).

**CITY OF SANTA BARBARA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2024**

	Revolving Rehab	California Law Enforcement Telecommunications	Total Custodial Funds
ASSETS			
Current Assets:			
Pooled Cash and Investments	\$ 583,681	\$ 4,000	\$ 587,681
Accounts Receivable, Net	-	62,760	62,760
Loans Receivable	2,052,972	-	2,052,972
Total Assets	2,636,653	66,760	2,703,413
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,542	-	1,542
Due to the City of Santa Barbara	-	66,600	66,600
Total Liabilities	1,542	66,600	68,142
NET POSITION			
Restricted for Others	2,635,111	160	2,635,271
Total Net Position	\$ 2,635,111	\$ 160	\$ 2,635,271

**CITY OF SANTA BARBARA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2024**

	Revolving Rehab	California Law Enforcement Telecommunications	Total Custodial Funds
ADDITIONS			
Interest Income	\$ 50,691	\$ 1,367	\$ 52,058
Contributions from Members	-	147,625	147,625
Total Additions	<u>50,691</u>	<u>148,992</u>	<u>199,683</u>
DEDUCTIONS			
Administrative Expenses	45,926	173,256	219,182
Program Payments	32,919	39,258	72,177
Total Deductions	<u>78,845</u>	<u>212,514</u>	<u>291,359</u>
CHANGE IN NET POSITION	(28,154)	(63,522)	(91,676)
Net Position - Beginning of Year	<u>2,663,265</u>	<u>63,682</u>	<u>2,726,947</u>
NET POSITION - END OF YEAR	<u>\$ 2,635,111</u>	<u>\$ 160</u>	<u>\$ 2,635,271</u>



STATISTICAL SECTION



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**CITY OF SANTA BARBARA, CALIFORNIA
STATISTICAL SECTION (UNAUDITED)
CONTENTS**

This part of the City of Santa Barbara's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

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.

Revenue Capacity

These schedules contain trend information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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.

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.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.



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**CITY OF SANTA BARBARA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING
(AMOUNTS EXPRESSED IN THOUSANDS))**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$381,554	\$427,683	\$436,966	\$443,975	\$465,776	\$493,238	\$498,799	\$518,120	\$530,288	\$541,873
Restricted	81,979	80,934	65,647	81,702	82,205	87,096	99,056	105,464	110,749	120,534
Unrestricted	(190,965)	(186,953)	(164,523)	(189,963)	(211,108)	(235,289)	(235,531)	(216,208)	(186,638)	(187,463)
Total governmental activities net position	\$272,568	\$321,664	\$338,090	\$335,714	\$336,873	\$345,045	\$362,325	\$407,377	\$454,398	\$474,944
Business-type activities										
Net investment in capital assets	\$347,257	\$361,076	\$365,505	\$359,890	\$380,202	\$384,837	\$391,224	\$398,278	\$416,480	\$434,138
Restricted	3,794	11,962	13,546	13,052	9,349	10,457	9,779	5,663	8,434	9,308
Unrestricted	43,114	37,996	57,464	78,131	68,259	97,205	105,630	143,205	142,240	171,803
Total business-type activities net position	\$394,165	\$411,034	\$436,515	\$451,073	\$457,810	\$492,499	\$506,634	\$547,147	\$567,153	\$615,249
Primary government										
Net investment in capital assets	\$728,811	\$788,759	\$802,471	\$803,865	\$845,978	\$878,075	\$890,023	\$916,398	\$946,767	\$976,011
Restricted	85,773	92,896	79,193	94,754	91,554	97,553	108,835	111,127	119,182	129,842
Unrestricted	(147,851)	(148,957)	(107,059)	(111,832)	(142,849)	(138,084)	(129,900)	(73,002)	(44,398)	(15,660)
Total primary government net position	\$666,733	\$732,698	\$774,605	\$786,787	\$794,683	\$837,544	\$868,958	\$954,523	\$1,021,551	\$1,090,193

**CITY OF SANTA BARBARA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING
(AMOUNTS EXPRESSED IN THOUSANDS))**

Expenses	Fiscal Years									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Administration	\$17,100	\$16,179	\$16,612	\$20,045	\$19,586	\$20,956	\$19,964	\$19,177	\$20,966	\$23,803
Public safety	65,260	63,451	66,678	82,485	79,814	90,295	88,435	90,023	65,582	100,520
Public works	29,672	26,053	28,565	34,583	44,753	40,103	46,787	37,767	51,964	58,408
Community services	25,377	26,454	27,635	30,500	25,777	25,294	27,392	24,973	31,117	34,779
Community development	12,077	16,933	17,442	16,083	18,753	18,182	19,434	15,459	19,420	22,673
Sustainability and Resilience	-	-	-	-	-	-	38	110	42	972
Interest on long-term debt	56	42	66	-	-	-	-	-	-	-
Total governmental activities expenses	149,542	149,112	156,998	183,696	188,683	194,830	202,050	187,509	189,091	241,154
Business-type activities:										
Water	40,409	35,859	37,291	45,239	51,504	50,122	52,502	50,913	56,917	58,759
Wastewater	17,242	17,376	18,299	20,542	20,828	22,794	23,906	22,307	25,530	27,454
Airport	21,616	21,361	22,057	24,507	26,139	26,745	26,066	27,530	33,462	35,795
Waterfront	12,179	12,639	12,975	15,010	15,861	15,710	15,487	14,387	17,258	18,287
Solid Waste	20,353	20,498	20,837	23,948	24,325	27,146	31,245	30,333	34,838	37,866
Parking	8,325	7,941	8,481	10,104	10,277	9,758	9,138	9,173	11,236	12,350
Golf course	2,018	2,022	2,591	2,642	2,625	2,358	3,446	3,401	3,358	3,561
Clean Energy	-	-	-	-	-	-	132	16,021	37,598	33,475
Total business-type activities expenses	122,142	117,696	122,531	141,992	151,559	154,633	161,853	174,065	220,197	227,548
Total primary government expenses	\$271,684	\$266,808	\$279,529	\$325,688	\$340,242	\$349,463	\$363,903	\$361,574	\$409,288	\$468,702
Program Revenues										
Governmental activities:										
Charges for services:										
Administration	\$4,851	\$4,479	\$4,143	\$3,826	\$2,043	\$2,273	\$1,757	\$3,659	\$2,689	\$1,434
Public safety	10,794	10,650	11,758	12,141	5,838	5,464	5,025	5,965	5,464	6,424
Public works	8,945	9,161	9,586	9,333	7,282	6,615	7,534	7,558	8,542	9,959
Community services	10,869	11,909	12,400	12,629	6,416	5,471	5,201	7,397	7,309	7,864
Community development	5,347	6,540	6,081	6,916	5,529	5,091	5,717	7,441	7,871	8,444
Operating grants and contributions	6,303	8,487	7,882	10,462	20,162	19,508	33,100	22,360	19,778	24,413
Capital grants and contributions	24,137	26,181	16,966	16,301	24,112	23,446	21,274	22,688	18,803	22,974
Total governmental activities program revenues	71,246	77,407	68,816	71,608	71,382	67,868	79,608	77,068	70,456	81,512
Business-type activities:										
Charges for services:										
Water	34,573	45,097	51,641	56,117	54,622	60,133	65,633	69,058	67,335	69,514
Wastewater	17,742	18,632	20,142	20,738	21,402	22,990	24,474	25,807	27,438	28,722
Airport	17,902	17,988	19,175	20,650	23,205	23,275	19,596	25,920	28,681	32,012
Waterfront	14,982	14,658	15,075	14,815	14,639	14,215	15,644	17,241	18,158	19,582
Solid Waste	20,827	21,059	20,953	22,116	24,191	27,455	29,817	34,294	35,828	38,360
Parking	8,432	8,457	8,514	8,285	8,473	6,383	4,355	6,082	9,131	9,488
Golf course	1,950	1,950	2,531	2,607	2,629	2,681	4,079	4,229	4,178	4,577
Clean Energy	-	-	-	-	-	-	100	14,718	43,408	54,137
Operating grants and contributions	-	24	23	23	23	23	8,742	17,913	2,116	8,674
Capital grants and contributions	3,289	5,582	496	8,640	2,220	46	3,565	292	126	15
Total business-type activities program revenues	119,697	133,447	138,550	153,991	151,404	157,201	176,005	215,554	236,399	265,081
Total primary government program revenues	\$190,943	\$210,854	\$207,366	\$225,599	\$222,786	\$225,069	\$255,613	\$292,622	\$306,855	\$346,593

**CITY OF SANTA BARBARA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING
(AMOUNTS EXPRESSED IN THOUSANDS)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (expense)/revenue										
Governmental activities	(\$78,296)	(\$71,705)	(\$88,182)	(\$112,088)	(\$117,301)	(\$126,962)	(\$122,442)	(\$110,441)	(\$118,635)	(\$159,642)
Business-type activities	(2,445)	15,751	16,019	11,999	(155)	2,568	14,152	41,489	16,202	37,533
Total primary government net expense	<u>(\$80,741)</u>	<u>(\$55,954)</u>	<u>(\$72,163)</u>	<u>(\$100,089)</u>	<u>(\$117,456)</u>	<u>(\$124,394)</u>	<u>(\$108,290)</u>	<u>(\$68,952)</u>	<u>(\$102,433)</u>	<u>(\$122,109)</u>
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes										
Property	\$27,691	\$29,382	\$31,612	\$34,928	\$35,187	\$38,148	\$39,862	\$42,226	\$46,006	\$48,672
Transient occupancy	22,527	22,379	23,110	22,650	23,421	18,168	18,807	31,956	31,456	32,261
Sales & use	21,958	21,932	21,807	25,203	48,603	44,533	49,770	59,328	59,790	60,579
Business license	2,574	2,636	2,651	2,786	2,725	2,765	2,667	2,667	2,684	4,250
Utility users	13,810	14,338	14,014	14,149	13,888	14,120	14,674	15,610	16,381	16,330
Real property transfer	692	730	762	795	863	658	1,144	1,353	862	838
Cannabis taxes	-	-	-	11	79	1,052	1,921	1,672	1,397	1,311
Other taxes	-	-	-	-	15	3	-	6	9	15
Franchise fees	3,751	3,132	4,231	3,597	3,637	3,635	3,852	4,176	4,254	6,079
Unrestricted motor vehicle license-in-lieu	39	37	42	49	46	74	69	108	90	108
Investment income	2,030	2,288	1,733	2,172	4,137	4,291	2,478	(1,661)	2,406	8,377
Other revenue	669	419	2,610	11,289	57	8,982	90	240	922	
Extraordinary gain	- ²	23,054	1,335	-	-	-	-	745	-	-
Extraordinary loss	-	-	-	-	-	-	-	-	-	-
Gain/loss on sale of capital assets	-	44	404	-	-	-	-	-	-	-
Transfers	342	433	299	(462)	(277)	(165)	625	(2,693)	(1,176)	445
Total governmental activities	<u>96,083</u>	<u>120,804</u>	<u>104,610</u>	<u>117,167</u>	<u>132,381</u>	<u>136,264</u>	<u>135,835</u>	<u>155,493</u>	<u>164,399</u>	<u>180,187</u>
Business-type activities:										
Investment earnings	1,218	1,304	556	724	4,574	3,952	419	(3,858)	2,797	2,797
Other revenue	555	248	9,205	1,372	1,914	28,873	4,296	189	189	189
Extraordinary gain	- ²	-	-	-	-	-	-	-	-	-
Transfers	(342)	(433)	(299)	462	277	165	(625)	2,693	1,176	1,176
Total business-type activities	<u>1,431</u>	<u>1,119</u>	<u>9,462</u>	<u>2,558</u>	<u>6,765</u>	<u>32,990</u>	<u>4,090</u>	<u>(976)</u>	<u>4,162</u>	<u>4,162</u>
Total primary government	<u>\$97,514</u>	<u>\$121,923</u>	<u>\$114,072</u>	<u>\$119,725</u>	<u>\$139,146</u>	<u>\$169,254</u>	<u>\$139,925</u>	<u>\$154,517</u>	<u>\$168,561</u>	<u>\$184,349</u>
Change in Net Position										
Governmental activities	\$17,787	\$49,099	\$16,429	\$5,079	\$15,080	\$9,302	\$13,393	\$45,052	\$45,764	\$20,545
Business-type activities	(1,014)	16,870	25,481	14,557	6,610	35,558	18,242	40,513	20,364	41,695
Total primary government	<u>\$16,773</u>	<u>\$65,969</u>	<u>\$41,909</u>	<u>\$19,636</u>	<u>\$21,690</u>	<u>\$44,860</u>	<u>\$31,635</u>	<u>\$85,565</u>	<u>\$66,128</u>	<u>\$62,240</u>

Note: Description of extraordinary gain / loss

¹ Extraordinary loss of dissolution of RDA

² Extraordinary gain from Successor Agency property transfer

**CITY OF SANTA BARBARA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING
(AMOUNTS EXPRESSED IN THOUSANDS))**

Fiscal Year	Property Tax	Sales & Use Tax	Transient Occupancy Tax	Utility Users Tax	Transportation Tax	Business License Tax	Real Property Transfer Tax	Cannabis Tax	Other Tax	Total
2015	\$ 27,691	\$ 21,958	\$ 22,527	\$ 13,810	\$ 3,637	\$ 2,574	\$ 692	\$ -	\$ -	\$ 92,889
2016	29,382	21,932	22,379	14,338	3,689	2,636	730	-	-	95,086
2017	31,612	21,807	23,110	14,014	3,746	2,651	762	-	-	97,702
2018	34,928	25,203 (1)	22,650	14,149	3,954	2,785	795	11 (2)	-	104,475
2019	35,187	48,603	23,421	13,888	4,141	2,725	863	79	15	128,922
2020	38,148	44,465	18,168	14,137	4,100	2,765	658	1,052	3	123,496
2021	39,862	49,770	18,807	14,674	4,438	2,543	1,144	1,920	-	133,159
2022	42,226	59,328	31,956	15,610	5,304	2,667	1,353	1,672	6	160,122
2023	46,006	59,790	31,456	16,381	4,254	2,684	862	1,388	9	162,830
2024	48,672	60,579	32,261	16,330	5,143	4,250	838	1,311	15	169,399

Source: FY 23, Munis reporting.

(1) Measure C, a 1% sales and use tax increase, became effective April 1, 2018.

(2) Cannabis Taxes commenced in FY2018 following State ballot measure to legalize Cannabis production and retail.

**CITY OF SANTA BARBARA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING
(AMOUNTS EXPRESSED IN THOUSANDS))**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund										
Nonspendable	\$ 4,033	\$ 2,747	\$ 2,105	\$ 1,689	\$ 9,592	\$ 1,252	\$ 1,277	\$ 7,060	\$ 3,427	\$ 2,249
Restricted	2,464	2,682	2,667	2,856	2,995	2,140	2,299	2,504	2,601	4,211
Committed	26,575	30,299	31,461	27,917	26,777	34,499	35,639	39,126	42,051	45,431
Assigned	177	203	312	357	-	-	-	-	-	-
Unassigned	-	-	-	-	(4,412)	(5,739)	(481)	2,878	7,684	(4,752)
Total general fund	<u>\$ 33,249</u>	<u>\$ 35,931</u>	<u>\$ 36,545</u>	<u>\$ 32,819</u>	<u>\$ 34,952</u>	<u>\$ 32,152</u>	<u>\$ 38,734</u>	<u>\$ 51,568</u>	<u>\$ 55,763</u>	<u>\$ 47,139</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	62,301	62,104	62,980	78,845	79,020	84,883	93,492	95,862	97,394	103,493
Committed	12,170	12,965	12,883	11,899	11,052	13,342	23,364	40,552	46,668	50,999
Assigned	8,156	3,789	2,837	2,857	3,961	-	-	-	-	-
Unassigned	(152)	(1,604)	(949)	(4,546)	(7,295)	(6,702)	(5,772)	(9,028)	(12,093)	(10,158)
Total all other governmental funds	<u>\$ 82,475</u>	<u>\$ 77,254</u>	<u>\$ 77,751</u>	<u>\$ 89,055</u>	<u>\$ 86,738</u>	<u>\$ 91,523</u>	<u>\$ 111,084</u>	<u>\$ 127,386</u>	<u>\$ 131,969</u>	<u>\$ 144,334</u>

**CITY OF SANTA BARBARA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING
(AMOUNTS EXPRESSED IN THOUSANDS))**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$92,888	\$95,086	\$97,702	\$104,477	\$128,923	\$123,502	\$133,159	\$160,102	\$164,107	\$169,384
Franchise fees	3,751	3,132	4,231	3,597	3,637	3,650	3,852	4,176	4,254	6,079
Intergovernmental	23,899	27,055	19,929	17,723	23,344	24,211	39,572	26,713	16,756	26,437
Fines and forfeitures	4,177	3,597	4,106	3,975	3,481	2,812	2,225	3,249	2,045	2,933
Use of money and property	1,938	2,177	1,684	2,107	3,710	3,905	2,448	(1,274)	2,457	7,863
Charges for services	21,567	22,336	21,811	22,849	22,401	20,733	22,532	26,617	29,149	30,590
Program income	511	386	399	374	236	828	757	409	383	773
Other revenues	11,537	13,672	15,453	23,069	13,737	21,835	11,853	13,230	15,719	14,100
Total revenues	160,268	167,441	165,315	178,171	199,469	201,476	216,398	233,222	234,870	258,159
Expenditures										
General government/administration (1)	13,792	15,923	15,980	17,681	18,261	19,005	17,803	20,918	20,853	22,394
Public safety	62,559	64,330	66,847	73,706	72,602	75,984	74,849	80,601	83,814	91,668
Public works	21,087	20,536	20,465	21,252	22,324	23,423	22,556	23,967	27,105	28,868
Community services	22,009	23,191	24,224	24,727	23,808	22,408	22,039	25,360	29,060	32,645
Community development	11,776	13,646	13,494	13,573	16,836	15,736	17,663	16,718	18,269	20,286
Community promotions (1)	2,620	-	-	-	-	-	-	-	-	-
Sustainability and Resilience	-	-	-	-	-	-	38	110	42	891
Capital outlay	23,370	32,068	21,056	19,076	45,300	42,070	32,435	34,652	42,458	54,608
Debt service										
Principal	300	307	663	-	-	-	-	334	485	681
Interest	51	38	58	-	-	-	-	84	65	103
Total expenditures	157,564	170,039	162,787	170,015	199,131	198,626	187,383	202,744	222,151	252,144
Excess of revenues over (under) expenditures	2,704	(2,598)	2,528	8,156	338	2,850	29,015	30,478	12,719	6,015

(Continued)

Note:

(1) Beginning in Fiscal Year 2016, Community Promotions expenditures were recorded in the General Government/Administration classification.

CITY OF SANTA BARBARA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING
(AMOUNTS EXPRESSED IN THOUSANDS))

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Other financing sources (uses)										
Lease obligation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,179	\$ 807	\$ 499
Subscription Obligation	-	-	-	-	-	-	-	-	224	841
Transfers in	20,009	9,150	11,625	18,006	36,040	33,238	35,742	41,970	39,233	55,998
Transfers out	<u>(20,275)</u>	<u>(9,093)</u>	<u>(13,042)</u>	<u>(18,580)</u>	<u>(36,564)</u>	<u>(34,103)</u>	<u>(42,501)</u>	<u>(44,491)</u>	<u>(45,470)</u>	<u>(59,610)</u>
Total other financing sources (uses)	<u>(266)</u>	<u>57</u>	<u>(1,417)</u>	<u>(574)</u>	<u>(524)</u>	<u>(865)</u>	<u>(6,759)</u>	<u>(1,342)</u>	<u>(5,206)</u>	<u>(2,272)</u>
Net change in fund balances	<u><u>2,439</u></u>	<u><u>(2,541)</u></u>	<u><u>1,111</u></u>	<u><u>7,581</u></u>	<u><u>(187)</u></u>	<u><u>2,005</u></u>	<u><u>22,218</u></u>	<u><u>29,045</u></u>	<u><u>7,512</u></u>	<u><u>3,740</u></u>
Debt service as a percentage of noncapital expenditures	0.26%	0.24%	0.49%	0.00%	0.00%	0.00%	0.00%	0.23%	0.28%	0.35%

**CITY OF SANTA BARBARA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)**

Fiscal Year	Secured	Unsecured	SBE Nonunitary	Net Taxable Assessed Value	Total Direct Tax Rate
2015	\$ 15,828,353	\$ 950,610	\$ -	\$ 16,778,963	1.00%
2016	16,893,957	1,000,471	-	17,894,428	1.00%
2017	17,897,470	1,002,168	-	18,899,638	1.00%
2018	18,999,710	1,046,971	-	20,046,681	1.00%
2019	20,146,839	1,058,569	-	21,205,408	1.00%
2020	21,207,130	1,074,831	-	22,281,961	1.00%
2021	22,473,303	1,125,860	-	23,599,163	1.00%
2022	23,186,266	1,200,282	-	24,386,548	1.00%
2023	25,000,821	1,404,240	-	26,405,061	1.00%
2024	26,671,738	1,419,749	-	28,091,487	1.00%

Notes:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Exempt values are not included in Total

In Fiscal Year 2018, the City engaged HDL, Coren & Cone to provide data for the statistical section of the Annual Comprehensive Financial Report. Historical data was updated based upon this information.

HDL Coren & Cone Data Source: Santa Barbara County Assessor 2013/14 - 2022/23 Combined Tax Rolls.

**CITY OF SANTA BARBARA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$100 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Direct Rates:										
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Rates: (2)										
Cold Spring Elementary	0.01446	0.01411	0.01207	0.01192	0.01177	0.01177	0.01176	0.01217	0.01217	0.01157
Goleta Union	0.01314	0.01248	0.01061	0.00955	0.00907	0.00862	0.00776	0.02621	0.02124	0.01977
Hope Elementary	0.01850	0.01779	0.01514	0.01222	0.01181	0.01181	0.02280	0.02340	0.03959	0.03804
Montecito Union Elementary Bond 1997 A	0.00050	0.00025	0.00019	0.00010	0.00007	0.00007	0.00007	0.00007	0.00004	0.00003
Santa Barbara Community College Bond 2008	0.00850	0.00850	0.00731	0.00731	0.00731	0.00731	0.00731	0.00709	0.00688	0.00654
Santa Barbara Elementary	0.01995	0.01995	0.01776	0.01713	0.03445	0.02850	0.02616	0.02639	0.02804	0.02663
Santa Barbara High Bond	0.01995	0.01670	0.01581	0.02692	0.02417	0.02417	0.02414	0.02415	0.02617	0.02524
	0.09500	0.08978	0.07889	0.08515	0.09865	0.09225	0.10000	0.11948	0.13413	0.12782
Total Direct and Overlapping Rates:	1.09500	1.08978	1.07889	1.08515	1.09865	1.09225	1.10000	1.11948	1.13413	1.12782
City's Share of 1% Levy Per Prop 13: (3)	0.11963	0.11963	0.11963	0.11963	0.11963	0.11963	0.11963	0.11963	0.11963	0.11963
Voter Approved City Debt Rate										
Total Direct Rate: (4)	0.12008	0.12019	0.12010	0.12009	0.12009	0.12011	0.11877	0.11880	0.13878	0.13841

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. The ERAF portion of the City's Levy has been subtracted where known.

(4) Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues 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/Agency in the same proportions as general fund revenue.

In Fiscal Year 2018, the City engaged HdL, Coren & Cone to provide data for the statistical section of the Comprehensive Annual Financial Report. Historical data was updated based upon this information.

HdL Coren & Cone Data Source: Santa Barbara County Assessor 2013/14 - 2022/23 Tax Rate Table.

**CITY OF SANTA BARBARA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(AMOUNTS EXPRESSED IN THOUSANDS)**

Taxpayer	Fiscal Year 2024	
	Taxable Net Assessed Value	Percentage of Total Taxable Net Assessed Value
HC ASSETCO	\$147,817	0.53%
LEVON INVESTMENTS LLC	147,478	0.52%
FESS PARKER DOUBLETREE HOTEL	117,600	0.42%
KHP IV SANTA BARBARA LLC	99,831	0.36%
MCC BB PROPERTY LLC	95,419	0.34%
XHR SANTA BARBARA LLC	90,383	0.32%
ROMASANTA FAMILY-COMMERCIAL LP	86,984	0.31%
EL ENCANTO INC	84,160	0.30%
DARIO L PINI TRUST	75,633	0.27%
PASEO NUEVO OWNER LLC	69,026	0.25%
	\$1,014,330	3.61%

Taxpayer	Fiscal Year 2015	
	Taxable Net Assessed Value	Percentage of Total Taxable Net Assessed Value
FESS PARKER DOUBLETREE HOTEL	\$87,327	0.52%
LEVON INVESTMENTS LLC	83,783	0.50%
EL ENCANTO INC	79,700	0.47%
DARIO PINI	59,512	0.35%
HITCHCOCK HOLDINGS LLC	53,839	0.32%
GRI- REGENCY LLC	49,928	0.30%
ESTATE OF HUGUETTE M CLARK	47,031	0.28%
I AND G DIRECT REAL ESTATE 3 LP	45,131	0.27%
KHP II CANARY LLC	43,891	0.26%
MCC BB PROPERTY LLC	43,837	0.26%
	\$593,978	3.54%

Notes:

In Fiscal Year 2018, the City engaged HdL, Coren & Cone to provide data for the statistical section of the Comprehensive Annual Financial Report. Historical data was updated based upon this information.

HDL Coren & Cone Data Source: Santa Barbara County Assessor 2013/14 and 2022/23 Combined Tax Rolls and the SBE Non Unitary Tax Roll.

**CITY OF SANTA BARBARA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 27,691	\$ 27,691	100%	-	\$ 27,691	100%
2016	29,382	29,382	100%	-	29,382	100%
2017	31,612	31,612	100%	-	31,612	100%
2018	34,928	34,928	100%	-	34,928	100%
2019	35,187	35,187	100%	-	35,187	100%
2020	38,148	38,148	100%	-	38,148	100%
2021	39,862	39,862	100%	-	39,862	100%
2022	42,226	42,226	100%	-	42,226	100%
2023	46,006	46,006	100%	-	46,006	100%
2024	48,672	48,672	100%	-	48,672	100%

**CITY OF SANTA BARBARA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)**

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Certificates of Participation	Tax Allocation Bonds	Loans	Revenue Bonds	Certificates of Participation	Loans			
2015	\$ 968	\$ -	\$ -	\$ 68,660	\$ 22,711	\$ 56,231	\$ 148,570	4.48%	\$ 1,640
2016	662	-	-	66,243	20,965	77,781	165,651	4.90%	1,778
2017	-	-	-	62,686	19,001	116,494	198,181	5.83%	2,130
2018	-	-	-	60,030	17,334	141,290	218,654	6.27%	2,306
2019	-	-	-	51,655	15,617	140,301	207,573	5.47%	2,219
2020	-	-	-	48,699	13,835	138,249	200,783	5.00%	2,147
2021	-	-	-	45,633	11,993	130,600	188,226	4.46%	2,023
2022	-	-	3,793	42,449	10,081	122,785	179,108	3.97%	2,068
2023	-	-	3,275	39,149	8,093	114,795	165,312	3.41%	1,935
2024	-	-	2,744	38,816	7,991	115,325	164,877	3.15%	1,924

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. **The amount of outstanding debt by type reported above is net of related premiums and discounts.**

¹ See the Schedule of Demographic and Economic Statistics for personal income and population data.

**CITY OF SANTA BARBARA
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)**

Fiscal Year	Certificates of Participation	Tax Allocation Bonds	Loans	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value¹ of Property	Per Capita²
2015	\$ 968	\$ -	\$ -	\$ 580	\$ 388	0.00%	4
2016	662	-	-	576	86	0.00%	1
2017	-	-	-	-	-	0.00%	0
2018	-	-	-	-	-	0.00%	0
2019	-	-	-	-	-	0.00%	0
2020	-	-	-	-	-	0.00%	0
2021	-	-	-	-	-	0.00%	0
2022	-	-	3,793	-	3,793	0.02%	44
2023	-	-	3,275	-	3,275	0.01%	38
2024	-	-	2,744	-	2,744	0.01%	32

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

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics.

**CITY OF SANTA BARBARA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assessed valuation	\$18,330,384	\$19,637,766	\$20,856,683	\$22,171,096	\$23,507,910	\$24,610,953	\$25,832,015	\$26,720,501	\$28,776,023	\$30,480,053
Coverage percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	\$4,582,596	\$4,909,442	\$5,214,171	\$5,542,774	\$5,876,978	\$6,152,738	\$6,458,004	\$6,680,125	\$7,194,006	\$7,620,013
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	\$687,389	\$736,416	\$782,126	\$831,416	\$881,547	\$922,911	\$968,701	\$1,002,019	\$1,079,101	\$1,143,002
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$687,389</u>	<u>\$736,416</u>	<u>\$782,126</u>	<u>\$831,416</u>	<u>\$881,547</u>	<u>\$922,911</u>	<u>\$968,701</u>	<u>\$1,002,019</u>	<u>\$1,079,101</u>	<u>\$1,143,002</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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 within the state.

In Fiscal Year 2018, the City engaged HdL, Coren & Cone to provide data for the statistical section of the Comprehensive Annual Financial Report.

HDL Coren & Cone Data Source: Santa Barbara County Assessor 2023/24 Combined Tax Rolls

**CITY OF SANTA BARBARA
 PLEDGE-REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)**

Fiscal Year	Water Revenue Bonds							Wastewater Revenue Bonds						Tax Allocation Bonds			
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	Waste-water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	Tax Increment	Debt Service		Coverage	
				Principal	Interest					Principal	Interest			Principal	Interest		
2015	\$ 34,904	\$ 31,823	\$ 3,081	\$ 1,360	\$ 775	1.44	\$ 17,778	\$ 11,774	\$ 6,004	\$ 700	\$ 652	4.44	\$ 8,147 ¹	\$ 6,485 ¹	\$ 1,662 ¹	1.00	
2016	45,268	27,096	18,172	1,390	747	8.50	18,712	11,556	7,156	730	625	5.28	8,147 ¹	6,790 ¹	1,357 ¹	1.00	
2017	52,079	28,869	23,210	1,425	712	10.86	20,181	12,656	7,525	750	492	6.06	8,143 ¹	7,085 ¹	1,058 ¹	1.00	
2018	57,234	34,798	22,436	1,470	668	10.49	20,808	15,026	5,782	700	463	4.97	8,145 ¹	7,430 ¹	715 ¹	1.00	
2019	55,384	40,004	15,380	1,520	616	7.20	21,418	15,348	6,070	725	435	5.23	8,146	7,795 ¹	351 ¹	1.00	
2020	79,432	38,066	41,366	1,585	554	19.34	23,003	16,086	6,917	760	398	5.97	-	- ^{1,2}	- ¹	-	
2021	65,633	37,983	27,650	1,645	489	12.96	24,474	15,825	8,649	805	360	7.42	-	- ^{1,2}	- ¹	-	
2022	69,058	39,102	29,955	1,715	422	14.02	25,807	15,807	10,151	845	320	8.71	-	- ^{1,2}	- ¹	-	
2023	67,334	45,089	22,246	1,790	352	10.39	27,438	19,068	8,369	880	278	7.23	-	- ^{1,2}	- ¹	-	
2024	69,514	48,035	21,479	1,865	270	10.06	28,683	21,694	6,989	925	234	6.03	-	- ^{1,2}	- ¹	-	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

¹ Debt service payments of the former Redevelopment Agency have become Recognized Obligation Payments of the Successor Agency Trust of the former Redevelopment Agency.

² Final year of debt service FY2019

**CITY OF SANTA BARBARA
 PLEDGE-REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)**

Fiscal Year	Airport Revenue Bonds									Airport Promissory Note 3						Waterfront Revenue Bonds							
	Airport Revenue	Plus	Less	Net	Debt Service			Coverage	Airport Revenue	Less	Net	Debt Service			Coverage	Waterfront Revenue	Plus	Less	Net	Debt Service			Coverage
		Non-Operating Rents/Leases ⁴	Operating Expenses	Available Revenue	Principal	Interest	Operating Expenses			Available Revenue	Principal	Interest	Operating Expenses	Available Revenue			Principal	Interest	Non-Operating Rents/Leases ⁴	Operating Expenses	Available Revenue	Principal	
2015	\$ 18,113	\$ -	\$ 13,244	\$ 4,869	\$ 935	\$ 2,189	1.56	\$ 18,113	\$ 13,244	\$ 4,869	\$ 276	\$ 184	10.58	\$ 14,982	\$ -	\$ 10,013	\$ 4,969	\$ 738	\$ 422	4			
2016	17,996	-	13,011	4,985	970	2,147	1.60	17,996	13,011	4,985	286	175	10.81	14,660	-	10,309	4,351	760	396	3.76			
2017	19,178	-	14,254	4,924	1,020	2,102	1.58	19,178	14,254	4,924	296	165	10.68	15,080	-	10,857	4,223	794	369	3.63			
2018	20,656	-	16,421	4,235	1,065	2,060	1.36	20,656	16,421	4,235	306	154	9.21	14,822	-	12,650	2,172	814	340	1.88			
2019	23,326	-	17,247	6,079	1,105	2,011	1.95	23,326	17,247	6,079	317	143	13.22	14,995	-	13,033	1,962	842	311	1.70			
2020	31,141	-	18,560	12,581	990	1,473	5.11	31,141	18,560	12,581	3,856	67	3.21	14,629	-	12,748	1,881	873	281	1.63			
2021	19,569	-	16,206	3,363	1,025	1,442	1.36	19,569	16,206	3,363	-	-	-	15,644	-	11,626	4,018	903	250	3.48			
2022	25,920	-	18,880	7,041	1,075	1,391	2.86	25,920	18,880	7,041	-	-	-	17,241	-	11,827	5,415	931	218	4.71			
2023	28,681	-	24,835	3,846	1,125	1,337	1.56	28,681	24,835	3,846	-	-	-	18,158	-	14,772	3,386	963	185	2.95			
2024	10,019	21,993	28,022	3,990	1,180	1,281	1.62	10,019	28,022	3,990	-	-	-	13,494	6,088	16,276	3,306	995	151	2.88			

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

³ Final year of debt service FY2020

⁴ GASB 87 implementation removed rents and leases from operating revenue, as it is considered non-operating revenues.

**CITY OF SANTA BARBARA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	City Population ⁽¹⁾	Personal Income (in thousands) ⁽²⁾	Per Capita Personal Income ⁽²⁾	June 30 Unemployment Rate ⁽³⁾
2015	90,612	\$ 3,315,221	\$ 36,587	4.9%
2016	93,190	3,379,787	36,267	4.2%
2017	93,063	3,397,602	36,508	4.0%
2018	94,807	3,486,408	36,773	3.3%
2019	93,532	3,797,190	40,597	2.6%
2020	93,511	4,012,701	42,911	2.3%
2021	93,055	4,224,865	45,401	7.0%
2022	86,591	4,515,159	52,143	4.3%
2023	85,418	4,851,096	56,792	2.3%
2024	85,679	5,228,745	61,027	3.0%

Notes:

In Fiscal Year 2018, the City engaged HdL, Coren & Cone to provide data for the statistical section of the Annual Comprehensive Financial Report.

HdL, Coren & Cone Data Sources:

(1) Population data: California State Department of Finance.

(2) 2000-2009 Income data - ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. 2010 and later Income data - US Census Bureau, most recent American Community Survey.

(3) Unemployment data: California Employment Development Department.

**CITY OF SANTA BARBARA
PRINCIPAL EMPLOYERS
TEN LARGEST EMPLOYERS – SOUTH SANTA BARBARA COUNTY
CURRENT YEAR AND NINE YEARS AGO**

As of June 30, 2024			As of June 30, 2015		
Employer	Number of Employees (1)	Percentage of Total Employment	Employer	Number of Employees (1)	Percentage of Total Employment
UC Santa Barbara	10,973	12.79%	University of California, Santa Barbara	10,592	12.53%
County of Santa Barbara	4,400	5.13%	County of Santa Barbara	4,582	5.42%
Vandenberg Space Force Base	4,212	4.91%	Cottage Health System	3,449	4.08%
Santa Barbara Unified School District	3,460	4.03%	Santa Barbara City College	2,149	2.54%
Cottage Health	3,052	3.56%	Santa Barbara Unified School District	2,000	2.37%
Marian Regional Medical Center	2,244	2.62%	City of Santa Barbara	1,795	2.12%
Santa Barbara City College	2,045	2.38%	Raytheon Electronic Systems	1,100	1.30%
Santa Maria-Bonita School District	2,010	2.34%	Sansum Medical Foundation Clinic	1,002	1.19%
Chumash Casino Resort	2,000	2.33%	Santa Barbara County Education	875	1.04%
Mission Linen Supply	2,000	2.33%	Goleta Union School District	625	0.74%
	<hr/>			<hr/>	
Ten largest companies or organizations	<u>36,396</u>	<u>42.42%</u>		<u>28,169</u>	<u>33.34%</u>

Sources:

(1) County of Santa Barbara, City of Santa Barbara, Pacific Coast Business Times

Source Notes: In preparing the FY24 principal employers schedule, the total number of employees ("Labor Force") at 6/30/24 was obtained from the State of California Employment Development Department. This Labor Force figure includes employee data from Santa Barbara, Goleta, Carpinteria, Summerland, and Isla Vista. Prior employer data (FY15) was obtained from FY15 ACFR (CAFR) Statistic Section, and FY24 Employer data was from the Pacific Coast Business Times' 2024 Book of Lists ("Employers in Santa Barbara County"). Employment data is intended for use as a general guide only. Inquiries regarding employment data should be directed to the respective employer.

**CITY OF SANTA BARBARA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Full-time Equivalent Employees as of June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administration	105.6	106.5	106.5	108.3	111.3	103.0	106.0	110.3	111.3	118.5
Administrative services (3)	28.5	30.5	30.5	30.5	31.5	28.0	29.0	32.0	32.0	43.0
City administrator	10.5	9.5	9.5	8.5	8.5	13.0	14.0	15.0	15.0	14.0
City attorney	11.6	11.0	11.0	13.8	15.8	15.0	16.0	16.8	16.8	15.0
Finance	47.0	47.5	47.5	47.5	47.5	39.0	39.0	38.5	39.5	38.5
Mayor and city council	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Public safety	316.0	317.0	317.0	316.0	316.0	316.0	315.0	316.0	316.0	315.0
Police	211.0	212.0	212.0	211.0	210.0	210.0	209.0	210.0	210.0	210.0
Fire	105.0	105.0	105.0	105.0	106.0	106.0	106.0	106.0	106.0	105.0
Public works (4)	144.0	143.0	140.0	141.0	143.0	142.0	142.0	146.8	147.0	145.0
Community services	122.4	126.5	131.6	132.8	125.5	123.0	124.0	129.8	128.2	127.0
Library	36.1	36.1	38.4	40.4	35.0	34.0	35.0	39.0	37.4	45.0
Parks and recreation	86.3	90.4	93.3	92.5	90.5	89.0	89.0	90.8	90.8	82.0
Community development	67.8	70.8	73.8	72.8	75.3	76.0	78.0	81.0	81.0	81.5
Water	68.8	74.3	75.3	72.8	72.8	70.5	71.5	71.0	71.8	71.8
Wastewater	49.0	49.0	49.0	52.5	52.5	56.5	56.5	57.0	57.0	57.0
Sustainability and resilience (2)	0.0	0.0	0.0	0.0	0.0	14.0	15.0	17.0	17.0	31.0
Airport	55.5	55.5	55.8	61.0	63.0	66.0	67.0	71.0	71.0	73.0
Waterfront	46.0	46.0	47.0	47.0	47.0	48.0	48.0	48.0	48.0	47.0
Parking and transportation	30.4	31.4	31.4	30.4	30.4	27.0	27.0	30.4	29.4	29.4
Golf (1)	10.3	9.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	<u>1,015.7</u>	<u>1,029.7</u>	<u>1,027.3</u>	<u>1,034.5</u>	<u>1,036.7</u>	<u>1,042.0</u>	<u>1,050.0</u>	<u>1,078.2</u>	<u>1,077.7</u>	<u>1,096.2</u>

Note:

Source: City's Human Resources Department

Note:

(1) Effective July 1, 2016 operation of the golf course was contracted to a private management company, which eliminated the need for dedicated full time and part time employees.

(2) Sustainability and Resilience Department started in FY20.

CITY OF SANTA BARBARA OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Police										
Parking citations	55,700	55,716	59,580	59,613	72,038	49,439	55,439	51,554	25,923	39,125
Street sweeping citations	27,109	29,031	27,032	26,349	26,922	19,514	21,675	25,925	20,151	20,624
Fire										
Number of calls received	8,341	9,102	9,891	9,240	10,583	7,312	9,198	11,292	11,448	12,031
Engine company fire inspections	3,116	2,890	2,450	2,329	2,034	924	-	564	823	1,454
Public works										
Street resurfacing (Blocks)	23.7	14.2	8.4	11.3	36.0	54.0	31.0	0.0	26.0	126.0
Community services										
Library items checked out	782,860	825,731	792,767	826,420	957,879	749,877	565,258	697,963	564,071	637,747
Community development										
Building inspections completed	11,650	11,403	11,805	13,128	11,690	13,252	12,091	13,838	14,063	14,997
Total permits issued (1)	2,580	2,818	2,571	2,777	2,741	2,438	2,388	2,273	3,949	2,774
Water										
Million gallons water treated	4,960	4,247	4,132	4,600	4,016	4,382	5,558	2,687	4,054	4,156
Percent of drinking water regulations met	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Wastewater										
Million gallons waste water treated	2,360	2,301	2,312	2,252	2,369	2,202	2,088	2,137	2,320	2,500
Miles of wastewater collection system pipes cleaned	219	262	219	277	346	280	275	330	271	240
Percent of discharge requirements met	100.0%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Airport										
Total number of annual passengers	628,837	630,612	690,992	738,079	860,909	796,908	426,836	1,122,129	1,385,020	1,314,660
Annual tons of airfreight	1,800	1,794	1,736	1,943	1,838	1,675	1,758	1,607	1,399	1,411
Waterfront										
Number of lease contracts managed	64	64	65	60	60	61	61	62	62	62
Number of parking permits distributed	814,800	765,471	781,419	727,345	736,660	609,178	754,696	840,583	828,014	781,014
Parking										
Vehicles parked in city lots	4,488,773	4,433,780	4,358,066	4,128,353	4,118,116	2,797,736	1,672,513	2,076,236	2,962,885	3,039,590
Golf course										
Paid rounds of golf	57,089	55,376	53,799	54,300	52,222	54,465	76,393	72,248	65,647	71,895

Source: Various City Departments

(1) FY23 permits issued was corrected in FY24 due to clerical error.

(All the information was found thru the P3 reports found on the Access P3 Database)

CITY OF SANTA BARBARA CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	8	8	8	8	8	8	8	8	8	8
Public works										
Streets (miles)	254	255	255	255	254	254	254	254	254	256
Streetlights										
Concrete installed-sidewalk, curb and gutter (sq ft.)	12,140	14,145	15,976	15,387	83,698	28,242	21,481	54,837	0	N/A
Sidewalks (sq. ft.)	-	-	-	-	-	-	-	-	8,000,000	8,000,000
Curbs and Gutters (sq. ft.)	-	-	-	-	-	-	-	-	1,609,344	1,609,344
Community services										
Parks acreage	1,765	1,765	1,808	1,808	1,810	1,815	1,815	1,815	1,815	1,815
Parks and sports facilities	57	57	60	60	60	60	60	60	60	60
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis and pickle ball courts	34	34	33	33	33	33	33	33	33	33
Community buildings	15	15	16	16	16	16	16	16	16	16
Libraries	2	2	2	2	2	2	3	3	3	3
Number of volumes (books, periodicals, tapes, etc.)	330,773	439,773	396,055	564,103	506,195	521,414	454,560	436,554	436,554	436,554
community development										
Water										
Number of distribution system reservoirs	15	15	15	15	15	15	15	15	15	15
Number of water supply reservoirs	1	1	1	1	1	2	2	3	3	3
Number of pump stations	14	14	14	14	14	15	17	17	17	17
Number of treatment plants	2	2	3	3	3	3	3	3	3	3
Number of wells	9	8	9	10	10	9	9	9	9	9
Wastewater										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of lift stations	9	7	7	7	7	7	7	7	7	7
Airport										
Runways and Taxiways, paved surface (sq. footage)	6,842,079	6,842,079	6,842,079	6,842,079	6,842,079	6,943,779	6,784,710	6,784,710	6,784,710	6,784,710
Waterfront										
Number of harbor slips	1,139	1,139	1,143	1,141	1,143	1,143	1,143	1,143	1,143	1,143
Parking										
Number of parking structures and lots	16	16	15	15	15	15	15	15	16	15
Number of parking spaces	3,628	3,628	3,605	3,605	3,605	3,605	3,605	3,605	3,532	3,584



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