Annual Comprehensive Financial Report for the City of Santa Barbara, California

Fiscal Year Ended June 30, 2025

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CITY OF SANTA BARBARA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2025

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 3, 2026

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, 2025, 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, 2025. 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 13.

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. The City experienced a plateau in economic activities due to various factors such as supply chain disruptions, inflationary pressures, and labor shortages since Fiscal Year (FY) 2024. 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 FY2027 operating budget development 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 XIIIB of the California Constitution, also known as the Gann spending limit, restricts the amount of “proceeds of taxes” California governments may spend. As of June 30, 2025, the City had not reached its Article XIIIB 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, 2024. This was the thirty-seventh 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, 2025, 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, her team of hard-working and dedicated accountants, Jo Salamack, Takero Shinoda, Sarolyn Boyd, and Marivic Adolfo, 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	Keith DeMartini
City Administrator/	Finance Director
Clerk/Treasurer	

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, 2024

Christopher P. Morrill

Executive Director/CEO

CITY OF SANTA BARBARA

Directory of City Officials

(as of June 30, 2025)

Santa Barbara City Council

Back row from left: Councilmember Oscar Gutierrez, Mayor Pro Tempore Eric Friedman, Councilmember Mike Jordan, Councilmember Meagan Harmon.

Front row from left: Councilmember Wendy Santamaria, Mayor Randy Rowse, Councilmember Kristen Sneddon

City Management Team

Kelly McAdoo, City Administrator/Clerk/Treasurer

Sarah Knecht, City Attorney

Rene Eyerly, Assistant City Administrator/ Interim Human Resources Director

Christopher Hastert, Airport Director

Allison DeBusk, Interim Community Development Director

Keith DeMartini, Finance Director

Chris Mailes, Fire Chief

Justin Cure, Information Technology Director

Brandon Beaudette, Acting Library Director

Jill Zachary, Parks and Recreation Director

Kelly Gordon, Police Chief

Brian D’Amour, Acting Public Works Director

Alelia Parenteau, Sustainability and 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

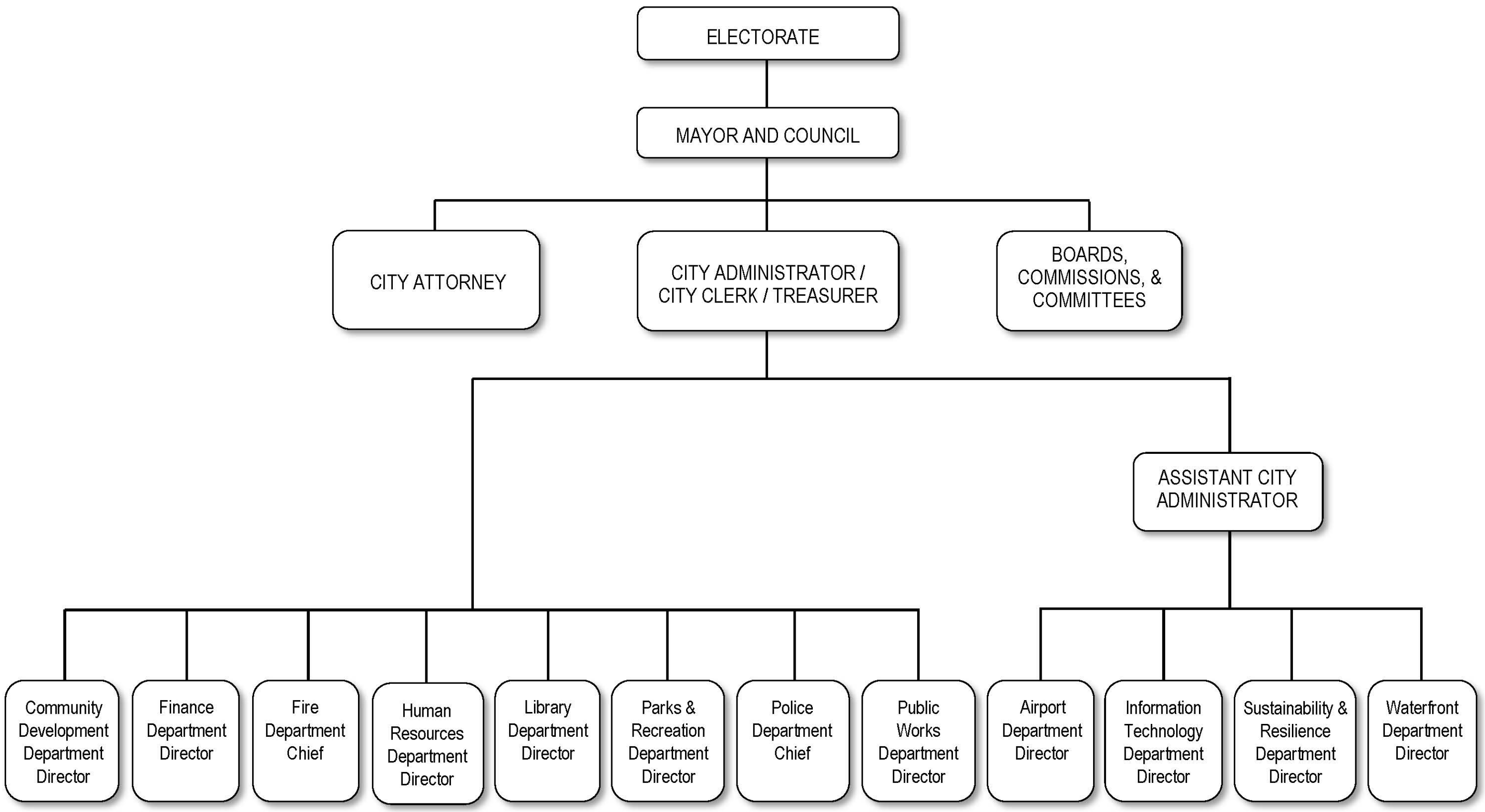
Access Advisory Committee	7
Arts Advisory Committee	7
Building and Fire Code Board of Appeals	7
Central Coast Commission for Senior Citizens	1
Citizens' Oversight Committee	7
Community Development and Human Services Committee	13
Community Events and Festivals Committee	7
County of Santa Barbara Library Advisory Committee	1
Creeks Advisory Committee	7
Downtown Parking Committee	7
Housing Authority Commission	7
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	5
Sister Cities Board	3
Transportation and Circulation Committee	7

Other Advisory Bodies

Santa Barbara 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, 2025.



FINANCIAL SECTION

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CliftonLarsonAllen LLP
CLAconnect.com

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 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, 2025, 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 accompanying 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, 2025, 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 3, 2026, 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

CliftonLarsonAllen LLP

Irvine, California
March 3, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Fiscal Year Ended June 30, 2025

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, 2025. 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

Santa Barbara entered 2024–2025 with a cautiously stable economic outlook. While the region continues to face high living costs and a tight housing market, employment growth, tourism recovery, and steady consumer activity have supported moderate economic resilience. The unemployment rate hovered around 4.5%, slightly below the California average, reflecting a strong labor market but also a limited workforce pool as Workforce participation remains constrained by housing affordability. Tourism in Santa Barbara from July 2024 through June 2025 showed steady improvement compared to the prior year. Visitor demand strengthened, hotel performance indicators rose modestly, and the sector continued to be a major economic engine for the region. While growth was not dramatic, it marked a clear rebound from the softer performance seen in 2023–2024.

In December 2024 the City, through the Santa Barbara Financing Authority, issued Lease Revenue Bonds, Series 2024, to finance two major capital projects: the construction of the new Police Station and the renovation of Dwight Murphy Park. The total par amount issued was approximately $122.0 Million, structured as special-obligation lease revenue bonds secured by lease payments made by the City to the Financing Authority. The bonds carry a fixed interest rate of 3.86% and have a final maturity in 2057.

A significant portion of the bond proceeds is dedicated to the construction of the new Police Station, a long-planned public safety facility intended to replace the City's outdated and seismically deficient headquarters. The remaining proceeds support the renovation of Dwight Murphy Park, an 8-acre community park that will include athletic field improvements, expanded recreational amenities, and accessibility upgrades. In addition to project funding, the bond structure includes reserves set aside to cover interest payments for the first three years, during which construction activities will be underway, as well as an additional reserve sufficient to cover one full debt-service payment. These reserves help stabilize early-period cash flows and ensure uninterrupted debt service during the construction phase. The issuance of the Series 2024 bonds represents a major investment in public safety and community infrastructure. The bonds are repaid solely from lease revenues and do not constitute a pledge of the City's taxing power.

At the end of FY2025, Governmental Activities reported a net position loss of $11.4 Million. This occurred despite increases in several major revenue sources, including property tax revenue, which rose by $2.0 Million; transient occupancy tax, which increased by $2.7 Million; and sales and use tax, which grew by $4.1 Million. These gains were offset in part by a $1.5 Million decline in business tax (license) revenue, reflecting slower economic activity and business turnover. Rising payroll costs within the Fire and Police departments continued to create a challenging fiscal environment for governmental funds, ultimately outweighing the year's revenue growth and investment income gains.

Governmental Activities concluded FY2025 with total assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by $463.5 Million (net position). This represents a 2.4% decrease compared to FY2024. Within this total, the unrestricted net position remained in deficit at $212.4 Million, an increase in the deficit of 13.1% from the prior year. The expansion of this deficit was driven primarily by higher payroll-related costs, which continued to place pressure on the City's financial position. Unrestricted funds are available to support ongoing operations, subject to applicable federal and state laws and regulations.

Business-Type Activities ended FY2025 with a net position of $650.7 Million, an increase of $35.5 Million over the prior year. This improvement resulted from staff vacancies that reduced operating expenditures, a better-than-expected rate of return on investments, and revenues that remained steady overall compared to FY2024.

Overall, the City of Santa Barbara experienced a slight increase of approximately 2.0% in its total net position across all activities relative to the prior fiscal year. This outcome reflects a combination of revenue growth, expenditure pressures, and continued operational resilience across both governmental and business-type functions.

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), along with Statement No 103. 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, 2025, with comparative totals as of June 30, 2024. 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, 2025 & 2024** **in (000's)**						
Assets, Liabilities, & Net Position	**Governmental Activities**		**Business-Type Activities**		**TOTAL**	
	FY2025	**FY2024**	**FY2025**	**FY2024**	**FY2025**	**FY2024**
Assets						
Current & other Assets	$411,574	$302,701	$299,226	$285,215	$710,801	$587,916
Capital Assets, Net	$582,713	$557,222	$606,254	$590,982	$1,188,966	$1,148,204
TOTAL ASSETS	**$994,287**	**$859,923**	**$905,480**	**$876,197**	**$1,899,767**	**$1,736,120**
Deferred Outflows of Resources:	**$93,870**	**$121,453**	**$17,376**	**$21,637**	**$111,246**	**$143,090**
Liabilities						
Current & other Liabilities	$64,847	$60,549	$52,966	$44,729	$117,813	$105,279
Noncurrent liabilities	$534,645	$414,656	$193,352	$207,812	$727,996	$622,467
TOTAL LIABILITIES	**$599,492**	**$475,205**	**$246,318**	**$252,541**	**$845,810**	**$727,746**
Deferred Inflows of Resources:	**$25,128**	**$31,227**	**$25,817**	**$30,043**	**$50,945**	**$61,271**
Net Position						
Net investment in capital assets	$562,641	$543,585	$459,809	$436,169	$1,022,449	$979,754
Restricted	$113,252	$120,534	$8,456	$9,308	$121,708	$129,842
Unrestricted	($212,355	($189,175)	$182,455	$169,772	($29,900)	($19,403)
TOTAL NET POSITION	**$463,538**	**$474,944**	**$650,720**	**$615,249**	**$1,114,258**	**$1,090,193**

As shown in Table 1, under Governmental Activities, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $463.5 Million as of June 30, 2025, representing a decrease of $11.4 Million compared to FY2024. This change reflects a combination of factors, including an increase in current assets from the proceeds of the 2024 Revenue Bonds, stronger investment returns, and the overall loss from operations. Business-type Activities experienced a slight increase over the prior year, and these results are discussed in detail in the Business-Type Activities section.

The 21.0% increase in Current and Other Assets is primarily driven by the 2024 Revenue Bond proceeds, higher interest receivable resulting from favorable investment market conditions, and loan activity related to Affordable Housing and Public Works programs. The largest portion of the City's total assets continues to be its net investment in capital assets, totaling $1.2 billion. The year-to-year increase in capital assets is attributed to main replacements for Streets, repairs to the Gibraltar Dam boom (floating debris-control barrier), and upgrades to the Cater Water Treatment Plant software.

Changes in Current and Other Liabilities from the prior year are primarily related to fluctuations in Accounts Payable, while changes in Non-Current Liabilities reflect a decrease in the Net Pension Liability, offset by the issuance of long-term debt. Under Net Position, although the City's investment in capital assets is reported net of related debt, the resources required to repay this debt must be provided from other sources, as the capital assets themselves are not generally available to liquidate these obligations. Another portion of the City's net position consists of restricted resources, which are subject to external constraints on their use. For the current year, restricted net position totaled $121,708 Million, an 36.5% decrease over the prior year, driven by restrictions related to capital improvements, Public Works projects, Affordable Housing, and Debt Service Reserves. The remaining portion of total net position reflects an unrestricted deficit of $29.9 Million.

Statement of Activities

For the fiscal year ended June 30, 2025, total net position increased by $24.0 Million, or 2.2% 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, 2025, with comparative totals for the fiscal year ended June 30, 2024.

Table 2						
STATEMENT OF ACTIVITIES **As of June 30, 2025 & 2024** **in (000's)**						
Revenues & Expenses	**Governmental Activities**		**Business-Type Activities**		**TOTAL**	
	FY2025	**FY2024**	**FY2025**	**FY2024**	**FY2025**	**FY2024**
REVENUES						
Program Revenues						
Charges for Services	$36,187	$34,126	$268,596	$256,392	$304,784	$290,517
Operating Grants & Contributions	$23,229	$24,413	$7,100	$8,674	$30,329	$33,087
Capital Grants & Contributions	$27,275	$22,974	$94	$15	$27,369	$22,989
General Revenues:						
Taxes	$171,569	$164,256	$0	$0	$171,569	$164,256
Franchise Fees	$6,073	$6,079	$0	$0	$6,073	$6,079
Motor Vehicle License Fees	$138	$108	$0	$0	$138	$108
Investment Income	$10,000	$8,377	$13,860	$10,819	$23,860	$19,197
Other Revenue	$1,073	$922	$189	$189	$1,261	$1,111
TOTAL REVENUES	**$275,544**	**$261,255**	**$289,839**	**$276,089**	**$565,383**	**$537,344**
EXPENSES						
Program Expenses:						
Administration	$24,606	$23,803	$0	$0	$24,606	$23,803
Public Safety	$109,514	$100,520	$0	$0	$109,514	$100,520
Public Works	$89,631	$58,408	$0	$0	$89,631	$58,408
Community Services	$35,938	$34,779	$0	$0	$35,938	$34,779
Community Development	$23,049	$22,673	$0	$0	$23,049	$22,673
Sustainability & Resilience	$1,934	$972	$0	$0	$1,934	$972
Interest on Long Term Debt	$788	$0	$0	$0	$788	$0
Business Activities:						
Water	$0	$0	$56,404	$58,759	$56,404	$58,759
Wastewater	$0	$0	$30,213	$27,454	$30,213	$27,454
Airport	$0	$0	$39,451	$35,795	$39,451	$35,795
Waterfront	$0	$0	$18,702	$18,287	$18,702	$18,287
Solid Waste	$0	$0	$38,665	$37,866	$38,665	$37,866
Downtown Parking	$0	$0	$12,173	$12,350	$12,173	$12,350
Golf Course	$0	$0	$3,863	$3,561	$3,863	$3,561
Clean Energy	$0	$0	$56,387	$33,475	$56,387	$33,475
TOTAL EXPENSES	**$285,461**	**$241,154**	**$255,858**	**$227,548**	**$541,318**	**$468,702**
Increase in Net Positions Before Transfers	**($9,917)**	**$20,101**	**$33,981**	**$48,541**	**$24.064**	**$68,642**
Transfers In (Out)	($1,489)	$445	$1,489	($445)	$0	$0
Increase (Decrease) in Net Position	**($11,406)**	**$20,546**	**$35,471**	**$48,096**	**$24,064**	**$68,642**
Net Position, Beginning of Fiscal Year	$474,944	$454,398	$615,249	$567,153	$1,090,193	$1,021,551
Restatement Prior Year (Note 19)	$0	$0	$0	$0	$0	$0
NET POSITION, END OF FISCAL YEAR	**$463,538**	**$474,944**	**$650,720**	**$615,249**	**$1,114,258**	**$1,090,193**

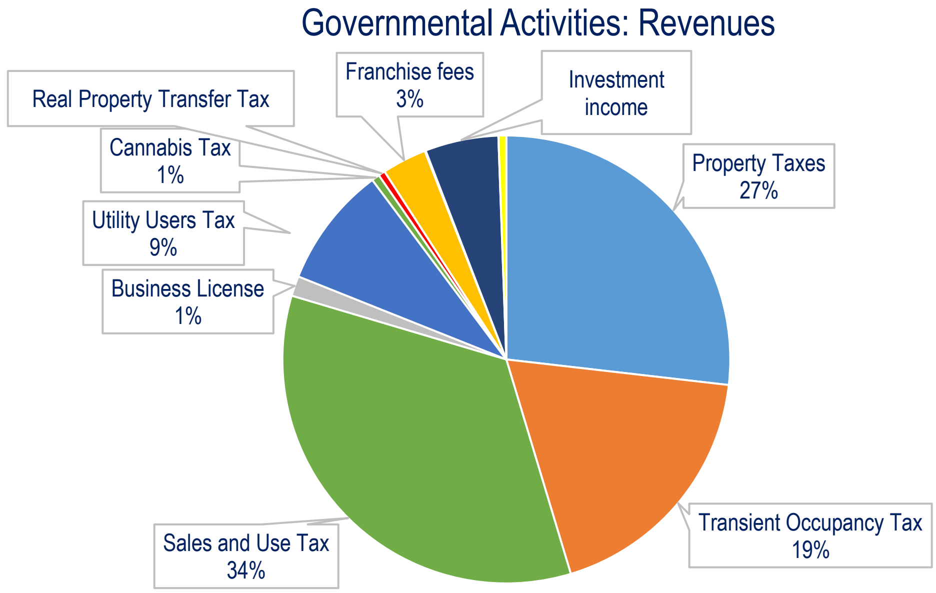
Governmental Activities

Governmental activities decreased the City's net position by approximately $11.4 Million during FY2025 or for a total of $463.5 Million, a slight increase of 2.0% with last year.

Revenue Highlights

Total revenue reaches $275.5 Million, reflecting a 5.0% increase—or $14.3 Million—compared with FY2024. Program revenues rose in part due to an additional $1.0 Million in charges for services, primarily tied to Engineering work orders. In addition, new grant funding for the Streets and Safety departments was received. Within General Revenues, tax collections total $171.6 Million, representing a modest 4.5% increase year over year.

- **Sales and Use taxes** of $64.7 Million represent an increase of 3.4% last year. Revenues were nearly flat quarter over quarter during FY2025 with no major increases in any business sector. This revenue is projected to 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. At the end of FY2025, an additional $3.8 Million was collected.
- **Property taxes** reported an increase of $2.0 Million from the prior year, or a 4.1% increase to $50.7 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 Tax (TOT)** revenues reached $35.0 Million in FY2025, representing a 10.0% increase over the prior year. This growth was driven by stronger hotel performance, including higher occupancy levels and increased average daily room rates, as well as additional revenue generated through the City's enhanced short-term rental enforcement program.
- **Utility User Tax (UUT)** reported an increase of $1.2 Millon from the prior year, or a 16.7% increase to $16.5 Million. With rising electricity, water and other utility costs, the UUT revenue has increased proportionately. The City has been at the forefront of auditing and defending its UUT ordinance for applicability of digital streaming services.
- **Franchise fees** are $6.0 Million, a -5.8% change from FY2024, driven by a Refuse franchise fee replacing the refuse Utility Users Tax (UUT) to recoup the cost of service from the franchise hauler.



Expense Highlights

Functional expenses for the year totaled approximately $285.5 Million ($241.2 Million in FY2024), an increase of $44.3 Million from the prior year. The variance is composed of the following main changes:

Public Safety spending rose by $8.9 Million relative to FY2024. This increase is largely attributable to labor-related cost changes, including the filling of prior-year vacancies and adjustments to salaries and wages implemented during FY2025.

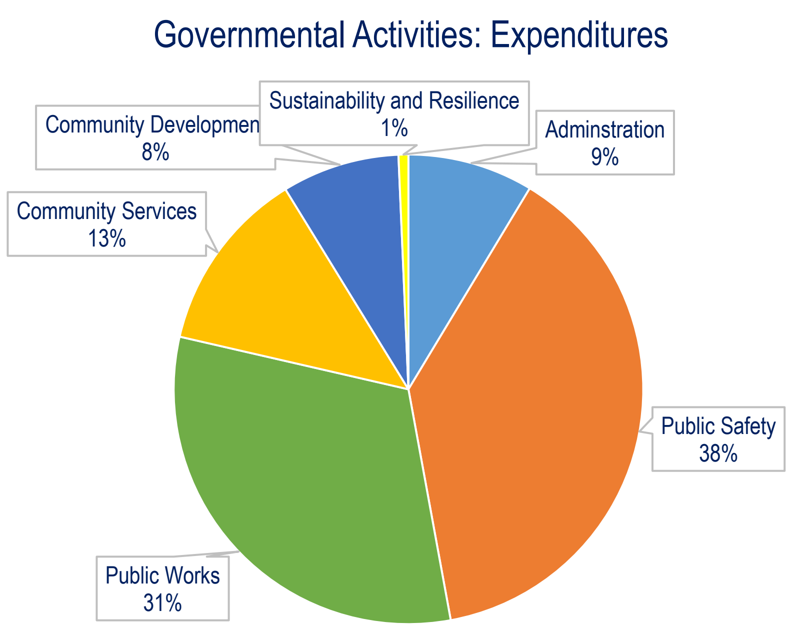
Fire Department represents 40.0% of overall Public Safety expenditures and sustained progress on major operational, administrative, and community-oriented initiatives during the fiscal year. Administrative functions achieved notable efficiencies through the implementation of new supply-management processes and online systems for budget and accounts payable. Operationally, the department strengthened its response capabilities, completing probation for new firefighters, integrating training with regional partners following the dispatch transition, and managing several major incidents, including the Palisades and Eaton Fires. Fleet planning also progressed with a comprehensive review of apparatus needs, though rising equipment costs and extended build times remain ongoing challenges. Fire Prevention activity remained strong, with 1,561 plan checks, 463 new construction inspections, and 919 annual fire and life safety inspections completed, reflecting continued growth in development activity citywide. The division successfully on-boarded seasonal hand crews and expanded wildland mitigation work in partnership with Parks & Recreation. Emergency Services expanded its community engagement efforts, reaching more than 5,000 residents through education and outreach, graduating 70 new CERT participants, and delivering fire-safety programming across local schools. Partnerships with the County's Office of Emergency Management provided enhanced training opportunities, and the 100-year anniversary of the 1925 Santa Barbara Earthquake created additional avenues for public education on earthquake and tsunami preparedness.

Police Department advanced several key initiatives in FY2025 that strengthened public safety, accountability, and service delivery. The City continued to build out its civilian oversight framework, including coordination with the Independent Police Monitor and support for the Police Commission's strategic planning and membership updates. Operational performance remained strong, with more than 53,000 calls for service and a continued reduction in the number of sustained complaints, reflecting ongoing improvements in transparency and professional standards. A major milestone for the year was the groundbreaking of the new Police Station, a long-planned capital investment that will replace the City's outdated and seismically deficient facility and enhance long-term operational capacity.

Public Works expenditure increased by $31.2 Million, a 53.0% rise from FY2024, driven largely by higher capital outlay and increases in salary and benefit costs associated with staffing transitions. Unlike Public Safety, which relies on general tax revenues, Public Works is primarily supported by restricted funding sources such as gas and utility taxes and Federal and State grants. These resources fund core infrastructure activities including street maintenance, transportation planning, and major capital improvements. The department faced challenges related to rising construction and inflationary costs, the ongoing transition to an electric vehicle fleet amid infrastructure and cost constraints, and limited capacity for routine infrastructure maintenance due to Measure C funding commitments to other high-priority needs. During the year, the department advanced several significant projects, including continued construction of the Police Station with completion of its foundation system, and the award and initiation of construction for both the El Estero Electrical Renewal and Dwight Murphy Field Renovation projects. Preparatory work for the upcoming Highway 101 HOV project was also completed.

Community Services and **Community Development** recorded year-over-year expenditure increases of $1.1 Million and $376.0K, representing 3.0% and 2.0% growth compared with the prior fiscal year. These increases were driven primarily by higher payroll costs, staff turnover, and capital outlay. **Community Services,** which encompasses Parks & Recreation and the Library—was additionally affected by the temporary closure of the Library for extensive repairs. The Library reopened in the first quarter of FY2025, restoring full operations. This timing difference is an important factor when comparing total expenditures between FY2024 and FY2025, as the closure reduced operating costs in the prior year.

The Administration and Sustainability & Resilience departments collectively offset a portion of the variances noted in other operating areas, with combined expenditure increases of approximately $1.8 Million. This growth is primarily attributable to higher labor costs across several administrative functions, including Finance, Human Resources, the City Attorney's Office, and General Administration. These increases reflect staffing adjustments, market-driven compensation changes, and continued investment in organizational support functions.



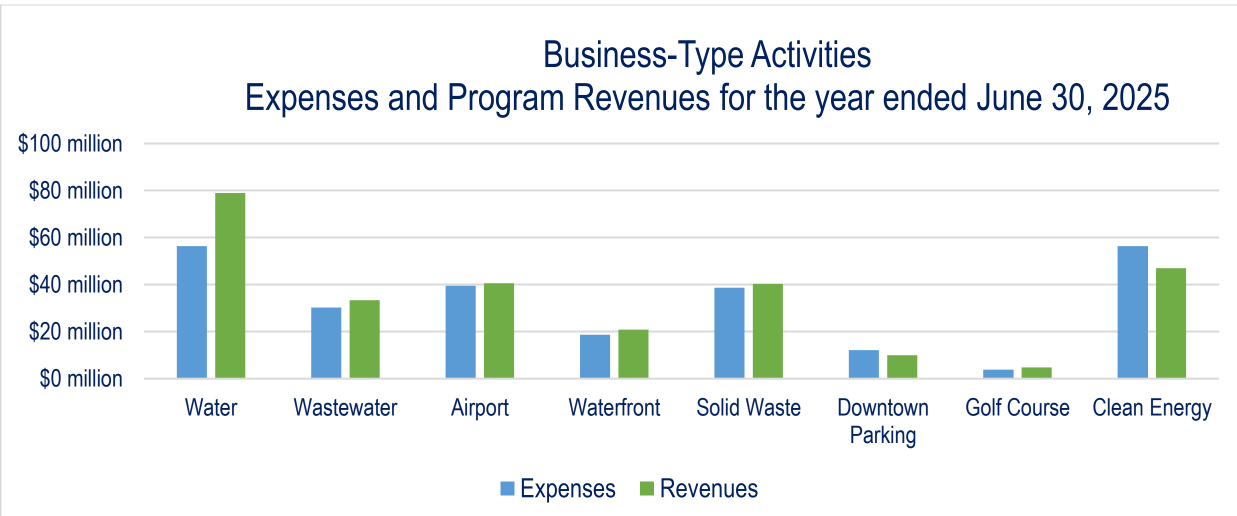
Business-Type Activities

The net position of the City's Business-Type Activities increased to $615.2 Million in FY2025, reflecting a year-over-year increase of $48.0 Million. Program revenues continued to perform strongly, led by Water, Clean Energy, and Solid Waste operations, with total revenues across all business-type activities reaching $268.6 Million. This represents a 5.0% increase from the prior year, supported as well by an additional $3.0 Million in return on investment.

Expenses for the Business-Type Activities totaled $255.8 Million in FY2025, an increase of 13.0% from the prior year. The most significant cost drivers were the Water, Clean Energy, Airport, and Solid Waste funds, all of which experienced higher operational and capital-related expenditures consistent with service demand, infrastructure needs, and ongoing project activity.

Further discussion of each individual enterprise fund's results, including revenue trends, cost drivers, and changes in financial position, is provided in the detailed departmental analyses that follow.

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



Water Fund continued to prioritize high water quality, system reliability, and long-term operational resilience. The City again met or exceeded all state and federal drinking water standards, supported by extensive systemwide testing and ongoing maintenance of more than 300 miles of pipelines, multiple pump stations and reservoirs, and over 2,600 hydrants. The Department also advanced several emergency-preparedness measures, including installation of backup generators at key facilities, enhanced wildfire-season protocols, and continued hydrant flushing and distribution-system improvements. Customer engagement and conservation efforts benefited from expanded access to real-time water use data through the WaterSmart platform. Overall, these efforts reflect the City's commitment to maintaining a safe, reliable, and resilient water system.

Financially, the Water Fund ended FY2025 in a strong position. Revenues totaled $80.1 Million, an increase of $7.2 Million from FY2024. Key contributors included water rate revenues of $53.6 Million—investment income exceeding forecasts and $5.1 Million in intergovernmental revenues from local agency water-supply agreements. Expenditures for the year were $56.4 Million, a decrease of $2.3 Million from the prior year, driven primarily by payroll and benefit savings as well as reduced supplies, services, and electrical costs. Much of the savings in utility costs resulted from delayed operations at the desalination facility, which lowered electricity usage for approximately four months.

Together, these operational and financial results demonstrate stable system performance, prudent cost management, and continued progress toward long-term capital and water-resource goals.

Wastewater Fund closed FY2025 with stable financial performance and continued progress on major operational initiatives. Revenues totaled $32.0 Million, coming in slightly below projections due to lower indoor water use, which affected rate model assumptions. Expenses were $30.2 Million, representing a $2.8 Million increase over FY2024; however, despite rising costs related to supplies, electricity, and payroll, overall spending remained under budget. Operationally, the year was marked by several significant achievements across the collection and treatment systems. Wastewater Collections staff completed a comprehensive audit and update of the City's Sewer System Management Plan and further optimized sewer cleaning programs using remote sensors, inspection data, and field observations—allowing the City to safely extend cleaning frequencies for mains that previously required multiple cleanings per year. Treatment staff also undertook several major infrastructure projects in-house, avoiding substantial contractor costs. In addition, El Estero's cogeneration system was acquired by a new operator, resulting in increased onsite electrical generation and reduced reliance on grid electricity, lowering power costs. Collectively, these operational and financial results reflect a year of steady performance, strategic cost management, and continued investment in system reliability and infrastructure renewal.

Airport Fund concluded the fiscal year with another year of strong growth, supported by continued recovery in air travel demand and expanding airline service. Passenger volume reached a record $1.49 Million travelers, a 14.0% increase over the prior year and the highest in the Airport's history. United and Southwest remained the dominant carriers, and the introduction of new Delta service further contributed to revenue gains. Total revenues reached $33.7 Million, exceeding the prior year by $2.9 Million. Commercial Aviation generated $6.7 Million, while Terminal revenues grew to $13.0 Million on the strength of parking, retail, restaurant, advertising, and ground transportation activity. Non-commercial aviation revenues contributed an additional $5.7 Million, and lease revenues also slightly outpaced expectations.

Operating expenses totaled $39.4 Million, an increase of $3.6 Million from FY2024. Higher salary and benefit costs reflected cost-of-living adjustments and rising benefit rates, while Supplies and Services remained controlled as several special projects were placed on hold. Despite these cost pressures, overall spending stayed aligned with operational needs and service demands.

Operationally, the Airport focused on sustaining reliable service while advancing long-term planning and addressing environmental and infrastructure challenges. Strong passenger activity reinforced the Airport's growing role as the Central Coast's primary commercial service gateway. Collaboration with airline partners supported continued route development, improving regional connectivity. The Airport also made progress on federally supported pavement and infrastructure studies that will inform future capital investment. Climate adaptation and resiliency planning advanced as well, positioning the Airport to mitigate long-term environmental and operational risks.

FY2025 also presented notable challenges. Severe winter storms caused flooding and temporary disruptions, requiring coordinated operational response and highlighting the Airport's vulnerability to extreme weather events. Increasing passenger volumes continued to strain aging terminal and airfield facilities, underscoring the need for strategic modernization. Additionally, industrywide shifts in airline route planning required the Airport to remain flexible and proactive in air-service development efforts. FY2025 reaffirmed the importance of continued infrastructure investment, long-term financial planning, and resilience strategies to support reliable operations and accommodate future growth.

Waterfront Fund closed FY2025 with steady financial performance. Total revenues were $20.9 Million, reflecting modest growth supported by lease activity, slip fees, and parking revenues. Expenses totaled $18.7 Million, remaining essentially unchanged from FY2024 as the Department continued to manage operating costs prudently. Looking ahead, the Fund faces emerging financial pressures, including a significant increase in the Stearns Wharf insurance deductible, estimated at approximately $3.0 Million, and the potential loss of federal funding for annual harbor dredging, which could create a new recurring cost of roughly $4.0 Million. Addressing these risks may require the strategic use of reserves, and staff are collaborating with the Finance Department to establish a formal reserve-replenishment policy if needed.

Operationally, the Waterfront Department successfully completed federally supported harbor dredging in 2025, ensuring safe navigation and reliable harbor operations. The Harbor Patrol enhanced its response capability with the addition of a next-generation M2 Catamaran, strengthening marine rescue and fire suppression services. The Department also advanced long-term climate adaptation planning through the initiation of a 30-Year Waterfront Adaptation Plan aimed at preparing for sea-level rise, storm surge, coastal erosion, and flooding. This effort included public engagement and will guide future capital and shoreline management strategies.

Solid Waste Fund ended FY2025 with stable financial performance and steady operational activity. Revenues totaled $40.4 Million, representing a $1.0 Million increase over the prior year, while expenses were $38.7 Million, rising by just under $1.0 Million compared to FY2024. The division maintained full staffing throughout the year with no permanent vacancies. Supplies and Services costs, including hauler fees paid to MarBorg, processing and disposal expenses, and programming support, totaled $35.1 Million. As part of its annual cost-recovery process, the City implemented a modest 1.9% solid waste rate increase, driven by a 2.8% rise in County tipping fees, partially offset by savings related to Franchise Fee adjustments and Clean Community program expenditures. Rates were adjusted evenly across customer class residential, commercial, and large residential maintaining the tiered structure for trash, recycling, and yard waste services. Solid waste collection and processing continued under the City’s franchise agreement with MarBorg Industries, with the rate increase supporting ongoing service delivery, system maintenance, and long-term financial stability.

Downtown Parking Fund revenues totaled $8.3 Million, with Hourly Parking Revenue contributing $4.7 Million, reflecting a slight increase compared to the prior year. Expenses were $12.2 Million, consistent with last year and showing no significant variances in operating costs. Downtown Parking continues to serve as a key revenue source supporting City infrastructure and the Plaza system; however, revenue remains insufficient to fully cover operating and capital needs, resulting in ongoing pressure on reserves. The City is actively investing in capital improvement projects to maintain and improve parking facilities and is undergoing a strategic review of operating models, funding strategies, and rate structures to ensure the long-term financial sustainability of the program.

Golf Fund accounts for the operations of the municipal golf course. In FY2025, golf activities generated $4.9 Million in revenue, while expenses totaled $3.8 Million, reflecting a trend consistent with the prior year. The Golf Division continues to demonstrate strong operational stability, maintaining steady financial performance and reliable cost control across its business activities.

Clean Energy Fund reported $45.3 Million in revenue for FY2025, a decrease from the prior year. The Sustainability & Resilience (S&R) Department reduced its revenue projections during the year following Southern California Edison’s (SCE) mid-year 12.0% rate decrease, which directly impacted Santa Barbara Clean Energy (SBCE) revenues because SBCE’s rates are benchmarked to SCE by policy. Expenses totaled $56.4 Million, an increase of approximately $22.9 Million compared to FY2024, primarily due to higher costs related to Renewable Energy Certificates (RECs) and the timing of associated charges. These costs are unpredictable and are often not received in alignment with the fiscal year, contributing to the year-over-year variance.

Throughout FY2025, the Clean Energy Fund supported SBCE’s ongoing operations as the City’s not-for-profit community choice energy provider while also advancing several key sustainability initiatives. Major accomplishments included the launch of the SBCE Incentive Finder, which enhances customer access to local, state, and federal electrification rebates, and the expansion of community programs such as the Community Tree Program in support of the City's Carbon Neutrality Plan. These efforts reflect SBCE's continued progress toward long-term renewable energy goals and reinforce the City's commitment to customer engagement, climate action, and strategic local reinvestment.

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, 2025, total assets in the City's governmental funds were $355.9 Million, an increase from $260.3 Million at June 30, 2024. Cash and investments totaled $237.4 Million (compared to $133.6 Million in the prior year), reflecting a $103.8 Million increase primarily attributable to proceeds received from the 2024 Lease Revenue Bonds. Loans receivable totaled $75.4 Million (up from $71.9 Million), consisting largely of loans issued through the City's Affordable Housing Fund and the Community Development and HOME programs. In addition, the General Fund reported $1.0 Million in advances to other governmental funds to support temporary negative cash positions.

Governmental fund balances increased by $106.5 Million, rising from $191.5 Million to $298.0 Million at June 30, 2025. Of this amount, $144.8K is classified as non-spendable due to prepaid items, long-term loans, and advances that are not available for current operations. Restricted fund balance increased to $223.1 Million (from $107.7 Million), with $99.9 Million restricted for capital projects and $67.5 Million restricted for affordable housing. Committed fund balance totaled $173.9 Million, primarily designated for capital projects. The remaining spendable portion of fund balance is $3.3 Million, inclusive of committed balances. The unassigned fund balance is negative $16.6 Million, driven by the City's policy requirement to maintain reserves for natural disasters and other unforeseen events, including significant economic downturns.

The General Fund's fund balance decreased by $4.8 Million to $42.7 Million. Despite continued fiscal discipline, including conservative revenue budgeting, expenditure controls, and limited use of reserves, the General Fund faces ongoing pressure as rising costs outpace revenue growth. The largest committed portion of the General Fund balance is the City's policy reserve for emergencies and economic instability, which totaled $50.7 Million (up from $45.4 Million in FY2024). The City's policy requires operating funds, including the General Fund, to maintain reserves equal to 25.0% of their annual operating budgets.

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 the City's proprietary funds includes amounts invested in capital assets, amounts restricted for capital projects and debt service, and unrestricted resources available to support operations. As of June 30, 2025, total net position was $650.7 Million, an increase from

$615.2 Million at the end of the prior fiscal year. This represents a year-over-year increase of $35.5 Million. While the majority of this balance is tied to the City's investment in capital assets, $182.5 Million is unrestricted and available to support ongoing operational needs. Additional details regarding the factors influencing the unrestricted net position are discussed in the Business-Type Activities section.

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 in Table 3, the amended FY2025 General Fund revenue budget of $215.8 Million reflects $29.2 Million in adjustments approved by the City Council during the fiscal year. The most significant amendment was the reclassification of Measure C revenues, which now flow directly into the Measure C Fund rather than being recorded through the General Fund.

Actual revenues for the year reached $185.9 Million, coming in slightly below expectations for several of the City's major tax sources. Sales and property tax growth slowed as the year progressed, resulting in revenues ending at about $569K under the revised budget. While the shortfall was modest, it reflects the broader cooling of economic activity occurring both locally and statewide.

Table 3
SUMMARY OF GENERAL FUND REVENUES
Fiscal Year Ended June 30, 2025
Budget & Actual – in (000's)

Revenues	Original Budgeted Amount	Final Budgeted Amount	Actual Amounts 2025	Variance from Budget
Taxes	$157,780	$126,340	$125,771	($569)
Franchise Fees	$6,500	$6,200	$6,073	($127)
Intergovernmental	$1,725	$3,196	$3,486	$289
Charges for Services	$29,774	$30,817	$32,118	$1,301
Use of Money & Property	$2,952	$2,952	$4,650	$1,697
Fines & Forfeitures	$3,098	$3,098	$2,969	($129)
Other Revenues	$13,957	$13,957	$10,867	($3,090)
Subtotal Revenues	**$215,786**	**$186,560**	**$185,933**	**($627)**
Lease Obligation	$0	$0	$50	$50
Transfers In	$270	$332	$278	($55)
Total other Financing Sources / (Uses)	**$270**	**$332**	**$328**	**($5)**
TOTAL REVENUES	**$216,056**	**$186,893**	**$186,260**	**($632)**

Expenditure

The amended FY2025 General Fund expenditure budget reflects amendments approved by the City Council during the year. The revised budget also reflects appropriations carried over from the prior year related to encumbrances as of the end of FY2024.

As shown on Table 4 below, actual expenditure totaled $233.5 Million and was under final budget by approximately $6.2 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, 2025
Budget and Actual - in (000's)

EXPENDITURES	Original Budgeted Amount	Final Budgeted Amount	Actual Amounts 2025	Variance from Budget
Mayor & Council	$3,478	$3,693	$3,595	$97
City Attorney	$5,615	$5,946	$4,803	$1,143
City Administration	$4,467	$5,246	$4,838	$409
Human Resources	$2,818	$2,888	$2,658	$230
Finance	$8,151	$8,950	$7,831	$1,119
Public Safety	$96,522	$99,812	$96,108	$3,705
Public Works	$14,388	$14,302	$13,405	$897
Community Services	$34,769	$35,178	$32,981	$2,197
Community Development	$11,441	$12,224	$16,336	($4,112)
Sustainability & Resilience	$353	$829	$594	$236
Capital Outlay	$0	$0	$390	($390)
Debt: Principal Retirement	$0	$0	$647	($647)
Debt: Interest & Fiscal Charges	$0	$0	$56	($56)
Subtotal Expenditures	**$182,001**	**$189,068**	**$184,242**	**$4,826**
Transfers Out	$53,292	$50,625	$49,288	$1,337
TOTAL EXPENDITURES	**$235,293**	**$239,693**	**$233,530**	**$6,163**

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, 2025 Net of Accumulated Depreciation - in (000's)			
Assets	**Governmental Activities**	**Business-Type Activities**	**Totals**
Non-Depreciating Assets			
Construction in Progress	$71,481	$78,220	$149,702
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	$30,570	$136,167	$166,737
Building Improvements	$53,302	$14,401	$67,703
Other Improvements	$90,576	$480,088	$570,664
Equipment	$53,140	$65,179	$118,319
Infrastructure	$296,120	$194,175	$490,295
Right to Use Assets	$7,407	$3,740	$11,146
Underground Piping	$0	$257,934	$257,934
TOTAL CAPITAL ASSETS	**$815,615**	**$1,254,849**	**$2,070,464**

The City owns approximately $2.1 billion of capital assets net of depreciation and accounts receivable, a change of $922.2 Million compared to the year ended June 30, 2024. 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, 2025, 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 projects in progress totaling $71.5 Million which have commenced or continued in FY2025. Main projects are State Street Undercrossing at Highway 101 ($11.8 Million), De la Vina at Vernon Street Bridge ($7.9 Million), Library Plaza Renovation ($6.2 Million), New Police Station ($7.3 Million), Union Pacific Railroad Bridge replacement at Cabrillo Blvd. ($5.6 Million).

For Business-Type Activities, construction in progress projects totaling $78.2 Million which commenced or continued in FY2025 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 ($24.5 Million), Commercial Parking Apron ($5.8 Million), El Estero Electrical ($8.0 Million), and Desal Plant Expansion ($4.1 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 provides a summary of the City's outstanding long-term debt, which includes bonds, certificates of participation, and loans. It does not include items such as claims payable, deferred debt costs, or compensated absences. At the close of FY2025, the City's long-term debt totaled approximately $257 Million, compared to $147.6 Million in the prior year. This increase of $109.4 Million is primarily the result of issuing the 2024 Lease Revenue Bonds, which are financing construction of the new Police Station and improvements to Dwight Murphy Field Park.

Table 6

Summary of Outstanding Issued Debt
Fiscal Year Ended June 30, 2025
in (000's)

Debt	Governmental Activities	Business-Type Activities	Totals
Revenue Bonds	$122,020	$28,899	$150,919
Certificates of Participation	$0	$3,480	$3,480
Loans	$2,201	$100,356	$102,557
Total Debt	**$124,221**	**$132,735**	**$256,956**

Revenue Bonds

The City currently has $150.9 Million in outstanding revenue bonds. This total includes $122.0 Million from the 2024 Lease Revenue Bonds issued for the Police Station and Dwight Murphy Field Park projects, $23.2 Million from the 2019 Airport Refunding Bonds, $3.2 Million from the 2016 Sewer Refunding Bonds, and $2.5 Million from the 2014 Waterfront Refunding Bonds.

Certificates of Participation (COP)

The Water Fund has $3.5 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, the City has $100.3 Million in outstanding loans payable. Of this amount, $64.0 Million is attributed to the Water Fund. Two of the Water Fund's loans are low-interest loans from the State Department of Water Resources (SDWR), which financed the Ortega Groundwater Treatment Plant Project and the Cater Water Treatment Plant Phase III Project. Under a long-standing joint powers agreement, approximately 40.0% of the SDWR loan obligations for the Cater project will be reimbursed by the Montecito Water District and the Carpinteria Water District. The Water Fund also holds a third low-interest loan from the State Water Resources Control Board to support the Desalination Plant Reactivation Project. This loan was originally issued for $80.0 Million and had an outstanding balance of $49.0 Million as of June 30, 2025. The Desalination Project itself was completed in FY2018.

The Wastewater Fund accounts for $29.4 Million in loans from the California State Water Resources Control Board for sewer system improvements. The primary loan, originally issued at $31.4 Million and carrying a remaining balance of $23.8 Million, supports upgrades to the aeration system and enhancements to the secondary treatment process at the El Estero Wastewater Treatment Plant. In addition, a new $9.3 Million SDWR loan has been approved, with $1.9 Million drawn to date. Repayment will begin in FY2027. This loan will fund the replacement of pumps, motors, and other components at the Braemar Lift Station.

The Waterfront Fund carries $6.9 Million in outstanding loans from the State Department of Parks and Recreation, Division of Boating and Waterways. These loans funded major renovations throughout the marina.

At this time, all City enterprise funds have adequate reserves and projected cash flows to meet their current debt service requirements. Additional details on the City's long-term debt are provided in Note 7 to the financial statements.

Under Governmental Activities, the City entered into a financing agreement in December 2021 to purchase two Arrow XT Pierce 1500 GPM Triple Combination Pumping Engines. The total financing amount was $3.9 Million at an interest rate of 1.3%, with final maturity in June 2029. The outstanding balance on this financing was $2.2 Million at the end of FY2025.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City of Santa Barbara enters FY2026 with an economy that remains steady and resilient, even as broader economic forces continue to soften. The region benefits from a strong labor market, characterized by moderate job growth and consistently low unemployment. Local wages remain relatively high, reflecting a skilled workforce and healthy business activity across key sectors such as tourism, education, healthcare, and professional services. These conditions help support local spending and contribute to the stability of the City's major tax revenues. At the same time, Santa Barbara's long-standing challenges remain present. Population growth has been slow, limiting expansion in certain revenue sources tied to consumer activity and development. The region's tight and expensive housing market continues to make it difficult for workers and families to live in the community, creating recruitment and retention challenges for both private employers and the City organization. Inflationary pressures, although easing from pandemic-era peaks, continue to affect the cost of goods, services, construction, and insurance—factors that all influence the cost of delivering public services. Economic activity that surged during the post-pandemic recovery has now leveled off to a more moderate pace. Sales tax and transient occupancy tax revenues have stabilized, but their growth is slower than in recent years. Property tax remains a reliable source of revenue, although fewer real estate transactions have reduced supplemental property tax revenues. These trends reflect an economy that is not declining, but settling into a new, steady baseline. Despite these challenges, the City is positioned with a foundation of financial discipline and a community that continues to invest in its future. The passage of Measure I provides a reliable new source of ongoing General Fund revenue, supporting essential services such as public safety, libraries, housing initiatives, and maintenance of public spaces. This voter-approved investment is an important step toward strengthening long-term fiscal sustainability and helping the City keep pace with rising service demands.

While the economic environment ahead calls for prudent planning, it also offers reasons for optimism. Santa Barbara's diverse economy, talented workforce, engaged community, and strong civic values give the City the tools to navigate uncertainty and continue delivering high-quality services. With thoughtful financial management and strategic investments, the City is well positioned to maintain stability today while building a more sustainable and resilient future.

The **FY2026 budget** focuses on maintaining financial stability while responding to slowing revenue growth and increasing operating costs. Although the General Fund is projected to close FY2026 with a small operating surplus of approximately $780.0K before reserve contributions, the City anticipates General Fund deficits beginning in FY2027 and continuing over the next five years. This reinforces the need for ongoing fiscal discipline and long-term sustainability planning. A key budget priority is managing rising costs associated with labor, pensions, benefits, insurance, and capital needs, while continuing to invest in organizational capacity. Despite modest revenue growth, these cost pressures outpace available funding, requiring careful prioritization of service delivery and staffing. Implementation of Measure I, the voter-approved 0.50% sales tax increase, will provide an estimated $15.6 Million annually to the General Fund. These revenues will help sustain essential public services, including public safety, library services, maintenance programs, and support for housing initiatives. To strengthen long-term fiscal resilience, staff is evaluating opportunities to generate new revenues, streamline services, and transition programs currently supported by one-time resources to ongoing funding. In addition, because General Fund reserves remain below City Council policy levels, a plan will be required to restore those reserves. The FY2026 budget also includes a strategic reorganization to improve coordination of key community services. Downtown services, parking operations, and the City's housing, homelessness, and community vitality programs will be consolidated under a new Deputy City Administrator. This restructuring is designed to enhance collaboration and service delivery and will be funded by holding selected positions vacant during FY2026.

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, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Pooled Cash and Investments	$ 290,315,187	$ 222,232,170	$ 512,547,357
Receivables:			
Accounts, Net	2,299,473	39,000,275	41,299,748
Loans	75,432,656	-	75,432,656
Interest	1,761,772	-	1,761,772
Leases	205,939	7,765,380	7,971,319
Due from Other Governments	33,808,977	-	33,808,977
Prepaid Assets and Deposits	2,612,319	4,859,042	7,471,361
Inventory	-	132,595	132,595
Internal Balances	1,238,153	(1,238,153)	-
Total Current Assets	407,674,476	272,751,309	680,425,785
Noncurrent Assets:			
Receivables:			
Loans	-	2,432,940	2,432,940
Leases	3,899,875	20,635,334	24,535,209
Restricted:			
Cash and Investments with Fiscal Agents	-	3,406,612	3,406,612
Capital Assets:			
Not Being Depreciated/Amortized	284,501,533	103,164,865	387,666,398
Being Depreciated/Amortized, Net	298,211,257	503,088,812	801,300,069
Total Noncurrent Assets	586,612,665	632,728,563	1,219,341,228
Total Assets	994,287,141	905,479,872	1,899,767,013
DEFERRED OUTFLOWS OF RESOURCES			
Pension-Related items	82,461,138	16,644,901	99,106,039
OPEB-Related items	11,409,131	-	11,409,131
Deferred Charge on Refunding	-	730,795	730,795
Total Deferred Outflows of Resources	93,870,269	17,375,696	111,245,965

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA BARBARA
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 21,772,157	$ 29,181,731	$ 50,953,888
Salaries and Benefits Payable	5,562,943	2,383,818	7,946,761
Interest Payable	-	878,596	878,596
Unearned Revenue	4,387,937	629,428	5,017,365
Deposits	591,639	3,270,279	3,861,918
Due to Other Governments	12,995,102	-	12,995,102
Lease Payable	382,560	124,110	506,670
Subscription Payable	1,309,138	408,370	1,717,508
Compensated Absences	9,928,598	3,474,534	13,403,132
Claims Liabilities	5,380,000	-	5,380,000
Net Pension Liability	21,111	-	21,111
Total OPEB Liability	1,959,802	-	1,959,802
Long-Term Debt	556,139	12,615,353	13,171,492
Total Current Liabilities	64,847,126	52,966,219	117,813,345
Noncurrent Liabilities:			
Unearned Revenue	-	2,432,940	2,432,940
Lease Payable	1,316,392	1,793,417	3,109,809
Subscription Payable	1,011,865	205,998	1,217,863
Net Pension Liability	343,339,478	64,784,528	408,124,006
Total OPEB Liability	42,417,180	-	42,417,180
Compensated Absences	1,103,177	386,059	1,489,236
Claims Liability	17,198,000	-	17,198,000
Long-Term Debt	128,258,536	123,748,809	252,007,345
Total Noncurrent Liabilities	534,644,628	193,351,751	727,996,379
Total Liabilities	599,491,754	246,317,970	845,809,724
DEFERRED INFLOWS OF RESOURCES			
Lease Related	3,770,698	25,817,839	29,588,537
Pension Related	1,387,666	-	1,387,666
OPEB Related	19,969,510	-	19,969,510
Total Deferred Inflows of Resources	25,127,874	25,817,839	50,945,713
NET POSITION			
Net Investment in Capital Assets	562,640,672	459,808,557	1,022,449,229
Restricted for:			
Administration	1,804,141	-	1,804,141
Public Safety Projects	1,583,132	-	1,583,132
Public Works	10,748,592	-	10,748,592
Community Services	8,373,823	-	8,373,823
Community Development	7,791,164	-	7,791,164
Debt Service Reserve	15,155,284	3,406,612	18,561,896
Airport Improvements	-	5,049,859	5,049,859
Affordable Housing	67,795,853	-	67,795,853
Unrestricted	(212,354,879)	182,454,731	(29,900,148)
Total Net Position	$ 463,537,782	$ 650,719,759	$ 1,114,257,541

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA BARBARA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
Administration	$ 24,605,986	$ 1,369,548	$ 10,261,520	$ -
Public Safety	109,514,295	7,051,657	3,739,448	-
Public Works	89,630,973	10,884,546	2,989,068	27,274,640
Community Services	35,937,710	7,850,648	3,008,885	-
Community Development	23,049,402	9,030,931	3,230,145	-
Sustainability and Resilience	1,934,436	-	-	-
Interest and Fiscal Charges	787,791	-	-	-
Total Governmental Activities	285,460,593	36,187,330	23,229,066	27,274,640
BUSINESS-TYPE ACTIVITIES				
Water	56,403,810	78,537,325	427,353	-
Wastewater	30,213,176	32,096,398	1,224,186	-
Airport	39,450,521	35,200,260	5,404,968	16,478
Waterfront	18,702,213	20,717,372	-	77,753
Solid Waste	38,665,485	40,275,046	43,004	-
Downtown Parking	12,172,890	9,958,289	-	-
Golf Course	3,862,639	4,841,826	-	-
Clean Energy	56,386,897	46,969,997	-	-
Total Business-Type Activities	255,857,631	268,596,513	7,099,511	94,231
Total	$ 541,318,224	$ 304,783,843	$ 30,328,577	$ 27,368,871

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA BARBARA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2025

Functions/Programs	Net Revenue (Expense) and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES			
Administration	$ (12,974,918)	$ -	$ (12,974,918)
Public Safety	(98,723,190)	-	(98,723,190)
Public Works	(48,482,719)	-	(48,482,719)
Community Services	(25,078,177)	-	(25,078,177)
Community Development	(10,788,326)	-	(10,788,326)
Sustainability and Resilience	(1,934,436)	-	(1,934,436)
Interest and Fiscal Charges	(787,791)		(787,791)
Total Governmental Activities	(198,769,557)	-	(198,769,557)
BUSINESS-TYPE ACTIVITIES			
Water	-	22,560,868	22,560,868
Wastewater	-	3,107,408	3,107,408
Airport	-	1,171,185	1,171,185
Waterfront	-	2,092,912	2,092,912
Solid Waste	-	1,652,565	1,652,565
Downtown Parking	-	(2,214,601)	(2,214,601)
Golf Course	-	979,187	979,187
Clean Energy	-	(9,416,900)	(9,416,900)
Total Business-Type Activities	-	19,932,624	19,932,624
Total	(198,769,557)	19,932,624	(178,836,933)
GENERAL REVENUES AND TRANSFERS			
Taxes:			
Property Taxes (Net of Pass-Through Payments)	50,658,248	-	50,658,248
Transient Occupancy	34,983,216	-	34,983,216
Sales and Use	64,675,902	-	64,675,902
Business License	2,730,067	-	2,730,067
Utility Users	16,523,078	-	16,523,078
Cannabis	1,085,687	-	1,085,687
Real Property Transfer Tax	913,156	-	913,156
Franchise Fees	6,072,763	-	6,072,763
Unrestricted Motor Vehicle License-in-Lieu	137,817	-	137,817
Investment Income	10,000,249	13,859,695	23,859,944
Other Revenue	1,072,590	188,823	1,261,413
Transfers	(1,489,387)	1,489,387	-
Total General Revenues and Transfers	187,363,386	15,537,905	202,901,291
CHANGES IN NET POSITION	(11,406,171)	35,470,529	24,064,358
Net Position - Beginning of Year	474,943,953	615,249,230	1,090,193,183
NET POSITION - END OF YEAR	$ 463,537,782	$ 650,719,759	$ 1,114,257,541

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA BARBARA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

		Special Revenue Fund	Capital Projects Funds				
	General Fund	Affordable Housing	Measure C Capital	Police Station Facility	Street Grant Capital	Other Governmental Funds	Total Governmental Funds
ASSETS							
Pooled Cash and Investments	$ 36,198,997	$ 5,861,629	$ 26,676,630	$ 90,501,990	$ 2,766,276	$ 75,409,540	$ 237,415,062
Receivables:							
Accounts, Net	2,075,838	-	-	-	-	90,677	2,166,515
Loans	3,936	62,433,618	-	-	-	12,995,102	75,432,656
Interest	1,761,772	-	-	-	-	-	1,761,772
Leases	3,795,792	-	-	-	-	310,022	4,105,814
Due from Other Governments	12,457,268	-	5,734,988	-	10,933,671	4,683,050	33,808,977
Prepaids Assets and Deposits	140,857	-	-	-	-	-	140,857
Interfund Receivables	1,039,630	-	-	-	-	-	1,039,630
Total Assets	$ 57,474,090	$ 68,295,247	$ 32,411,618	$ 90,501,990	$ 13,699,947	$ 93,488,391	$ 355,871,283
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	$ 3,995,158	$ 465,561	$ 4,469,409	$ 4,684,118	$ 3,043,946	$ 3,910,347	$ 20,568,539
Salaries and Benefits Payable	4,451,905	33,833	-	-	-	528,264	5,014,002
Unearned Revenue	2,412,259	-	-	-	97,665	1,878,013	4,387,937
Deposits	360,771	-	-	-	-	230,868	591,639
Due to Other Governments	-	-	-	-	-	12,995,102	12,995,102
Interfund Payables	-	-	-	-	-	1,039,630	1,039,630
Total Liabilities	11,220,093	499,394	4,469,409	4,684,118	3,141,611	20,582,224	44,596,849
DEFERRED INFLOWS OF RESOURCES							
Leases	3,484,980	-	-	-	-	285,718	3,770,698
Unavailable Revenue	461,858	-	-	-	8,239,879	768,470	9,470,207
Total Deferred Inflows of Resources	3,946,838	-	-	-	8,239,879	1,054,188	13,240,905
FUND BALANCES (DEFICITS)							
Nonspendable	144,793	-	-	-	-	-	144,793
Restricted	3,357,789	67,795,853	-	85,817,872	-	66,168,351	223,139,865
Committed	50,691,531	-	27,942,209	-	2,318,457	7,124,863	88,077,060
Assigned	3,308,127	-	-	-	-	-	3,308,127
Unassigned	(15,195,081)	-	-	-	-	(1,441,235)	(16,636,316)
Total Fund Balances (Deficits)	42,307,159	67,795,853	27,942,209	85,817,872	2,318,457	71,851,979	298,033,529
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 57,474,090	$ 68,295,247	$ 32,411,618	$ 90,501,990	$ 13,699,947	$ 93,488,391	$ 355,871,283

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, 2025

RECONCILIATION TO THE STATEMENT OF NET POSITION

Fund Balances for Governmental Funds		$ 298,033,529
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 $21,068,832 of internal service funds net capital assets.		
Capital Assets Not Being Depreciated/Amortized	$ 284,501,533	
Capital Assets Being Depreciated/Amortized	480,540,710	
Accumulated Depreciation	(203,398,285)	561,643,958
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, 2025 are:		
Compensated Absences		(10,139,385)
Lease Obligations		(1,698,952)
Subscription Obligations		(622,993)
Bonds Payable		(126,613,508)
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	78,048,694	
Deferred Inflows of Resources - Pension Related	(1,387,666)	
Total Pension Liability	(86,413)	
Net Pension Liability	(324,636,427)	(248,061,812)
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.		(18,473,262)
Receivables that are measurable but not available are recorded as deferred inflows of resources under the modified accrual basis of accounting.		9,470,207
Net Position of Governmental Activities as Reported on the Statement of Net Position		$ 463,537,782

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA BARBARA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

		Special Revenue Fund	Capital Projects Funds				
	General Fund	Affordable Housing	Measure C Capital	Police Station Facility	Street Grant Capital	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	$ 125,771,480	$ -	$ 31,549,966	$ -	$ -	$ 19,471,671	$ 176,793,117
Franchise Fees	6,072,763	-	-	-	-	-	6,072,763
Intergovernmental	3,485,521	-	-	-	20,854,180	13,436,753	37,776,454
Charges for Services	32,117,851	-	-	-	-	438,345	32,556,196
Use of Money and Property	4,649,646	1,139,356	-	1,830,657	-	1,756,474	9,376,133
Fines and Forfeitures	2,968,728	-	-	-	-	554,145	3,522,873
Other	10,866,789	-	170,240	-	-	3,155,188	14,192,217
Total Revenues	185,932,778	1,139,356	31,720,206	1,830,657	20,854,180	38,812,576	280,289,753
EXPENDITURES							
Current:							
Mayor and City Council	3,595,446	-	-	-	-	-	3,595,446
City Attorney	4,802,984	-	-	-	-	828	4,803,812
City Administration	4,837,571	-	-	-	-	-	4,837,571
Human Resources	2,658,378	-	-	-	-	-	2,658,378
Finance	7,831,224	-	-	-	-	66,583	7,897,807
Public Safety	96,107,840	-	-	-	-	1,201,069	97,308,909
Public Works	13,404,569	-	-	20,937	-	19,497,914	32,923,420
Community Services	32,981,109	-	-	-	-	1,381,871	34,362,980
Community Development	16,335,936	1,352,157	-	-	-	2,272,551	19,960,644
Sustainability and Resilience	593,898	-	-	-	-	1,280,626	1,874,524
Capital Outlay	389,508	-	35,585,945	11,483,604	20,951,520	17,856,166	86,266,743
Debt Service:							
Principal Retirement	647,398	-	155,482	-	-	9,027	811,907
Interest and Fiscal Charges	56,129	-	14,758	-	-	35,247	106,134
Cost of Issuance	-	-	-	-	-	787,791	787,791
Total Expenditures	184,241,990	1,352,157	35,756,185	11,504,541	20,951,520	44,389,673	298,196,066
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,690,788	(212,801)	(4,035,979)	(9,673,884)	(97,340)	(5,577,097)	(17,906,313)
OTHER FINANCING SOURCES (USES)							
Lease Obligation	49,732	-	-	-	-	-	49,732
Subscription Obligation	522,730	-	-	-	-	-	522,730
Debt Proceeds	-	-	-	-	-	122,020,000	122,020,000
Debt Premium	-	-	-	-	-	4,737,055	4,737,055
Transfers In	277,975	-	-	95,491,756	10,116,941	24,075,082	129,961,754
Transfers Out	(7,373,548)	-	(6,909,384)	-	(609,940)	(117,931,309)	(132,824,181)
Total Other Financing Sources (Uses)	(6,523,111)	-	(6,909,384)	95,491,756	9,507,001	32,900,828	124,467,090
NET CHANGE IN FUND BALANCE	(4,832,323)	(212,801)	(10,945,363)	85,817,872	9,409,661	27,323,731	106,560,777
Fund Balances (Deficits) - Beginning of Year	47,139,482	68,008,654	38,887,572	-	(7,091,204)	44,528,248	191,472,752
FUND BALANCES - END OF YEAR	$ 42,307,159	$ 67,795,853	$ 27,942,209	$ 85,817,872	$2,318,457	$ 71,851,979	$ 298,033,529

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, 2025

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Total Governmental Funds		$ 106,560,777
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	$ 34,981,248	
Depreciation/Amortization Expense	(9,607,256)	25,373,992
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		(49,732)
Subscription Obligation		(522,730)
Bonds Payable		(126,757,055)
Principal Paid		811,907
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.		(643,660)
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.		(14,649,862)
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.		(4,988,037)
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.		3,458,229
Change in Net Position of Governmental Activities as Reported in the Statement of Activities		$ (11,406,171)

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA BARBARA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Water	Wastewater	Airport	Waterfront	Solid Waste
ASSETS					
Current Assets:					
Pooled Cash and Investments	$ 121,178,005	$ 19,293,098	$ 30,055,390	$ 16,146,734	$ 9,083,247
Accounts Receivable, Net	14,881,239	5,396,409	5,992,025	1,038,530	5,961,794
Prepaid Assets	4,346,957	-	-	-	-
Deposits	-	-	-	-	-
Leases Receivable	-	38,445	4,082,576	3,273,135	-
Inventories	-	-	-	-	-
Total Current Assets	140,406,201	24,727,952	40,129,991	20,458,399	15,045,041
Noncurrent Assets:					
Restricted:					
Cash and Investments with Fiscal Agent	2,815,056	-	2	591,554	-
Leases Receivable	-	333,790	11,883,848	7,519,906	-
Loans Receivable	2,432,940	-	-	-	-
Capital Assets:					
Nondepreciable/Amortizable	39,229,865	19,409,852	28,138,558	4,459,499	-
Depreciable/Amortizable, Net	224,805,936	97,093,056	132,230,287	22,625,159	666,852
Total Noncurrent Assets	269,283,797	116,836,698	172,252,695	35,196,118	666,852
Total Assets	409,689,998	141,564,650	212,382,686	55,654,517	15,711,893
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	129,793	28,656	452,635	119,711	-
Pension-Related Items	5,044,588	3,431,691	3,898,435	1,770,737	696,066
OPEB-Related items	-	-	-	-	-
Total Deferred Outflows of Resources	5,174,381	3,460,347	4,351,070	1,890,448	696,066
LIABILITIES					
Current Liabilities:					
Accounts Payable	9,070,687	3,319,880	5,724,301	645,486	3,336,380
Salaries and Benefits Payable	697,166	465,698	483,933	332,957	77,978
Interest Payable	31,067	248,305	285,000	314,224	-
Unearned Revenue	-	-	2,011	185,371	231,463
Deposits	1,241,251	310	1,208,652	729,423	2,512
Compensated Absences Payable	1,204,185	658,575	617,259	514,394	130,296
Lease Payable	-	-	-	16,723	11,282
Subscription Payable	195,212	-	203,791	2,782	-
Claims Payable	-	-	-	-	-
Total OPEB Liability, Due in One Year	-	-	-	-	-
Current Portion Long-Term Debt	6,797,171	2,876,392	1,310,000	1,631,790	-
Total Current Liabilities	19,236,739	7,569,160	9,834,947	4,373,150	3,789,911
Noncurrent Liabilities:					
Unearned Revenue	2,432,940	-	-	-	-
Net Pension Liability	19,747,314	13,291,463	13,047,015	8,609,585	2,153,690
Total Other Postemployment Benefit Liability	-	-	-	-	-
Compensated Absences Payable, Net of Current Portion	133,798	73,175	68,584	57,155	14,477
Lease Payable, Net of Current Portion	-	-	-	57,585	729,302
Subscription Payable, Net of Current Portion	136,655	-	56,937	272	-
Claims Payable, Net of Current Portion	-	-	-	-	-
Long-Term Debt, Net of Current Portion	61,063,260	30,116,298	24,777,338	7,791,913	-
Total Noncurrent Liabilities	83,513,967	43,480,936	37,949,874	16,516,510	2,897,469
Total Liabilities	102,750,706	51,050,096	47,784,821	20,889,660	6,687,380
DEFERRED INFLOWS OF RESOURCES					
Lease Related	-	344,249	14,640,015	9,732,328	-
Pension Related	-	-	-	-	-
OPEB Related	-	-	-	-	-
Total Deferred Inflows of Resources	-	344,249	14,640,015	9,732,328	-
NET POSITION					
Net Investment in Capital Assets	195,453,775	81,256,292	129,642,943	17,316,429	(73,732)
Restricted for Debt Service	2,815,056	-	2	591,554	-
Restricted for Airport Improvements	-	-	5,049,859	-	-
Unrestricted	113,844,842	12,374,360	19,616,116	9,014,994	9,794,311
Total Net Position	$ 312,113,673	$ 93,630,652	$ 154,308,920	$ 26,922,977	$ 9,720,579

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA BARBARA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2025

	Clean Energy	Other Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current Assets:				
Pooled Cash and Investments	$ 16,878,626	$ 9,597,070	$ 222,232,170	$ 52,900,125
Accounts Receivable, Net	5,598,434	131,844	39,000,275	132,958
Prepaid Assets	287,085	-	4,634,042	2,471,462
Deposits	-	225,000	225,000	-
Leases Receivable	-	371,224	7,765,380	-
Inventories	-	132,595	132,595	-
Total Current Assets	22,764,145	10,457,733	273,989,462	55,504,545
Noncurrent Assets:				
Restricted:				
Cash and Investments with Fiscal Agent	-	-	3,406,612	-
Leases Receivable	-	897,790	20,635,334	-
Loans Receivable	-	-	2,432,940	-
Capital Assets:				
Nondepreciable/Amortizable	-	11,927,091	103,164,865	2,949,674
Depreciable/Amortizable, Net	685,934	24,981,588	503,088,812	18,119,158
Total Noncurrent Assets	685,934	37,806,469	632,728,563	21,068,832
Total Assets	23,450,079	48,264,202	906,718,025	76,573,377
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	-	-	730,795	-
Pension-Related Items	560,739	1,242,645	16,644,901	4,412,444
OPEB-Related items	-	-	-	11,409,131
Total Deferred Outflows of Resources	560,739	1,242,645	17,375,696	15,821,575
LIABILITIES				
Current Liabilities:				
Accounts Payable	6,053,252	1,031,745	29,181,731	1,203,618
Salaries and Benefits Payable	69,815	256,271	2,383,818	548,941
Interest Payable	-	-	878,596	-
Unearned Revenue	2,512	208,071	629,428	-
Deposits	28,694	59,437	3,270,279	-
Compensated Absences Payable	29,473	320,352	3,474,534	803,151
Lease Payable	11,624	84,481	124,110	-
Subscription Payable	-	6,585	408,370	884,339
Claims Payable	-	-	-	5,380,000
Total OPEB Liability, Due in One Year	-	-	-	1,991,632
Current Portion Long-Term Debt	-	-	12,615,353	543,217
Total Current Liabilities	6,195,370	1,966,942	52,966,219	11,354,898
Noncurrent Liabilities:				
Unearned Revenue	-	-	2,432,940	-
Net Pension Liability	288,837	7,646,624	64,784,528	18,637,749
Total Other Postemployment Benefit Liability	-	-	-	42,385,350
Compensated Absences Payable, Net of Current Portion	3,275	35,595	386,059	89,239
Lease Payable, Net of Current Portion	751,402	255,128	1,793,417	-
Subscription Payable, Net of Current Portion	-	12,134	205,998	813,671
Claims Payable, Net of Current Portion	-	-	-	17,198,000
Long-Term Debt, Net of Current Portion	-	-	123,748,809	1,657,950
Total Noncurrent Liabilities	1,043,514	7,949,481	193,351,751	80,781,959
Total Liabilities	7,238,884	9,916,423	246,317,970	92,136,857
DEFERRED INFLOWS OF RESOURCES				
Lease Related	-	1,101,247	25,817,839	-
Pension Related	-	-	-	-
OPEB Related	-	-	-	19,969,510
Total Deferred Inflows of Resources	-	1,101,247	25,817,839	19,969,510
NET POSITION				
Net Investment in Capital Assets	-	36,212,850	459,808,557	17,169,655
Restricted for Debt Service	-	-	3,406,612	-
Restricted for Airport Improvements	-	-	5,049,859	-
Unrestricted	16,771,934	2,276,327	183,692,884	(36,881,070)
Total Net Position	$ 16,771,934	$ 38,489,177	651,957,912	$ (19,711,415)
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds			(5,507,384)	
Current year's adjustment to reflect the consolidation of internal service funds' activities related to the enterprise funds			4,269,231	
Net Position of Business-Type Activities			$ 650,719,759	

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, 2025

	Water	Wastewater	Airport	Waterfront	Solid Waste
OPERATING REVENUES					
Sales	$ 72,491,829	$ 30,968,253	$ -	$ -	$ 40,164,210
Service Charges	5,263,534	1,059,441	11,735,242	13,161,316	-
Other Revenues	781,962	14,838	36,547	711,148	73,435
Total Operating Revenues	78,537,325	32,042,532	11,771,789	13,872,464	40,237,645
OPERATING EXPENSES					
Salaries, Wages, and Benefits	16,535,043	10,636,471	12,494,249	8,816,986	2,011,220
Material, Supplies, and Services	29,814,136	14,058,439	19,484,420	8,137,139	37,113,217
Depreciation/Amortization	10,591,539	5,322,880	6,786,970	1,607,943	39,047
Total Operating Expenses	56,940,718	30,017,790	38,765,639	18,562,068	39,163,484
OPERATING INCOME (LOSS)	21,596,607	2,024,742	(26,993,850)	(4,689,604)	1,074,161
NONOPERATING REVENUES (EXPENSES)					
Interest Income	5,973,175	1,079,775	2,390,252	1,298,947	441,661
Intergovernmental Revenue	427,353	1,224,186	5,404,968	-	43,004
Leases and Rents	-	53,866	23,428,471	6,844,908	37,401
Other Income	-	-	188,823	-	-
Interest Expense	(449,592)	(643,570)	(1,219,481)	(467,533)	(24,521)
Total Nonoperating Revenues (Expenses)	5,950,936	1,714,257	30,193,033	7,676,322	497,545
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	27,547,543	3,738,999	3,199,183	2,986,718	1,571,706
CONTRIBUTIONS					
Capital Contributions	-	-	16,478	77,753	-
Total Contributions	-	-	16,478	77,753	-
TRANSFERS					
Transfers In	518,454	154,874	-	27,635	-
Transfers Out	(53,257)	(53,257)	(280,326)	-	(200,000)
Total Transfers	465,197	101,617	(280,326)	27,635	(200,000)
CHANGES IN NET POSITION	28,012,740	3,840,616	2,935,335	3,092,106	1,371,706
Total Net Position (Deficit) - Beginning of Year	284,100,933	89,790,036	151,373,585	23,830,871	8,348,873
TOTAL NET POSITION (DEFICIT) - END OF YEAR	$ 312,113,673	$ 93,630,652	$ 154,308,920	$ 26,922,977	$ 9,720,579

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, 2025

	Clean Energy	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Sales	$ -	$ -	$ 143,624,292	$ -
Service Charges	46,907,397	13,882,296	92,009,226	50,277,123
Other Revenues	125	434,475	2,052,530	1,637,089
Total Operating Revenues	46,907,522	14,316,771	237,686,048	51,914,212
OPERATING EXPENSES				
Salaries, Wages, and Benefits	1,159,310	6,474,101	58,127,380	15,853,237
Material, Supplies, and Services	55,122,723	8,344,948	172,075,022	28,051,346
Depreciation/Amortization	54,760	1,490,776	25,893,915	3,399,490
Total Operating Expenses	56,336,793	16,309,825	256,096,317	47,304,073
OPERATING INCOME (LOSS)	(9,429,271)	(1,993,054)	(18,410,269)	4,610,139
NONOPERATING REVENUES (EXPENSES)				
Interest Income	969,615	534,370	12,687,795	1,866,472
Intergovernmental Revenue	-	-	7,099,511	-
Leases and Rents	62,475	483,344	30,910,465	-
Other Income	-	-	188,823	-
Interest Expense	(50,104)	(3,844)	(2,858,645)	(122,191)
Total Nonoperating Revenues (Expenses)	981,986	1,013,870	48,027,949	1,744,281
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(8,447,285)	(979,184)	29,617,680	6,354,420
CONTRIBUTIONS				
Capital Contributions	-	-	94,231	-
Total Contributions	-	-	94,231	-
TRANSFERS				
Transfers In	-	1,402,899	2,103,862	1,621,608
Transfers Out	(27,635)	-	(614,475)	(248,568)
Total Transfers	(27,635)	1,402,899	1,489,387	1,373,040
CHANGES IN NET POSITION	(8,474,920)	423,715	31,201,298	7,727,460
Total Net Position (Deficit) - Beginning of Year	25,246,854	38,065,462	620,756,614	(27,438,875)
TOTAL NET POSITION (DEFICIT) - END OF YEAR	$ 16,771,934	$ 38,489,177	$ 651,957,912	$ (19,711,415)
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			$ 4,269,231	
Change in Net Position - Enterprise Funds			31,201,298	
Change in Net Position of Business-Type Activities			$ 35,470,529	

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA BARBARA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Water	Wastewater	Airport	Waterfront	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	$ 76,216,127	$ 31,901,070	$ 8,402,933	$ 12,407,747	$ 40,859,636
Payments to Suppliers for Goods or Services	(27,852,382)	(11,939,770)	(18,580,092)	(7,865,627)	(37,058,633)
Payments to Employees	(15,460,056)	(9,929,467)	(12,045,346)	(8,582,165)	(1,961,698)
Receipts from Others	781,962	14,838	36,547	711,148	73,435
Net Cash Provided (Used) by Operating Activities	33,685,651	10,046,671	(22,185,958)	(3,328,897)	1,912,740
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash Transfers In	518,454	154,874	-	27,635	-
Cash Transfers Out	(53,257)	(53,257)	(280,326)	-	(200,000)
Advances from (to) Other Funds	-	-	-	-	-
Operating Grants Received	427,353	1,224,186	5,404,968	-	43,004
Net Cash Provided (Used) by Noncapital Financing Activities	892,550	1,325,803	5,124,642	27,635	(156,996)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Loan Proceeds	-	1,224,186	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Acquisition of Capital Assets	(15,742,466)	(13,035,866)	(7,081,329)	(2,050,248)	161,396
Lease Income	-	53,866	23,428,471	6,844,908	37,401
Principal Paid on Capital Debt	(7,736,472)	(2,785,134)	(1,250,000)	(1,573,225)	-
Interest Paid	(606,164)	(765,703)	(1,234,851)	(460,566)	(24,521)
Net Cash Provided (Used) by Capital and Related Financing Activities	(24,085,102)	(15,308,651)	13,862,291	2,760,869	174,276
CASH FLOWS FROM INVESTING ACTIVITIES					
Loans Payments Received	431,377	-	-	-	-
Investment Income	5,973,175	1,079,775	2,390,252	1,298,947	441,661
Net Cash Provided (Used) by Investing Activities	6,404,552	1,079,775	2,390,252	1,298,947	441,661
NET CHANGE IN CASH AND CASH EQUIVALENTS	16,897,651	(2,856,402)	(808,773)	758,554	2,371,681
Cash and Cash Equivalents - Beginning of Year	107,095,410	22,149,500	30,864,165	15,979,734	6,711,566
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 123,993,061	$ 19,293,098	$ 30,055,392	$ 16,738,288	$ 9,083,247
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Current Assets:					
Pooled Cash and Investments	$ 121,178,005	$ 19,293,098	$ 30,055,390	$ 16,146,734	$ 9,083,247
Noncurrent Assets:					
Restricted:					
Cash and Investments with Fiscal Agent	2,815,056	-	2	591,554	-
Total Cash and Cash Equivalents	$ 123,993,061	$ 19,293,098	$ 30,055,392	$ 16,738,288	$ 9,083,247

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA BARBARA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Clean Energy	Other Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	$ 49,531,120	$ 13,879,129	$ 233,197,762	$ 50,293,875
Payments to Suppliers for Goods or Services	(51,785,617)	(7,576,135)	(162,658,256)	(26,780,491)
Payments to Employees	(1,552,973)	(6,267,948)	(55,799,653)	(14,585,039)
Receipts from Others	125	434,475	2,052,530	1,637,089
Net Cash Provided (Used) by Operating Activities	(3,807,345)	469,521	16,792,383	10,565,434
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Transfers In	-	1,402,899	2,103,862	1,621,608
Cash Transfers Out	(27,635)	-	(614,475)	(248,568)
Advances from (to) Other Funds	(2,131,691)	-	(2,131,691)	884,634
Operating Grants Received	-	-	7,099,511	-
Net Cash Provided (Used) by Noncapital Financing Activities	(2,159,326)	1,402,899	6,457,207	2,257,674
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Loan Proceeds		-	1,224,186	-
Proceeds from Sale of Capital Assets		-	-	533,185
Acquisition of Capital Assets	(790,798)	(2,582,423)	(41,121,734)	(4,116,757)
Lease Income	62,475	483,344	30,910,465	-
Principal Paid on Capital Debt	-	-	(13,344,831)	(543,216)
Interest Paid	-	(3,844)	(3,095,649)	(122,191)
Net Cash Provided (Used) by Capital and Related Financing Activities	(728,323)	(2,102,923)	(25,427,563)	(4,248,979)
CASH FLOWS FROM INVESTING ACTIVITIES				
Loans Provided		-	431,377	-
Investment Income	969,615	534,370	12,687,795	1,866,472
Net Cash Provided (Used) by Investing Activities	969,615	534,370	13,119,172	1,866,472
NET CHANGE IN CASH AND CASH EQUIVALENTS	(5,725,379)	303,867	10,941,199	10,440,601
Cash and Cash Equivalents - Beginning of Year	22,604,005	9,293,203	214,697,583	42,459,524
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 16,878,626	$ 9,597,070	$ 225,638,782	$ 52,900,125
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Current Assets:				
Pooled Cash and Investments	$ 16,878,626	$ 9,597,070	$ 222,232,170	$ 52,900,125
Noncurrent Assets:				
Restricted:				
Cash and Investments with Fiscal Agent	-	-	3,406,612	-
Total Cash and Cash Equivalents	$ 16,878,626	$ 9,597,070	$ 225,638,782	$ 52,900,125

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA BARBARA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Water	Wastewater	Airport	Waterfront	Solid Waste
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	$ 21,596,607	$ 2,024,742	$ (26,993,850)	$ (4,689,604)	$ 1,074,161
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	10,591,539	5,322,880	6,786,970	1,607,943	39,047
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:					
Accounts Receivable	(1,406,024)	(116,286)	(2,653,662)	(764,038)	785,190
Lease Receivable	-	(25,358)	2,472,878	1,719,212	-
Prepaids Assets and Deposits	(95,736)	-	-	-	-
Inventory	-	-	-	-	-
Deferred Outflows of Resources - Pension Related	1,500,827	1,099,086	899,872	450,116	150,106
Deferred Outflows of Resources - OPEB	-	-	-	-	-
Increase (Decrease) in Operating Liabilities and Deferred Inflows of Resources:					
Accounts Payable	2,239,952	2,131,899	1,097,931	292,858	222,620
Salaries and Benefits Payable	172,355	101,770	77,233	41,764	3,722
Deposits Payable	298,165	52	(109,145)	22,124	2,512
Lease Payable	-	-	-	(16,070)	(168,036)
Subscriptions Payable	(182,462)	(13,230)	(193,603)	(5,276)	-
Unearned Revenue	(431,377)	-	(276,573)	(64,966)	(92,276)
Compensated Absences Payable	199,769	49,364	87,192	22,666	5,520
Net Pension Liability	(765,973)	(521,071)	(591,941)	(268,870)	(105,691)
Total Other Postemployment Benefit Liability	-	-	-	-	-
Claims and Judgements	-	-	-	-	-
Deferred Inflows of Resources - Lease Related	-	14,968	(2,765,807)	(1,665,901)	-
Deferred Inflows of Resources - Pension Related	(31,991)	(22,145)	(23,453)	(10,855)	(4,135)
Deferred Inflows of Resources - OPEB Related	-	-	-	-	-
Total Adjustments	12,089,044	8,021,929	4,807,892	1,360,707	838,579
Net Cash Provided (Used) by Operating Activities	$ 33,685,651	$ 10,046,671	$ (22,185,958)	$ (3,328,897)	$ 1,912,740
SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING AND INVESTING ACTIVITIES					
Capital Contributions	$ -	$ -	$ 16,478	$ 77,753	$ -
Capital Assets in Accounts Payable	$ -	$ 2,115,801	$ 4,608,567	$ 386,875	$ -
Lease Payable	$ -	$ -	$ -	$ -	$ -
Subscriptions Payable	$ 1,989	$ -	$ -	$ -	$ -
Change in Fair Value	$ 2,561,991	$ 406,353	$ 633,810	$ 339,839	$ 191,876

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA BARBARA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	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)	$ (9,429,271)	$ (1,993,054)	$ (18,410,269)	$ 4,610,139
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	54,760	1,490,776	25,893,915	3,399,490
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:				
Accounts Receivable	2,592,517	63,985	(1,498,318)	16,752
Lease Receivable	-	(390,073)	3,776,659	-
Prepaids Assets and Deposits	748,332	-	652,596	(8,816)
Inventory	-	(31,221)	(31,221)	-
Deferred Outflows of Resources - Pension Related	(325,432)	337,544	4,112,119	1,328,782
Deferred Outflows of Resources - OPEB	-	-	-	2,098,528
Increase (Decrease) in Operating Liabilities and Deferred Inflows of Resources:				
Accounts Payable	1,825,748	483,262	8,294,270	356,693
Salaries and Benefits Payable	39,666	42,586	479,096	(113,449)
Deposits Payable	28,694	8,122	250,524	-
Lease Payable	763,026	298,053	876,973	(567,888)
Subscriptions Payable	-	18,719	(375,852)	393,021
Unearned Revenue	2,512	22,266	(840,414)	-
Compensated Absences Payable	(21,604)	22,431	365,338	95,802
Net Pension Liability	(85,143)	(188,684)	(2,527,373)	(669,988)
Total Other Postemployment Benefit Liability	-	-	-	842,285
Claims and Judgements	-	-	-	1,097,845
Deferred Inflows of Resources - Lease Related	-	292,533	(4,124,207)	
Deferred Inflows of Resources - Pension Related	(1,150)	(7,724)	(101,453)	(28,060)
Deferred Inflows of Resources - OPEB Related	-	-	-	(2,285,702)
Total Adjustments	5,621,926	2,462,575	35,202,652	5,955,295
Net Cash Provided (Used) by Operating Activities	$ (3,807,345)	$ 469,521	$ 16,792,383	$ 10,565,434
SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING AND INVESTING ACTIVITIES				
Capital Contributions	$ -	$ -	$ 94,231	$ -
Capital Assets in Accounts Payable	$ -	$ 22,325	$ 7,133,568	$ -
Lease Payable	$ 772,327	$ 342,133	$ 1,114,460	$ -
Subscriptions Payable	$ -	$ 32,663	$ 34,652	$ 1,604,896
Change in Fair Value	$ -	$ 202,048	$ 4,335,917	$ 877,647

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA BARBARA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Custodial Funds
ASSETS	
Current Assets:	
Pooled Cash and Investments	$ 698,687
Accounts Receivable, Net	67,087
Loans Receivable	1,925,080
Total Current Assets	2,690,854
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,697
Due to the City Of Santa Barbara	68,468
Total Current Liabilities	70,165
NET POSITION	
Restricted for Others	2,620,689
Total Net Position	$ 2,620,689

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA BARBARA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025

	Custodial Funds
ADDITIONS	
Investment Income:	
Interest	$ 21,655
Charges for Service	174,960
Total Additions	196,615
DEDUCTIONS	
Administrative Expenses	169,701
Program Expenses	41,496
Total Deductions	211,197
CHANGE IN NET POSITION	(14,582)
Net Position - Beginning of Year	2,635,271
NET POSITION - END OF YEAR	$ 2,620,689

See accompanying Notes to Basic Financial Statements.

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.

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*.

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.

Police Station Facility Capital Project Fund
This fund accounts for police station facility-related capital projects.

Street Grant Capital Project Fund
This fund accounts for street-related capital projects financed by various grants.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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:

<u>Governmental Fund Types</u>
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.

Debt Service Funds
This fund accounts for financial resources that are restricted, committed, or assigned for the payment of principal and interest on the City's long-term governmental debt.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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.

D. New Accounting Pronouncements

During the year ended June 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences,* see Notes 7 and 1O for more information.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Property Tax Calendar

In 1978, a State constitutional amendment (Article XIIIA) 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. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Capital Assets (Continued)

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 form 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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 nets 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

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more-likely-than-not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, four types of leave qualify for liability recognition for compensated absences – vacation, holiday, disability, and compensatory time. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. 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.

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.

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, 2025, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	$ 512,547,357
Cash and Investments with Fiscal Agents	3,406,612
Fiduciary Funds:	
Cash and Investments	698,687
Total Cash and Investments	$ 516,652,656

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Cash on Hand	$ 48,145
Demand Deposit Accounts with Financial Institutions	47,344,680
Investments	469,259,831
Total Cash and Investments	$ 516,652,656

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

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.

Authorized Investment Type	Maximum Maturity	Maximum Percent of Portfolio*	Maximum Investment in One Issuer
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	30%	5%
Other US States Obligations	5 Years	30%	5%
Medium-Term Notes	5 Years	30%	5%
Banker's Acceptances	180 Days	40%	5%
Commercial Paper	397 Days	40%	5%
Negotiable Certificates of Deposit	5 Years	30%	5%
Bank/Time Deposits/Non-Negotiable CDs	5 Years	None	None
U.S. Government Money Market Funds	N/A	20%	10%
Repurchase Agreements	1 Year	None	None
State Investment Pool (LAIF)	N/A	$75 Million	N/A
Supranational Obligations	5 Years	30%	10%
Public Bank Obligations	5 Years	None	None
Placement Deposit Services	5 Years	30%	None
Local Government Investment Pools	5 Years	None	None
Asset-Backed, Mortgage-Backed, Mortgage Passthrough Securities, and Collateralized Mortgage Obligations	5 Years	20%	5%

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

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

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.

Authorized Investment Type	Maximum Maturity	Maximum Percent of Portfolio	Maximum Investment in One Issuer
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.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk (Continued)

Authorized Investment Type	Fair Value	Weighted-Average Maturity
U.S. Treasury Notes	$ 101,259,789	3 Years
U.S. Agency Securities	76,897,580	1.2 Years
Asset-Backed Securities	9,261,284	2.3 Years
Commercial Mortgage-Backed Securities	19,055,892	3.6 Years
Corporate Medium Term Notes	49,568,195	3.2 Years
Supranational Obligations	10,817,613	2.3 Years
Municipal Bonds	2,763,191	3.6 Years
State Investment Pool (LAIF)	75,089,873	N/A
Held by Trustees/Fiscal Agents:		
Money Market Fund	8,279,649	N/A
U.S. Treasury Notes	113,697,075	N/A
Section 115 PARS	2,569,690	N/A
Total	$ 469,259,831	

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.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

Investment Type	June 30, 2025	Level 1	Level 2	Level 3
U.S. Treasury Notes	$ 101,259,789	$ -	$ 101,259,789	$ -
U.S. Agency Securities	76,897,580	-	76,897,580	-
Asset-Backed Securities	9,261,284	-	9,261,284	-
Commercial Mortgage-Backed Securities	19,055,892	-	19,055,892	-
Corporate Medium-Term Notes	49,568,195	-	49,568,195	-
Supranational Obligations	10,817,613	-	10,817,613	-
Municipal Bonds	2,763,191	-	2,763,191	-
Total Investments at Fair Value	269,623,544	$ -	$ 269,623,544	$ -
Investments at Amortized Cost:				
Held by Trustees/Fiscal Agents:				
Money Market Funds	8,279,649			
U.S. Treasury Notes	113,697,075			
Section 115 PARS	2,569,690			
Subtotal	124,546,414			
Investments Not Subject to Hierarchy:				
State Investment Pool (LAIF)	75,089,873			
Total Investments	$ 469,259,831			

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+	A	Unrated
U.S. Treasury Notes	$ 101,259,789	N/A	$ 101,259,789	$ -	$ -	$ -	$ -	$ -	$ -
U.S. Agency Securities	76,897,580	N/A	-	76,897,580	-	-	-	-	-
Asset-Backed Securities	9,261,284	N/A	-	9,261,284	-			-	-
Commercial Mortgage-Backed Securities	19,055,892	N/A	-	3,847,818	15,208,074			-	-
Corporate Medium-Term Notes	49,568,195	A	-	-	7,268,535	12,791,752	11,514,852	17,993,056	-
Supranational Obligations	10,817,613	N/A	-	10,817,613	-	-	-	-	-
Municipal Bonds	2,763,191	N/A	2,763,191	-	-	-		-	-
Local Agency Investment Pool (LAIF)	75,089,873	N/A	-	-	-	-	-	-	75,089,873
Held by Trustees/Fiscal Agents:									
Money Market	8,279,649	N/A	-	-	-	-	-	-	8,279,649
U.S. Treasury Notes	113,697,075	N/A	113,697,075	-	-	-	-	-	-
Section 115 PARS	2,569,690	N/A	2,569,690	-	-	-	-	-	-
Total	$ 469,259,831		$ 220,289,745	$ 100,824,295	$ 22,476,609	$ 12,791,752	$ 11,514,852	$ 17,993,056	$ 83,369,522

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk (Continued)

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	$ 101,259,708	21.6 %
Federal Home Loan Bank	Government Sponsored	42,399,212	9.0

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.

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, 2025, 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, 2025, the various components of unearned revenue reported are as follows:

	Unearned
Governmental Funds:	
General Fund:	
Advance on American Rescue Plan Act Funding	$ 67,310
Prepaid Parks and Recreation Fees	2,344,949
Subtotal	2,412,259
Streets Grants Capital Fund:	
Advance on Transportation Grant Funding	97,665
Other Governmental Funds:	
Creek Restoration/Water Quality:	
Advance on Project Funding	2,512
Miscellaneous Grants Fund:	
Advance on Library Grant Funding	458,418
Advance on Police Grant Funding	837,851
Advance on Energy Grant Funding	217,986
Permanent Local Housing Allocation	
Advance on Housing Activities	95,253
FEMA Reimbursement Fund:	
Advance on FEMA Grant Funding	265,993
Subtotal	1,878,013
Total Governmental Funds	$ 4,387,937

NOTE 3 UNEARNED REVENUE (CONTINUED)

	Unearned
Business-Type Activities:	
Water Fund:	
Joint Venture Agreement	$ 2,432,940
Waterfront Fund:	
Prepaid Slipholder Revenue	208,071
Solid Waste Fund:	
Advance on State Grant Funding	231,463
Airport Fund:	
Prepaid Rent Revenue	2,011
Clean Energy Fund:	
Advance Energy Sales	2,512
Golf Course Fund:	
Golf Gift Cards and Credit Vouchers	185,371
Total Business-Type Activities	$ 3,062,368

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, 2025, were as follows:

	Balance June 30, 2025
Governmental Activities:	
Deferred Pension-Related Items	$ 82,461,138
Deferred OPEB-Related Items	11,409,131
Total	$ 93,870,269
Business-Type Activities:	
Deferred Loss on Refunding:	
2013 Water Certificates of Participation	$ 129,793
2014 Waterfront Refunding Revenue Bonds	119,711
2016 Wastewater Revenue Refunding Bonds	28,656
2019 Airport Revenue Refunding Bonds	452,635
Deferred Pension-Related Items	16,644,901
Total	$ 17,375,696

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, 2025, was as follows:

	Beginning Balance	Increases	Transfers/ Remeasurements/ Reclassifications	Decreases	Ending Balance
Governmental Activities:					
Nondepreciating/Amortizing Capital Assets:					
Construction in Progress	$ 60,695,119	$ 34,847,278	$ (24,030,891)	$ (30,408)	$ 71,481,098
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 Nondepreciating/Amortizing Capital Assets	273,715,554	34,847,278	(24,030,891)	(30,408)	284,501,533
Depreciating/Amortizing Capital Assets:					
Buildings	30,569,592	-	-	-	30,569,592
Building Improvements	53,301,588	-	-	-	53,301,588
Improvements Other than Buildings	88,561,490	-	2,014,208	-	90,575,698
Equipment	54,528,595	3,764,428	304,695	(5,458,173)	53,139,545
Infrastructure	271,680,681	2,727,314	21,711,988	-	296,119,983
Right-to-Use Assets - Subscriptions	4,219,792	1,418,401	-	(325,902)	5,312,291
Right-to-Use Assets - Leases Buildings	3,059,847	49,732	-	(1,014,915)	2,094,664
Subtotal	505,921,585	7,959,875	24,030,891	(6,798,990)	531,113,361
Less: Accumulated Depreciation/Amortization for:					
Buildings	17,928,341	521,068	-	-	18,449,409
Building Improvements	12,918,218	1,202,536	-	-	14,120,754
Improvements Other than Buildings	37,434,234	2,748,463	-	-	40,182,697
Equipment	41,049,462	2,617,992	-	(1,947,118)	41,720,336
Infrastructure	110,287,404	4,911,401	-	-	115,198,805
Right-to-Use Assets - Subscriptions	2,113,914	793,528	-	(214,508)	2,692,934
Right-to-Use Assets - Leases Buildings	683,530	211,758	-	(358,119)	537,169
Subtotal	222,415,103	13,006,746	-	(2,519,745)	232,902,104
Total Capital Assets Being Depreciated/Amortization, Net	283,506,482	(5,046,871)	24,030,891	(4,279,245)	298,211,257
Governmental Activities Capital Assets, Net	$ 557,222,036	$ 29,800,407	$ -	$ (4,309,653)	$ 582,712,790

NOTE 5 CAPITAL ASSETS (CONTINUED)

Governmental Activities (Continued)

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

Governmental Activities:	
Administration	$ 3,695,083
Public Safety	645,033
Public Works	6,257,732
Community Services	1,570,059
Community Development	838,839
Total Depreciation Expense - Governmental Activities	$ 13,006,746

Business-Type Activities

	Beginning Balance	Increases	Transfers/ Reclassifications	Decreases	Ending Balance
Business-Type Activities:					
Nondepreciating/Amortizing Capital Assets:					
Land	$ 24,944,374	$ -	$ -	$ -	$ 24,944,374
Construction in Progress	56,715,648	27,670,115	(5,525,726)	(639,546)	78,220,491
Total Nondepreciating/Amortizing Capital Assets	81,660,022	27,670,115	(5,525,726)	(639,546)	103,164,865
Depreciating/Amortizing Capital Assets:					
Buildings	136,167,323	-	-	-	136,167,323
Building Improvements	14,098,924	198,080	103,918	-	14,400,922
Improvements Other Than Buildings	472,114,891	3,359,236	4,613,908	-	480,088,035
Equipment	64,255,770	519,201	404,335	-	65,179,306
Underground Piping	248,922,837	9,011,551	-	-	257,934,388
Infrastructure	193,683,396	87,714	403,565	-	194,174,675
Right-to-Use Assets - Subscriptions	1,726,457	37,433	-	(95,096)	1,668,794
Right-to-Use Assets - Leases Buildings	1,279,213	816,233	-	(24,739)	2,070,707
Subtotal	1,132,248,811	14,029,448	5,525,726	(119,835)	1,151,684,150
Less: Accumulated Depreciation/Amortization for:					
Buildings	56,609,096	2,282,033	-	-	58,891,129
Building Improvements	6,497,936	322,583	-	-	6,820,519
Improvements Other Than Buildings	304,011,610	9,874,351	-	-	313,885,961
Equipment	53,634,055	2,286,480	-	-	55,920,535
Underground Piping	158,980,442	5,878,629	-	-	164,859,071
Infrastructure	42,207,841	4,676,768	-	-	46,884,609
Right-to-Use Assets - Subscriptions	685,130	432,066	-	(95,096)	1,022,100
Right-to-Use Assets - Leases Buildings	300,992	141,005	(105,844)	(24,739)	311,414
Subtotal	622,927,102	25,893,915	(105,844)	(119,835)	648,595,338
Total Capital Assets Being Depreciated/Amortized, Net	509,321,709	(11,864,467)	5,631,570	-	503,088,812
Business-Type Activities Capital Assets, Net	$ 590,981,731	$ 15,805,648	$ 105,844	$ (639,546)	$ 606,253,677

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	$ 10,591,539
Wastewater	5,322,880
Airport	6,786,970
Waterfront	1,607,943
Solid Waste	39,047
Clean Energy	54,760
Downtown Parking	1,207,863
Golf	282,913
Total Depreciation Expense - Business-Type Activities	$ 25,893,915

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2025, is as follows:

The interfund balances at June 30, 2025, are generally short-term loans to cover temporary cash deficits in various funds.

Receivable Fund	Due to/from Other Funds Payable Fund	Amount
General Fund	Other Governmental Funds	$ 1,039,630
	Total	$ 1,039,630

The General Fund provided short term cash to cover negative cash in an other governmental fund.

A summary of interfund transfers during the year follows:

	Transfers In									
Transfers Out	General Fund	Police Station Facility Fund	Street Grant Capital Fund	Other Governmental Funds	Water Enterprise Fund	Wastewater Enterprise Fund	Waterfront Enterprise Fund	Other Enterprise Funds	Internal Service	Total
Governmental Funds:										
General Fund	$ -	$ -	$ -	$ 5,064,963	$ -	$ -	$ -	$ 1,202,899	$ 1,105,686	$ 7,373,548
Measure C Capital	-	-	4,431,864	2,477,520	-	-	-	-	-	6,909,384
Street Capital	-	-	-	609,940	-	-	-	-	-	609,940
Other Govt Funds	228,737	95,491,756	5,685,077	15,922,659	473,998	-	-	-	129,082	117,931,309
Enterprise Funds:										
Water	-	-	-	-	-	-	-	-	53,257	53,257
Wastewater	-	-	-	-	-	-	-	-	53,257	53,257
Airport	-	-	-	-	-	-	-	-	280,326	280,326
Solid Waste	-	-	-	-	-	-	-	200,000	-	200,000
Clean Energy	-	-	-	-	-	-	27,635	-	-	27,635
Internal Service Funds	49,238	-	-	-	44,456	154,874	-	-	-	248,568
Total Transfers	$ 277,975	$ 95,491,756	$ 10,116,941	$ 24,075,082	$ 518,454	$ 154,874	$ 27,635	$ 1,402,899	$ 1,621,608	$ 133,687,224

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

The most significant interfund transfers related to the following:

1. Transfers from the General Fund to Other Governmental Funds totaled $5.1 million. Three significant transfers for $1.3 million, $1.1 million, and $675k related to CIP and refuse fund related to utility users tax (UTT), and inclusionary housing fees, respectively.

2. Transfer from General Fund to Other Enterprise Funds total $1.2 million. It is primarily to support both operational and capital improvement needs of Downtown Parking.

3. Transfer from Measure C Capital Project Fund to the Police Station Facility Fund for $4.4 million and to the Street Grant Capital Fund for $2.5 million are to support street projects.

4. Transfer from General Fund to Internal Service Fund for $1.1 million is a to support Tecom Systems and network infrastructure.

5. Transfers from Other Governmental Funds totaled $117.9 million and were primarily comprised of the following capital outlay transfers:

   a. $2.2 million from Measure A Fund to Measure A capitalization Fund for maintenance of streets.
   b. $2.2 million from Streets Fund to Streets Capital Fund.
   c. $2.6 million from the Creeks Fund to Creeks Capital Fund.
   d. $12.7 million from 2024 Revenue Bonds to Dwight Murphy Park.
   e. $95.5 million from 2024 Revenue Bonds to Police Station Facility.

6. Transfers from Solid Waste Fund to Downtown Parking totaled $200k for operational support.

7. Transfers from Airport Fund to Internal Service Funds totaled $280k for dedicated IT services.

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).

NOTE 7 LONG-TERM DEBT (CONTINUED)

Long-term liability activity for the year ended June 30, 2025, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due in One Year	Amount Due In More Than One Year
Governmental Activities:						
Other Debt:						
Revenue Bonds 2024 Series A	$ -	$ 107,670,000	$ -	$ 107,670,000	$ -	$ 107,670,000
Revenue Bonds 2024 Series B	-	14,350,000	-	14,350,000	-	14,350,000
Unamortized Debt Premium	-	4,737,055	143,547	4,593,508	-	4,593,508
Other Long-Term Liabilities:						
Compensated Absences (1)	10,292,313	739,462	-	11,031,775	9,928,598	1,103,177
Financing Agreement	2,744,383	-	543,216	2,201,167	556,139	1,645,028
Lease Payable	2,506,387	159,929	967,364	1,698,952	382,560	1,316,392
Subscription Payable	1,851,653	2,136,993	1,667,643	2,321,003	1,309,138	1,011,865
Claims Liability	21,480,155	7,075,332	5,977,487	22,578,000	5,380,000	17,198,000
Governmental Activity Long-Term Liabilities	38,874,891	136,868,771	9,299,257	166,444,405	17,556,435	148,887,970
Business-Type Activities:						
Direct Borrowings:						
Loans	107,267,721	1,224,186	8,136,109	100,355,798	7,164,094	93,191,704
Other Debt:						
Revenue Bonds	32,147,655	-	3,248,721	28,898,934	3,396,259	25,502,675
Certificates of Participation	5,440,000	-	1,960,000	3,480,000	2,055,000	1,425,000
Unamortized Debt Premium	4,185,561	-	538,738	3,646,823	-	3,646,823
Unamortized Debt Discount	(26,093)	-	(8,700)	(17,393)	-	(17,393)
Subtotal	149,014,844	1,224,186	13,874,868	136,364,162	12,615,353	123,748,809
Other Long-Term Liabilities:						
Lease Payable	1,040,554	1,114,460	237,487	1,917,527	124,110	1,793,417
Subscription Payable	990,220	34,652	410,504	614,368	408,370	205,998
Compensated Absences (1)	3,495,255	365,338	-	3,860,593	3,474,534	386,059
Subtotal	5,526,029	1,514,450	647,991	6,392,488	4,007,014	2,385,474
Business-Type Activity: Long-Term Liabilities	154,540,873	2,738,636	14,522,859	142,756,650	16,622,367	126,134,283
Total Debt Activity	$ 193,415,764	$ 139,607,407	$ 23,822,116	$ 309,201,055	$ 34,178,802	$ 275,022,253

(1) Shown net of additions and deletions.

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, 2025, are as follows:

	Governmental Activities		
Year Ending June 30,	Principal	Interest	Total
2026	$ 556,139	$ 50,232	$ 606,371
2027	569,404	36,966	606,370
2028	583,024	23,347	606,371
2029	492,600	9,365	501,965
Total	$ 2,201,167	$ 119,910	$ 2,321,077

NOTE 7 LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

In November 2024, the City issued Lease Revenue Bonds, Series 2024 A and B, in the amount of $122,020,000 to finance the acquisition and construction of the police station facility and park improvement projects. The bonds bear interest at rates ranging from 4.00% to 5.00%, payable semiannually on May 15 and November 15, and mature in 2049. Principal payments are due annually. The bonds were issued at a premium of $4,737,055, which is reported in the governmental activities and is amortized over the life of the bonds using the straight-line method.

The annual requirements to amortize all long-term debt outstanding as of June 30, 2025, are as follows:

	2024 Revenue Bonds Series A & B		
Year Ending June 30,	Principal	Interest	Total
2026	$ -	$ 5,162,550	$ 5,162,550
2027	-	5,162,550	5,162,550
2028	1,985,000	5,162,550	7,147,550
2029	2,085,000	5,063,300	7,148,300
2030	2,185,000	4,959,050	7,144,050
2031-2035	12,685,000	23,042,250	35,727,250
2036-2040	16,160,000	19,571,700	35,731,700
2041-2045	19,860,000	15,857,600	35,717,600
2046-2050	24,170,000	11,554,000	35,724,000
2051-2055	42,890,000	7,131,400	50,021,400
Total	$ 122,020,000	$ 102,666,950	$ 224,686,950

NOTE 7 LONG-TERM DEBT (CONTINUED)

Business-Type Activities

A description of long-term obligations outstanding at June 30, 2025 by category follows:

Description	Amount
Revenue Bonds:	
Wastewater Fund $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.	$ 3,220,000
Waterfront Fund $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%.	2,498,934
Airport Fund $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.	23,180,000
Total Revenue Bonds	28,898,934
Certificates of Participation:	
Water Fund $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.	3,480,000
Total Certificates of Participation	3,480,000

NOTE 7 LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

Description (Continued)	Amount
Loans Payable:	
$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.	$ 14,955,338
Water Fund $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.	49,030,891
Wastewater Fund $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.	1,050,952
$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.	2,713,069
$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.	23,812,531
$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 $1,224,186. 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 $7,483,131. The final payment is due December 31, 2045. An amortization schedule is not yet available for the amounts drawn to date.	1,868,250

NOTE 7 LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

Description (Continued)	Amount
Loans Payable (Continued):	
Waterfront Fund	
$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.	$ 6,924,767
Total Loans Payable	100,355,798
Total Business-Type Activities	$ 132,734,732

The annual requirements to amortize all long-term debt outstanding as of June 30, 2025, are as follows:

	Business-Type Activities			
		Principal Payments		
Fiscal Year Funding	Revenue Bonds	Certificates of Participation	Direct Borrowings Other Loans	Total
2026	$ 3,396,259	$ 2,055,000	$ 7,164,094	$ 12,615,353
2027	3,542,675	1,425,000	7,396,669	12,364,344
2028	2,905,000	-	7,555,555	10,460,555
2029	1,515,000	-	7,717,667	9,232,667
2030	1,590,000	-	7,885,072	9,475,072
2031-2035	9,230,000	-	40,951,843	50,181,843
2036-2040	6,720,000	-	21,054,932	27,774,932
2041-2045	-	-	520,366	520,366
2046-2050	-	-	109,600	109,600
Total Principal	$ 28,898,934	$ 3,480,000	$ 100,355,798	$ 132,734,732

	Business-Type Activities			
		Interest Payments		
Fiscal Year Funding	Revenue Bonds	Certificates of Participation	Direct Borrowings Other Loans	Total
2026	$ 1,376,897	$ 83,850	$ 2,060,441	$ 3,521,188
2027	1,222,407	21,375	1,906,690	3,150,472
2028	1,075,639	-	1,747,804	2,823,443
2029	952,750	-	1,585,692	2,538,442
2030	877,000	-	1,418,287	2,295,287
2031-2035	3,109,750	-	4,465,635	7,575,385
2036-2040	682,500	-	868,998	1,551,498
2041-2045	-	-	37,225	37,225
2046-2050	-	-	1,918	1,918
Total Interest	$ 9,296,943	$ 105,225	$ 14,092,690	$ 23,494,858
Total Debt	$ 38,195,877	$ 3,585,225	$ 114,448,488	$ 156,229,590

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.

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, 2025, total governmental fund encumbrance balances for the City are as follows:

General Fund	$ 2,609,822
Measure C Capital Fund	18,394,190
Police Station Facility Fund	92,493,375
Street Grant Fund	27,958,169
Other Governmental Funds	36,443,612
Total Governmental Funds	$ 177,899,168

NOTE 9 RETIREMENT COMMITMENTS

The following is a summary of pension related items for the year ended June 30, 2025:

	Deferred Outflows	Deferred Inflows	Net Pension Liability	Pension Expense
Miscellaneous	$ 49,349,989	$ -	$ 200,793,137	$ 36,298,614
Safety Police	23,250,863	(388,937)	116,686,895	18,536,667
Safety Fire	26,484,076	(998,729)	90,578,672	16,460,539
Safety Retirement	21,111	-	86,413	19,413
Total	$ 99,106,039	$ (1,387,666)	$ 408,145,117	$ 71,315,233

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

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. PEPRA 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.

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, 2025, are summarized as follows:

	Miscellaneous Plan		Safety Police Plan		Safety Fire Plan	
Hire Date	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	7.88%	7.75%	10.91%	14.00%	8.99%	14.50%
Required Employer Contribution Rates						
Normal Cost Rate	12.030%	15.590%	23.380%	23.380%	29.300%	14.720%
Payment of Unfunded Liability	$ 20,724,911	$ -	$ 9,137,357	$ -	$ 7,213,192	$ -

Employees Covered

At the measurement date ended June 30, 2024, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety (Police)
Inactive Employees or Beneficiaries Currently Receiving Benefits	1,243	291
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,089	89
Active Employees	842	120
Total	3,174	500

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, 2025, of $30,940,141, $13,248,575, and $10,290,826, 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, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 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, 2023 actuarial valuations were determined using the following actuarial assumptions:

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

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

2. Net Pension Liability (Continued)

Actuarial Assumptions (Continued)

	Miscellaneous Plan	Safety Police Plan	Safety Fire Plan
Valuation Date	June 30, 2023	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024	June 30, 2024
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.

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:

Asset Class (a)	Assumed Asset Allocation	Real Return (a) (b)
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	100.00 %	

(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, 2025.

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, 2023 (Measurement Date)	$ 748,902,400	$ 540,615,929	$ 208,286,471
Changes in the Year:			
Service Cost	13,800,338	-	13,800,338
Interest on the Total Pension Liability	51,604,911	-	51,604,911
Changes of Benefit Terms	-	-	-
Differences Between Actual and Expected Experience	12,698,052	-	12,698,052
Contribution - Employer	-	27,750,606	(27,750,606)
Contribution - Employee	-	6,183,389	(6,183,389)
Net Investment Income	-	52,102,541	(52,102,541)
Benefit Payments, Including Refunds of Employee Contributions	(41,206,741)	(41,206,741)	-
Administrative Expenses	-	(439,901)	439,901
Net Changes	36,896,560	44,389,894	(7,493,334)
Balance at June 30, 2024 (Measurement Date)	$ 785,798,960	$ 585,005,823	$ 200,793,137

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2023 (Measurement Date)	$ 340,887,611	$ 223,438,481	$ 117,449,130
Changes in the Year:			
Service Cost	5,524,842	-	5,524,842
Interest on the Total Pension Liability	23,406,550	-	23,406,550
Changes of Benefit Terms	-	-	-
Differences Between Actual and Expected Experience	5,269,037	-	5,269,037
Contribution - Employer	-	11,708,591	(11,708,591)
Contribution - Employee	-	2,015,624	(2,015,624)
Net Investment Income	-	21,420,262	(21,420,262)
Benefit Payments, Including Refunds of Employee Contributions	(19,387,419)	(19,387,419)	-
Administrative Expenses	-	(181,813)	181,813
Net Changes	14,813,010	15,575,245	(762,235)
Balance at June 30, 2024 (Measurement Date)	$ 355,700,621	$ 239,013,726	$ 116,686,895

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, 2025, 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
Safety Fire Plan	$ 90,578,672

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, 2024, 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, 2023 rolled forward to June 30, 2024 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, 2023 and 2024, was as follows:

	Safety Fire
Proportion - June 30, 2023	1.22401 %
Proportion - June 30, 2024	1.24236
Change - Increase (Decrease)	0.01835 %

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:

	Discount Rate		
Plan Type	1% Decrease (5.90%)	Current Rate (6.90%)	1% Increase (7.90%)
Miscellaneous	$ 303,502,015	$ 200,793,137	$ 116,097,526
Safety Police	164,426,749	116,686,895	77,677,610
Safety Fire	123,839,139	90,578,672	63,376,285
Total	$ 591,767,903	$ 408,058,704	$ 257,151,421

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, 2025, the City of Santa Barbara Miscellaneous, Safety Police, and Safety Fire Plans recognized pension expense/(income) of $36,298,614, $18,536,667, and $16,460,539, respectively. At June 30, 2025, 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	$ 30,940,141	$ -
Differences Between Actual and Expected Experience	10,487,634	-
Changes of Assumptions	-	-
Net Differences Between Projected and Actual Earnings on Plan Investments	7,922,214	-
Total	$ 49,349,989	$ -

	Safety Police Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 13,248,575	$ -
Differences Between Actual and Expected Experience	5,539,786	(388,937)
Changes of Assumptions	1,080,219	-
Net Differences Between Projected and Actual Earnings on Plan Investments	3,382,283	-
Total	$ 23,250,863	$ (388,937)

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	$ 10,290,826	$ -
Differences Between Actual and Expected Experience	7,392,026	(240,347)
Changes of Assumptions	2,231,672	-
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	2,191,392	(758,382)
Net Differences Between Projected and Actual Earnings on Plan Investments	4,378,160	-
Total	$ 26,484,076	$ (998,729)

$30,940,141 for Miscellaneous, $13,248,575 for Safety Police, and $10,290,826 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, 2026. 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
2026	$ 5,881,710	$ 4,178,775	$ 5,547,130
2027	17,933,490	7,656,800	10,922,092
2028	(2,386,473)	(981,292)	223,309
2029	(3,018,879)	(1,240,932)	(1,498,010)
Total	$ 18,409,848	$ 9,613,351	$ 15,194,521

6. Payable to the Pension Plan

At June 30, 2025, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

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, 2024 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, 2024, using an annual actuarial valuation as of June 30, 2024. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Measurement Date	June 30, 2024
Valuation Date	June 30, 2024
Discount Rate	3.93%
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 3.93% based on bond buyer 20-Bond General Obligation Index as of June 30, 2024.

Change in Assumption

The discount rate changed from 3.65% to 3.93%.

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, 2023	$ 93,232
Changes in the Year:	
Interest on Total Pension Liability	2,924
Differences Between Actual and Expected Experience	17,141
Changes in Assumptions	(652)
Benefit Payments	(26,232)
Net Changes	(6,819)
Balance at June 30, 2024	$ 86,413

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 3.93%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate.

Safety Fire Plan	1% Lower (2.93%)	Current Discount Rate (3.93%)	1% Higher (4.93%)
Plan's Net Pension Liability/Assets	$ 88,792	$ 86,413	$ 84,173

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

For the year ended June 30, 2025, the City recognized pension expense of $19,413. As of June 30, 2025, 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	$ 21,111	$ -
Total	$ 21,111	$ -

$21,111 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, 2026.

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 termsof 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.

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, 2025, were as follows:

Governmental Activities:	
Deferred Pension-Related Items	$ 1,387,666
Deferred OPEB-Related Items	19,969,510
Deferred Lease-Related Items	3,770,698
Total	$ 25,127,874
Business-Type Activities:	
Deferred Lease-Related Items	$ 25,817,839
Total	$ 25,817,839

Deferred inflows of resources balances as reported on the Governmental Funds Balance Sheet for the year ended June 30, 2025, were as follows:

Governmental Fund Financials:	
Major Government Funds:	
General Fund - Lease Related Items	$ 3,484,980
General Fund - Unavailable Fire Department Grant Revenue	131,477
General Fund - Unavailable Administrative Citation Revenue	330,381
Street Grant Capital Fund - Unavailable Grant Revenue	8,239,879
Total	$ 12,186,717
Nonmajor Governmental Funds:	
Streets Fund - Lease Related Items	$ 285,718
Misc. Grants Fund - Unavailable Grant Revenue	635,371
FEMA Reimbursement Fund - Unavailable Grant Revenue	133,099
Total	$ 1,054,188

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.

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, 2025, consist of the following:

		Special Revenue Fund	Capital Projects Funds				
	General Fund	Affordable Housing	Measure C	Police Station Facility	Street Grant Capital	Other Governmental Fund	Governmental Funds
Fund Balances:							
Nonspendable:							
Prepaid Assets and Deposits	$ 140,857	$ -	$ -	$ -	$ -	$ -	$ 140,857
Loans Receivable	3,936	-	-	-	-	-	3,936
Restricted for:							
Administration	1,804,141	-	-	-	-	-	1,804,141
Public Safety	-	-	-	-	-	1,121,274	1,121,274
Public Works	-	-	-	-	-	21,227,044	21,227,044
Community Services	-	-	-	-	-	8,373,823	8,373,823
Community Development	1,553,648	-	-	-	-	6,237,516	7,791,164
Debt Service	-	-	-	-	-	15,155,284	15,155,284
Capital Improvements	-	-	-	85,817,872	-	14,053,410	99,871,282
Affordable Housing	-	67,795,853	-	-	-	-	67,795,853
Committed for:							
Capital Improvements	-	-	27,942,209	-	2,318,457	7,124,863	37,385,529
Community Services	52,337	-	-	-	-	-	52,337
Community Development	235,235	-	-	-	-	-	235,235
Public Safety	105,484	-	-	-	-	-	105,484
Contingencies	20,119,390	-	-	-	-	-	20,119,390
Disaster Contingency	30,179,085	-	-	-	-	-	30,179,085
Assigned to:							
Administration	1,377,193	-	-	-	-	-	1,377,193
Public Works	30,982	-	-	-	-	-	30,982
Public Safety	1,023,980	-	-	-	-	-	1,023,980
Community Services	53,357	-	-	-	-	-	53,357
Community Development	624,998	-	-	-	-	-	624,998
Sustainability & Resilience	197,617	-	-	-	-	-	197,617
Unassigned	(15,195,081)	-	-	-	-	(1,441,235)	(16,636,316)
Total Fund Balances	$ 42,307,159	$ 67,795,853	$ 27,942,209	$ 85,817,872	$ 2,318,457	$ 71,851,979	$ 298,033,529

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 39th year in July 2025 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 $65 million in coverage above that level. Thus, the City's participation in ACCEL provides liability coverage of $65 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 (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.

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 one claim under the property insurance policy during FY2025. No other claims were filed during fiscal year 2025.

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, 2025, the estimated outstanding liabilities using the 75% confidence level are $21,468,000 for workers' compensation and $6,645,000 for general and automobile liability. These liabilities are based on an actuarial valuation as of June 30, 2025. There are no unpaid claims for which annuity contracts have been purchased.

The City is self-insured for unemployment claims. At June 30, 2025, the liability for unemployment claims was $4,763, which is not included below. A summary of changes in claims liabilities is shown below:

	2025	2024	2023
Claims Liabilities - July 1	$ 21,480,155	$ 21,136,000	$ 18,323,786
Incurred Claims	5,977,487	4,777,955	5,795,706
Actuarial Adjustment	1,097,845	344,155	2,812,214
Payments on Claims Attributable to Events of Current and Prior Years	(5,977,487)	(4,777,955)	(5,795,706)
Claims Liabilities - June 30	$ 22,578,000	$ 21,480,155	$ 21,136,000

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.

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:

	DWR Costs		CCWA Costs			Total CCWA
Fiscal Year	Fixed Costs	Variable Costs (1)	Fixed Costs	Variable Costs (1)	Total CCWA Costs	and DWR Costs
2025-26	$ 3,266,170	$ 108,099	$ 1,120,107	$ -	$ 1,120,107	$ 4,494,376
2026-27	3,350,405	325,331	1,176,112	256,683	1,432,795	5,108,531
2027-28	3,462,505	341,597	1,234,918	269,518	1,504,436	5,308,538
2028-29	3,389,213	358,677	1,296,664	282,993	1,579,657	5,327,547
2029-30	3,345,960	376,611	1,361,497	297,143	1,658,640	5,381,211
Total	$ 16,814,253	$ 1,510,315	$ 6,189,298	$ 1,106,337	$ 7,295,635	$ 25,620,203

(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 $14,955,339. Of this loan balance $11,271,839.00 is shared by the City of Santa Barbara (75.37%) and Montecito (24.63%); and $ 3,683,500 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.

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 2025 year-end COMB expenditures, as presented at the August 25, 2025, COMB Board Meeting:

Operations Division	$ 4,312,044
Fisheries Division	1,887,425
Operations Subtotal	$ 6,199,469
Total Fiscal Year 2024 Expenditures	$ 6,199,469

Expenditures for fiscal year 2025 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.

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 2025 year-end CCRB expenditures as of June 30, 2025, for the portion of these activities that CCRB funds, as presented at the August 7, 2025, CCRB Board Meeting:

General and Administrative	$	244,965
Legal Activities		28,175
Consultant Activities		96,879
SWRCB Water Rights		242,872
SWRCB Proceedings Support		11,635
Hydrologic Technical Support		6,440
Total Fiscal Year 2025 Expenditures	$	630,966

Cachuma Project yield held by CCRB members, resulting in a City cost share percentage of 40.88%, for most items. This represents approximately $257,938 in City costs for fiscal year 2025 excluding any offsets from other CCRB income.

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, 2025, the City has $3,936 in employee loans outstanding. The City has loaned all approved funds and is not currently accepting any new applications for EMLAP loans.

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, 2025, the City recognized $9,106,866 and $1,595,490 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, 2025, lease assets and the related accumulated amortization totaled $4,165,371 and $848,587, respectively.

Total future minimum lease payments are as follows:

	Governmental Activities		Business-Type Activities	
Year Ending June 30,	Principal	Interest	Principal	Interest
2026	$ 382,560	$ 66,554	$ 124,110	$ 85,578
2027	345,334	50,532	129,199	80,183
2028	104,442	41,990	138,888	74,383
2029	100,086	37,813	141,419	68,161
2030	102,371	33,379	48,379	64,206
2031-2035	172,139	137,644	336,586	279,458
2036-2040	284,161	85,001	576,933	172,579
2041-2043	207,859	12,770	422,013	25,926
Total	$ 1,698,952	$ 465,683	$ 1,917,527	$ 850,474

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, 2025, SBITA assets and the related accumulated amortization totaled $6,981,086 and $3,715,033, respectively.

The future subscription payments under SBITA agreements are as follows:

	Governmental Activities		Business-Type Activities	
Year Ending June 30,	Principal	Interest	Principal	Interest
2026	$ 1,309,138	$ 57,121	$ 408,370	$ 11,796
2027	877,322	18,156	203,482	2,011
2028	92,565	3,531	2,516	66
2029	41,978	354	-	-
Total	$ 2,321,003	$ 79,162	$ 614,368	$ 13,873

NOTE 17 DEFICIT FUND EQUITY

The following funds had deficit balances as of June 30, 2025:

FEMA Reimbursement Fund	$ (817,049)
Self-Insurance Internal Service Fund	(9,763,740)
Postemployment Benefits Internal Service Fund	(50,080,533)
Energy Management Internal Service Fund	(58,448)

Deficit in the FEMA Reimbursement, will be eliminated through receipt of revenue in fiscal year 2026. 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, 2025. 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. The deficit in the Energy Management Internal Service Fund 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, 2025:

	Deferred Outflows	Deferred Inflows	Total OPEB Liability	OPEB Expense
Retiree Medical Care Benefits	$ 9,886,766	$ (18,687,425)	$ 35,627,347	$ 1,712,304
Sick Leave Retiree Benefits	1,522,365	(1,282,085)	8,749,635	902,609
Total	$ 11,409,131	$ (19,969,510)	$ 44,376,982	$ 2,614,913

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 and has no asses accumulated in a GASB-compliant trust. 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.

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.

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.

NOTE 18 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

2. Employees Covered

As of the June 30, 2025, 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	621
Active Employees*	1033
Total	2,037

*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, 2025, cash benefit payments were $894,865 and the estimated implied subsidy was $600,076 resulting in total payments of $1,494,941.

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, 2024 for the measurement period July 1, 2023 through June 30, 2024. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2024.

Actuarial Assumptions

Discount Rate	3.93%
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 3.93%. The discount rate is based on the bond buyer 20-bond index.

Change in Assumption

The discount rate changed from 3.65% to 3.93%.

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 7/1/23 - 6/30/24):	
Service Cost	$ 2,020,231
Interest	1,323,895
Actual vs. Expected Experience	-
Assumption Changes	(1,266,930)
Benefit Payments	(1,401,428)
Net Changes	675,768
Total OPEB Liability - Beginning of Year	34,951,579
Total OPEB Liability - End of Year	$ 35,627,347

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, 2024.

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	$ 40,493,568	$ 35,627,347	$ 31,615,297

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	$ 30,790,362	$ 35,627,347	$ 41,762,317

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

For the fiscal year ended June 30, 2025, the City recognized OPEB expense of $1,712,304. At June 30, 2025, 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	$ 3,889,600	$ (18,410,425)
Differences Between Actual and Expected Experience	4,502,225	(277,000)
Employer Benefit Payments Made Subsequent to the Measurement Date	1,494,941	-
Total	$ 9,886,766	$ (18,687,425)

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 $1,494,941 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2026	$ (1,557,885)
2027	(1,480,885)
2028	(1,434,885)
2029	(1,828,733)
2030	(2,147,863)
Thereafter	(1,845,349)
Total	$ (10,295,600)

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, 2024 measurement date, the following current and former employees were covered by the benefit terms under the plan:

	Number of Covered Participants
Inactive Currently Receiving Benefits	1
Active Employees	1026
Total	1,027

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, 2024 for the measurement period July 1, 2023 through June 30, 2024. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2024.

<u>Actuarial Assumptions</u>

Discount Rate	3.93%
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

<u>Discount Rate</u>

The discount rate used to measure the total OPEB liability was 3.93%. The discount rate is based on the bond buyer 20-bond index.

<u>Change in Assumption</u>

The discount rate changed from 3.65% to 3.93%.

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 7/1/23 - 6/30/24):	
Service Cost	$ 594,612
Interest	323,704
Changes of Benefit Terms	-
Actual vs. Expected Experience	-
Assumption Changes	(133,568)
Benefit Payments	(618,231)
Net Changes	166,517
Total OPEB Liability - Beginning of Year	8,583,118
Total OPEB Liability - End of Year	$ 8,749,635

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, 2024:

	Discount Rate		
	1% Decrease (2.93%)	Current Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	$ 9,234,214	$ 8,749,635	$ 8,286,340

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, 2025, the City recognized OPEB expense of $902,609. At June 30, 2025, 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	$ 337,130	$ (1,143,904)
Differences Between Actual and Expected Experience	720,374	(138,181)
Employer Benefit Payments Made Subsequent to the Measurement Date	464,861	-
Total	$ 1,522,365	$ (1,282,085)

The $464,861 reported as deferred outflows of resources related to employer benefit payments made subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year June 30, 2026. 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
2026	$ (15,707)
2027	(15,707)
2028	(16,707)
2029	13,293
2030	18,293
Thereafter	(208,046)
Total	$ (224,581)

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, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Measurement Period Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total Pension Liability:					
Interest on Total Pension Liability	$ 2,924	$ 3,071	$ 2,123	$ 3,124	$ 6,130
Differences Between Expected and Actual Experience	17,141	16,834	16,997	(16,140)	(10,704)
Changes in Assumptions	(652)	(296)	(4,425)	(1,370)	5,666
Changes in Benefits	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(26,232)	(26,232)	(26,232)	(31,152)	(38,631)
Net Change in Total Pension Liability	(6,819)	(6,623)	(11,537)	(45,538)	(37,539)
Total Pension Liability - Beginning of Year	93,232	99,855	111,392	156,930	194,469
Total Pension Liability - End of Year (a)	86,413	93,232	99,855	111,392	156,930
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)	$ 86,413	$ 93,232	$ 99,855	$ 111,392	$ 156,930
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, 2022 to June 30, 2023:
The discount rate was increased from 2.16% to 3.54%.
From fiscal year June 30, 2023 to June 30, 2024:
The discount rate was increased from 3.54% to 3.65%.
From fiscal year June 30, 2024 to June 30, 2025:
The discount rate was increased from 3.65% to 3.93%.

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, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Measurement Period Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total Pension Liability:					
Interest on Total Pension Liability	$ 7,135	$ 8,117	$ 16,437	$ 38,189	$ 58,515
Differences Between Expected and Actual Experience	23,260	(4,543)	26,062	41,577	(237,062)
Changes in Assumptions	809	(2,865)	(13,101)	64,419	42,874
Changes in Benefits	-	-	(416,227)	(227,990)	54,434
Benefit Payments, Including Refunds of Employee Contributions	(42,216)	(43,905)	(90,589)	(116,087)	(113,370)
Net Change in Total Pension Liability	(11,012)	(43,196)	(477,418)	(199,892)	(194,609)
Total Pension Liability - Beginning of Year	205,481	248,677	726,095	925,987	1,120,596
Total Pension Liability - End of Year (a)	194,469	205,481	248,677	726,095	925,987
Plan Fiduciary Net Position:					
Contributions - Employer	-	-	48,972	48,972	49,611
Net Investment Income	-	-	4,392	28,595	1,123
Benefit Payments	-	-	(506,816)	(116,087)	(113,370)
Net Change in Plan Fiduciary Net Position	-	-	(453,452)	(38,520)	(62,636)
Plan Fiduciary Net Position - Beginning of Year	-	-	453,452	491,972	554,608
Plan Fiduciary Net Position - End of Year (b)	-	-	-	453,452	491,972
Total Pension Liability - Ending (a)-(b)	$ 194,469	$ 205,481	$ 248,677	$ 272,643	$ 434,015
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	0.00%	0.00%	62.45%	53.13%
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, 2022 to June 30, 2023:
The discount rate was increased from 2.16% to 3.54%.
From fiscal year June 30, 2023 to June 30, 2024:
The discount rate was increased from 3.54% to 3.65%.
From fiscal year June 30, 2024 to June 30, 2025:
The discount rate was increased from 3.65% to 3.93%.

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	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Actuarially Determined Contribution	$ 26,232	$ 26,232	$ 26,232	$ 26,232	$ 31,152
Contributions in Relation to the Actuarially Determined Contributions	(26,232)	(26,232)	(26,232)	(26,232)	(31,152)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
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 CONTRIBUTIONS
SAFETY RETIREMENT AND SAFETY SERVICE RETIREMENT PLANS (CONTINUED)
LAST TEN FISCAL YEARS

Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarially Determined Contribution	$ 38,631	$ 42,216	$ 43,905	$ 48,972	$ 49,611
Contributions in Relation to the Actuarially Determined Contributions	(38,631)	(42,216)	(43,905)	(48,972)	(49,611)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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%	0.00%

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 CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
CALPERS MISCELLANEOUS PENSION PLANS
LAST TEN FISCAL YEARS

Fiscal Year Ended	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Measurement Period Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total Pension Liability:					
Service Cost	$ 13,800,338	$ 12,549,353	$ 12,049,649	$ 10,993,296	$ 11,117,944
Interest on Total Pension Liability	51,604,911	49,212,492	47,202,721	45,902,084	44,176,368
Differences Between Expected and Actual Experience	12,698,052	6,986,493	(1,068,539)	1,483,308	(1,621,002)
Changes in Assumptions	-	-	20,839,306	-	-
Changes in Benefits	-	718,430	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(41,206,741)	(39,618,535)	(36,541,549)	(33,626,670)	(31,532,186)
Net Change in Total Pension Liability	36,896,560	29,848,233	42,481,588	24,752,018	22,141,124
Total Pension Liability - Beginning of Year	748,902,400	719,054,167	676,572,579	651,820,561	629,679,437
Total Pension Liability - End of Year (a)	785,798,960	748,902,400	719,054,167	676,572,579	651,820,561
Plan Fiduciary Net Position:					
Contributions - Employer	27,750,606	26,738,073	23,992,213	20,887,408	19,279,801
Contributions - Employee	6,183,389	5,451,316	4,643,550	6,252,846	6,253,457
Net Investment Income	52,102,541	32,158,993	(43,054,573)	106,462,271	22,662,797
Benefit Payments	(41,206,741)	(39,618,535)	(36,541,549)	(33,626,670)	(31,532,186)
Plan to Plan Resource Movement	-	-	-	-	-
Administrative Expense	(439,901)	(379,638)	(353,568)	(467,575)	(637,272)
Other Miscellaneous Income (Expense)	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	44,389,894	24,350,209	(51,313,927)	99,508,280	16,026,597
Plan Fiduciary Net Position - Beginning of Year	540,615,929	516,265,720	567,579,647	468,071,367	452,044,770
Plan Fiduciary Net Position - End of Year (b)	585,005,823	540,615,929	516,265,720	567,579,647	468,071,367
Net Pension Liability - Ending (a)-(b)	$ 200,793,137	$ 208,286,471	$ 202,788,447	$ 108,992,932	$ 183,749,194
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.45%	72.19%	71.80%	83.89%	71.81%
Covered Payroll	$ 77,295,321	$ 71,879,023	$ 61,614,977	$ 59,925,660	$ 59,948,680
Net Pension Liability as Percentage of Covered Payroll	259.77%	289.77%	329.12%	181.88%	306.51%

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, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Measurement Period Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total Pension Liability:					
Service Cost	$ 11,242,442	$ 10,848,882	$ 10,827,663	$ 9,760,428	$ 9,563,623
Interest on Total Pension Liability	42,609,454	40,531,753	39,079,614	37,902,710	36,129,828
Differences Between Expected and Actual Experience	5,289,518	(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	(28,975,301)	(26,641,065)	(25,274,088)	(23,474,988)	(21,493,097)
Net Change in Total Pension Liability	30,166,113	21,088,887	51,918,751	24,055,247	10,992,087
Total Pension Liability - Beginning of Year	599,513,324	578,424,437	526,505,686	502,450,439	491,458,352
Total Pension Liability - End of Year (a)	629,679,437	599,513,324	578,424,437	526,505,686	502,450,439
Plan Fiduciary Net Position:					
Contributions - Employer	17,336,444	15,654,944	14,693,333	14,184,385	13,162,072
Contributions - Employee	5,841,003	5,249,989	5,071,882	4,988,705	4,833,301
Net Investment Income	28,408,000	34,092,665	40,908,639	2,007,173	8,218,938
Benefit Payments	(28,975,301)	(26,641,065)	(25,274,088)	(23,474,988)	(21,493,097)
Plan to Plan Resource Movement	-	(999)	(10,124)	-	(1,157)
Administrative Expense	(306,672)	(628,306)	(543,859)	(226,033)	(435,768)
Other Miscellaneous Income (Expense)	999	(1,193,164)	-	-	-
Net Change in Plan Fiduciary Net Position	22,304,473	26,534,064	34,845,783	(2,520,758)	4,284,289
Plan Fiduciary Net Position - Beginning of Year	429,740,297	403,206,233	368,360,450	370,881,208	366,596,919
Plan Fiduciary Net Position - End of Year (b)	452,044,770	429,740,297	403,206,233	368,360,450	370,881,208
Net Pension Liability - Ending (a)-(b)	$ 177,634,667	$ 169,773,027	$ 175,218,204	$ 158,145,236	$ 131,569,231
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.79%	71.68%	69.71%	69.96%	73.81%
Covered Payroll	$ 58,650,784	$ 57,069,164	$ 55,884,714	$ 55,485,351	$ 53,022,251
Net Pension Liability as Percentage of Covered Payroll	302.87%	297.49%	313.54%	285.02%	248.14%

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%.

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

Fiscal Year Ended	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Actuarially Determined Contributions	$ 30,940,141	$ 27,706,627	$ 26,711,721	$ 23,966,588	$ 20,836,231
Contributions in Relation to the Actuarially Determined Contributions	(30,940,141)	(27,706,627)	(26,711,721)	(23,966,588)	(20,836,231)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 84,987,915	$ 77,295,321	$ 71,879,023	$ 61,614,977	$ 59,925,660
Contributions as a Percentage of Covered Payroll	36.41%	35.85%	37.16%	38.90%	34.77%

Notes to Schedule:

Valuation Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
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%	2.300%	2.500%	2.500%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	6.90% (3)	6.90% (3)	7.00% (3)	7.00% (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, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarially Determined Contributions	$ 19,206,093	$ 17,247,341	$ 15,613,850	$ 14,693,333	$ 14,184,385
Contributions in Relation to the Actuarially Determined Contributions	(19,206,093)	(17,247,341)	(15,613,850)	(14,693,333)	(14,184,385)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 59,948,680	$ 58,650,784	$ 57,069,164	$ 55,884,714	$ 55,485,351
Contributions as a Percentage of Covered Payroll	32.04%	29.41%	27.36%	26.29%	25.56%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
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	2.625%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.25% (3)	7.375% (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, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Measurement Period Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total Pension Liability:					
Service Cost	$ 5,524,842	$ 5,083,581	$ 5,268,330	$ 5,132,860	$ 5,127,183
Interest on Total Pension Liability	23,406,550	22,440,322	21,422,699	20,991,410	20,289,464
Differences Between Expected and Actual Experience	5,269,037	6,081,287	(4,278,299)	422,522	1,353,894
Changes in Assumptions	-	-	11,882,412	-	-
Changes in Benefits	-	132,258	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(19,387,419)	(18,633,081)	(17,495,066)	(16,321,634)	(15,727,551)
Net Change in Total Pension Liability	14,813,010	15,104,367	16,800,076	10,225,158	11,042,990
Total Pension Liability - Beginning of Year	340,887,611	325,783,244	308,983,168	298,758,010	287,715,020
Total Pension Liability - End of Year (a)	355,700,621	340,887,611	325,783,244	308,983,168	298,758,010
Plan Fiduciary Net Position:					
Contributions - Employer	11,708,591	11,557,330	10,513,730	9,754,764	9,073,135
Contributions - Employee	2,015,624	1,920,427	1,684,704	1,720,503	1,840,823
Net Investment Income	21,420,262	13,379,058	(18,111,553)	45,022,492	9,697,393
Benefit Payments	(19,387,419)	(18,633,081)	(17,495,066)	(16,321,634)	(15,727,551)
Plan to Plan Resource Movement	-	-	-	-	-
Administrative Expense	(181,813)	(158,375)	(148,839)	(198,742)	(273,976)
Other Miscellaneous Income (Expense)	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	15,575,245	8,065,359	(23,557,024)	39,977,383	4,609,824
Plan Fiduciary Net Position - Beginning of Year	223,438,481	215,373,122	238,930,146	198,952,763	194,342,939
Plan Fiduciary Net Position - End of Year (b)	239,013,726	223,438,481	215,373,122	238,930,146	198,952,763
Net Pension Liability - Ending (a)-(b)	$ 116,686,895	$ 117,449,130	$ 110,410,122	$ 70,053,022	$ 99,805,247
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.20%	65.55%	66.11%	77.33%	66.59%
Covered Payroll	$ 17,260,587	$ 16,990,529	$ 15,488,312	$ 15,924,804	$ 16,359,278
Net Pension Liability as Percentage of Covered Payroll	676.03%	691.26%	712.86%	439.90%	610.08%

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, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Measurement Period Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total Pension Liability:					
Service Cost	$ 5,038,115	$ 4,857,235	$ 4,491,601	$ 4,497,742	$ 5,010,613
Interest on Total Pension Liability	19,515,209	18,703,388	17,958,387	17,452,394	16,967,585
Differences Between Expected and Actual Experience	-	2,285,455	(1,701,292)	(4,101,607)	(7,448,519)
Changes in Assumptions	1,774,631	(1,262,820)	15,186,679	-	(4,242,689)
Changes in Benefits	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(14,518,454)	(13,624,691)	(12,846,960)	(11,957,196)	(10,608,382)
Net Change in Total Pension Liability	11,809,501	10,958,567	23,088,415	5,891,333	(321,392)
Total Pension Liability - Beginning of Year	275,905,519	264,946,952	241,858,537	235,967,204	236,288,596
Total Pension Liability - End of Year (a)	287,715,020	275,905,519	264,946,952	241,858,537	235,967,204
Plan Fiduciary Net Position:					
Contributions - Employer	8,168,274	7,279,784	6,100,953	5,502,842	5,729,090
Contributions - Employee	1,606,426	1,434,341	1,408,892	1,366,145	1,462,940
Net Investment Income	12,279,660	14,936,635	18,139,466	934,079	3,780,559
Benefit Payments	(14,518,454)	(13,624,691)	(12,846,960)	(11,957,196)	(10,608,382)
Plan to Plan Resource Movement	-	(436)	10,605	-	(3,426)
Administrative Expense	(133,404)	(276,932)	(243,830)	(103,244)	(184,197)
Other Miscellaneous Income (Expense)	436	(525,899)	-	-	-
Net Change in Plan Fiduciary Net Position	7,402,938	9,222,802	12,569,126	(4,257,374)	176,584
Plan Fiduciary Net Position - Beginning of Year	186,940,001	177,717,199	165,148,073	169,405,447	169,228,863
Plan Fiduciary Net Position - End of Year (b)	194,342,939	186,940,001	177,717,199	165,148,073	169,405,447
Net Pension Liability - Ending (a)-(b)	$ 93,372,081	$ 88,965,518	$ 87,229,753	$ 76,710,464	$ 66,561,757
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.55%	67.76%	67.08%	68.28%	71.79%
Covered Payroll	$ 16,273,075	$ 15,669,261	$ 14,020,481	$ 15,555,046	$ 17,232,219
Net Pension Liability as Percentage of Covered Payroll	573.78%	567.77%	622.16%	493.15%	386.26%

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
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, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Actuarially Determined Contribution	$ 13,248,575	$ 11,701,880	$ 11,554,507	$ 10,508,925	$ 9,753,264
Contributions in Relation to the Actuarially Determined Contributions	(13,248,575)	(11,701,880)	(11,554,507)	(10,508,925)	(9,753,264)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 17,978,636	$ 17,260,587	$ 16,990,529	$ 15,488,312	$ 15,924,804
Contributions as a Percentage of Covered Payroll	73.69%	67.80%	68.01%	67.85%	61.25%

Notes to Schedule:

Valuation Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
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%	2.300%	2.500%	2.500%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.9% (3)	6.9% (3)	6.9% (3)	7.00% (3)	7.00% (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, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarially Determined Contribution	$ 9,081,466	$ 8,203,564	$ 7,293,109	$ 6,100,953	$ 5,502,842
Contributions in Relation to the Actuarially Determined Contributions	(9,081,466)	(8,203,564)	(7,293,109)	(6,100,953)	(5,502,842)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 16,359,278	$ 16,273,075	$ 15,669,261	$ 14,020,481	$ 15,555,046
Contributions as a Percentage of Covered Payroll	55.51%	24.16%	46.54%	43.51%	35.38%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
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	2.625%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.25% (3)	7.375% (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, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Measurement Period Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Plan's Proportion of the Net Pension Liability/(Asset)	1.2424%	1.2240%	1.2672%	1.6843%	1.1714%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	$ 90,578,672	$ 91,493,628	$ 87,075,506	$ 59,108,788	$ 78,043,509
Plan's Covered Payroll	$ 13,013,309	$ 12,711,898	$ 11,264,741	$ 11,458,176	$ 11,236,079
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	696.05%	719.75%	772.99%	515.87%	694.58%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	60.62%	60.62%	61.27%	72.47%	62.55%

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, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Measurement Period Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan's Proportion of the Net Pension Liability/(Asset)	1.1737%	1.1777%	1.1421%	1.1758%	1.2449%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	$ 73,267,837	$ 69,104,402	$ 68,239,700	$ 60,895,072	$ 51,295,415
Plan's Covered Payroll	$ 11,685,352	$ 11,156,660	$ 10,848,464	$ 10,699,018	$ 10,382,054
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	627.01%	619.40%	629.03%	569.17%	494.08%
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 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 CONTRIBUTIONS
CALPERS SAFETY FIRE – COST-SHARING PENSION PLAN
LAST TEN FISCAL YEARS

Fiscal Year Ended	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Actuarially Determined Contribution	$ 10,290,826	$ 9,345,001	$ 8,944,875	$ 8,084,528	$ 7,467,695
Contributions in Relation to the Actuarially Determined Contributions	(10,290,826)	(9,345,001)	(8,944,875)	(8,084,528)	(7,467,695)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 13,164,952	$ 13,013,309	$ 12,711,898	$ 11,264,741	$ 11,458,176
Contributions as a Percentage of Covered Payroll	78.17%	71.81%	70.37%	71.77%	65.17%

Notes to Schedule:

Valuation Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
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%	2.30%	2.50%	2.50%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	6.90% (3)	6.90% (3)	7.00% (3)	7.00% (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, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarially Determined Contribution	$ 6,804,672	$ 6,089,508	$ 5,446,909	$ 4,917,209	$ 3,672,002
Contributions in Relation to the Actuarially Determined Contributions	(6,804,672)	(6,089,508)	(5,446,909)	(4,917,209)	(3,672,002)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 11,236,079	$ 11,685,352	$ 11,156,660	$ 10,848,464	$ 10,699,018
Contributions as a Percentage of Covered Payroll	24.16%	52.11%	48.82%	45.33%	34.32%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
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	2.63%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.25% (3)	7.375% (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, 2025	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, 2024	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	$ 2,020,231	$ 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	1,323,895	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	(1,266,930)	(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	(1,401,428)	(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	675,768	(3,786,960)	(5,776,103)	(2,346,606)	27,229,248	241,000	300,000	(454,000)
Total OPEB Liability - Beginning of Year	34,951,579	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)	$ 35,627,347	$ 34,951,579	$ 38,738,539	$ 44,514,642	$ 46,861,248	$ 19,632,000	$ 19,391,000	$ 19,091,000
Covered Employee Payroll	$ 126,461,228	$ 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	28.17%	30.15%	36.23%	41.91%	44.12%	18.73%	18.63%	19.28%
Sick Leave Retiree Benefits								
Total OPEB Liability:								
Service Cost	$ 594,612	$ 591,506	$ 700,761	$ 565,386	$ 457,457	$ 435,000	$ 440,000	$ 474,000
Interest on Total OPEB Liability	323,704	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	(133,568)	(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	(618,231)	(653,320)	(850,860)	(1,085,312)	(819,000)	(936,000)	(453,000)	(628,000)
Net Change in Total OPEB Liability	166,517	(209,645)	(617,320)	2,094,113	379,970	(257,000)	142,000	(207,000)
Total OPEB Liability - Beginning of Year	8,583,118	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)	$ 8,749,635	$ 8,583,118	$ 8,792,763	$ 9,410,083	$ 7,315,970	$ 6,936,000	$ 7,193,000	$ 7,051,000
Covered Employee Payroll	$ 126,461,228	$ 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	6.92%	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, 2022 to June 30, 2023:
Discount rate was changed from 2.16% to 3.54%.
From fiscal year June 30, 2023 to June 30, 2024:
Discount rate was changed from 3.54% to 3.65%.
From fiscal year June 30, 2024 to June 30, 2025:
Discount rate was changed from 3.65% to 3.93%.

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

See accompanying Notes to Required Supplementary Information.

CITY OF SANTA BARBARA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 157,780,000	$ 126,340,000	$ 125,771,480	$ (568,520)
Franchise Fees	6,500,000	6,200,000	6,072,763	(127,237)
Intergovernmental	1,725,000	3,196,359	3,485,521	289,162
Charges for Services	29,774,189	30,816,854	32,117,851	1,300,997
Use of Money and Property	2,952,311	2,952,311	4,649,646	1,697,335
Fines and Forfeitures	3,097,600	3,097,600	2,968,728	(128,872)
Other Revenue	13,956,570	13,957,034	10,866,789	(3,090,245)
Total Revenues	215,785,670	186,560,158	185,932,778	(627,380)
EXPENDITURES				
Current:				
Mayor and City Council	3,477,833	3,692,796	3,595,446	97,350
City Attorney	5,614,757	5,945,504	4,802,984	1,142,520
City Administration	4,466,874	5,246,091	4,837,571	408,520
Human Resources	2,818,451	2,887,921	2,658,378	229,543
Finance	8,150,916	8,950,266	7,831,224	1,119,042
Public Safety	96,521,888	99,812,451	96,107,840	3,704,611
Public Works	14,387,659	14,301,527	13,404,569	896,958
Community Services	34,769,430	35,177,625	32,981,109	2,196,516
Community Development	11,441,056	12,224,146	16,335,936	(4,111,790)
Sustainability and Resilience	352,576	829,442	593,898	235,544
Capital Outlay	-	-	389,508	(389,508)
Debt Service:				
Principal Retirement	-	-	647,398	(647,398)
Interest and Fiscal Charges	-	-	56,129	(56,129)
Total Expenditures	182,001,440	189,067,769	184,241,990	4,825,779
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	33,784,230	(2,507,611)	1,690,788	4,198,399
OTHER FINANCING SOURCES (USES)				
Lease Obligation	-	-	49,732	49,732
Subscription Obligation	-	-	522,730	522,730
Transfers In	270,000	332,496	277,975	(54,521)
Transfers Out	(42,622,685)	(7,317,039)	(7,373,548)	(56,509)
Total Other Financing Sources (Uses)	(42,352,685)	(6,984,543)	(6,523,111)	461,432
NET CHANGE IN FUND BALANCE	(8,568,455)	(9,492,154)	(4,832,323)	4,659,831
Fund Balance - Beginning of Year	47,139,482	47,139,482	47,139,482	-
FUND BALANCE - END OF YEAR	$ 38,571,027	$ 37,647,328	$ 42,307,159	$ 4,659,831

See accompanying Notes to Required Supplementary Information.

CITY OF SANTA BARBARA
BUDGETARY COMPARISON SCHEDULE
AFFORDABLE HOUSING SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Use of Money and Property	$ 830,000	$ 830,000	$ 1,139,356	$ 309,356
EXPENDITURES				
Current:				
Community Development	1,458,206	7,907,684	1,352,157	6,555,527
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(628,206)	(7,077,684)	(212,801)	6,864,883
Fund Balance - Beginning of Year	68,008,654	68,008,654	68,008,654	-
FUND BALANCE - END OF YEAR	$ 67,380,448	$ 60,930,970	$ 67,795,853	$ 6,864,883

See accompanying Notes to Required Supplementary Information.

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 therefore annual budgets are not prepared or presented.

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	$ 224,624,125
Re-appropriated Prior Year Encumbrances	2,768,272
Amendments	(31,007,589)
Amended Budget	$ 196,384,808

Budgeted amendments in the General Fund totaled $31 million. $2.8 million was carried forward from Fiscal Year 2024 (FY24) as encumbrances made in that year. The most significant portion of the amendments relates to Measure C moving out of the General Fund and is now reported as a stand alone fund resulting in an adjustment of $37 million. The remaining $6 million was related to City Council approved FY25 budget amendments.

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 256 miles of paved surfaces, comprised of 117 miles of residential streets, 69 miles of principal arterial and minor arterial streets, 68 miles of collector streets, and two miles of alleys. This equates to almost 42.6 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.

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 on 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 by 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 were reported in the FY2025 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
2025	69

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 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.

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 regarding 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 in 2025, the City's street network was rated an average PCI index value of 69 ("At Risk") with the detail condition as follows:

Condition	PCI Rating	Approximate Percent of Streets
Excellent/Good	71-100	51.9
At Risk	51-70	24.1
Poor	25-50	20
Very Poor/Failed	0-24	4

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. 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.

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 increasing 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, expenditure on street maintenance increased by more than $1.0 million, in part due to Measure C. In fiscal year 2019, expenditure 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, such 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 spent $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.

In Fiscal Year 2025, the City spent $29 million on street maintenance including both construction and soft costs (design, construction management, inspection, and required concrete improvements etc.) The City's street network increased to an average PCI index value of 69.

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:

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

Fiscal Year	Estimate (to Maintain Current PCI)	Expenditures	PCI Rating
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
2024-2025	20,000,000	29,023,294	69

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.

In Fiscal Year 2025 Measure C Oversight Committee has established the maintenance of City Streets with the goal of reaching and maintaining a 75+ in 5 years as one of their top five priorities to fund. Although the City is committed to improving the condition of its pavement assets, funding continues to fluctuate based on competing priorities. The fiscal year 2026 adopted budget includes $8.2 million in appropriations for street paving projects.

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. As a result of the Fiscal Year 2026 budget, the City's PCI is likely to start declining to a 68 by the end of the Fiscal Year

NONMAJOR GOVERNMENTAL FUNDS

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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.

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.

Dwight Murphy Field Capital Fund – To account for capital projects financed by 2024 revenue bonds.

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.

Debt Service Fund

2024 Revenue Bonds – To account for the 2024 Series A & B Lease Revenue Bonds.

CITY OF SANTA BARBARA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS
JUNE 30, 2025

	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	$ 37,401	$ 4,550,410	$ 254,292	$ 121,961	$ 102,696	$ 970,795
Accounts Receivable, Net	-	-	-	-	-	-
Loans Receivable	-	-	-	-	-	2,266,309
Lease Receivable	-	-	-	-	-	-
Due from Other Governments	-	550,874	-	-	-	170,208
Total Assets	$ 37,401	$ 5,101,284	$ 254,292	$ 121,961	$ 102,696	$ 3,407,312
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 210	$ 243,658	$ 34,157	$ 21,065	$ -	$ 49,204
Salaries and Benefits Payable	-	72,692	-	5,643	-	6,474
Unearned Revenue	-	2,512	-	95,253	-	-
Deposits	-	2,512	-	-	-	-
Due to Other Governments	-	-	-	-	-	2,266,309
Interfund Payables	-	-	-	-	-	-
Total Liabilities	210	321,374	34,157	121,961	-	2,321,987
DEFERRED INFLOWS OF RESOURCES						
Leases	-	-	-	-	-	-
Unavailable Revenue	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
FUND BALANCES (DEFICITS)						
Restricted for:						
Public Safety	-	-	220,135	-	-	-
Public Works	37,191	4,779,910	-	-	102,696	-
Community Services	-	-	-	-	-	-
Community Development	-	-	-	-	-	1,085,325
Debt Service	-	-	-	-	-	
Capital Improvements	-	-	-	-	-	-
Committed to:						
Capital Improvements	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	37,191	4,779,910	220,135	-	102,696	1,085,325
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 37,401	$ 5,101,284	$ 254,292	$ 121,961	$ 102,696	$ 3,407,312

CITY OF SANTA BARBARA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2025

	Special Revenue Funds (Continued)					
	Police - Asset Forfeiture	County Library	Measure A	Miscellaneous Grants	Street Sweeping	HOME Program
ASSETS						
Pooled Cash and Investments	$ 699,957	$ 92,426	$ 438,395	$ 2,544,151	$ 17,498	$ 394,150
Accounts Receivable, Net	-	-	-	-	-	-
Loans Receivable	-	-	-	-	-	10,728,793
Lease Receivable	-	-	-	-	-	-
Due from Other Governments	198	-	436,395	1,584,670	-	238,702
Total Assets	$ 700,155	$ 92,426	$ 874,790	$ 4,128,821	$ 17,498	$ 11,361,645
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ -	$ 19,865	$ 35,046	$ 323,551	$ 13,224	$ 84,323
Salaries and Benefits Payable	124,263	8,621	123,318	28,176	-	2,315
Unearned Revenue	-	-	-	1,514,255	-	-
Deposits	228,356	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	10,728,793
Interfund Payables	-	-	-	-	-	-
Total Liabilities	352,619	28,486	158,364	1,865,982	13,224	10,815,431
DEFERRED INFLOWS OF RESOURCES						
Leases	-	-	-	-	-	-
Unavailable Revenue	-	-	-	635,371	-	-
Total Deferred Inflows of Resources	-	-	-	635,371	-	-
FUND BALANCES (DEFICITS)						
Restricted for:						
Public Safety	347,536	-	-	271,337	-	-
Public Works	-	-	716,426	-	-	-
Community Services	-	63,940	-	1,980,317	-	-
Community Development	-	-	-	-	4,274	546,214
Debt Service			-	-	-	
Capital Improvements	-	-	-	-	-	-
Committed to:						
Capital Improvements	-	-	-	-	-	-
Unassigned	-	-	-	(624,186)	-	-
Total Fund Balances (Deficits)	347,536	63,940	716,426	1,627,468	4,274	546,214
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 700,155	$ 92,426	$ 874,790	$ 4,128,821	$ 17,498	$ 11,361,645

CITY OF SANTA BARBARA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2025

	Special Revenue Funds (Continued)					
	FEMA Reimbursement	Police Supplemental Law Enforcement	Streets	Police CAD-RMS Support	Library Gift	Canine Unit
ASSETS						
Pooled Cash and Investments	$ -	$ 10,348	$ 2,700,738	$ 298,213	$ 6,282,996	$ 46,570
Accounts Receivable, Net	-	-	78,010	-	-	-
Loans Receivable	-	-	-	-	-	-
Lease Receivable	-	-	310,022	-	-	-
Due from Other Governments	621,673	-	1,080,330	-	-	-
Total Assets	$ 621,673	$ 10,348	$ 4,169,100	$ 298,213	$ 6,282,996	$ 46,570
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ -	$ 9,980	$ 48,479	$ 16,315	$ -	$ -
Salaries and Benefits Payable	-	-	156,762	-	-	-
Unearned Revenue	265,993	-	-	-	-	-
Deposits	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-
Interfund Payables	1,039,630	-	-	-	-	-
Total Liabilities	1,305,623	9,980	205,241	16,315	-	-
DEFERRED INFLOWS OF RESOURCES						
Leases	-	-	285,718	-	-	-
Unavailable Revenue	133,099	-	-	-	-	-
Total Deferred Inflows of Resources	133,099	-	285,718	-	-	-
FUND BALANCES (DEFICITS)						
Restricted for:						
Public Safety	-	368	-	281,898	-	-
Public Works	-	-	3,678,141	-	-	-
Community Services	-	-	-	-	6,282,996	46,570
Community Development	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	-
Committed to:						
Capital Improvements	-	-	-	-	-	-
Unassigned	(817,049)	-	-	-	-	-
Total Fund Balances (Deficits)	(817,049)	368	3,678,141	281,898	6,282,996	46,570
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 621,673	$ 10,348	$ 4,169,100	$ 298,213	$ 6,282,996	$ 46,570

CITY OF SANTA BARBARA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2025

	Capital Projects Funds						Debt Service Fund	
	General Capital Improvements	Dwight Murphy Field	Measure A Capital	Streets Capital Improvements	Creek Restoration Capital	Utilities Undergounding District	2024 Revenue Bonds	Total Other Governmental Funds
ASSETS								
Pooled Cash and Investments	$ 4,181,983	$ 12,973,541	$ 2,196,765	$ 4,106,394	$ 11,940,261	$ 54,133	$ 15,791,763	$ 75,409,540
Accounts Receivable, Net	-	-	-	12,667	-	-	-	90,677
Loans Receivable	-	-	-	-	-	-	-	12,995,102
Lease Receivable	-	-	-	-	-	-	-	310,022
Due from Other Governments	-	-	-	-	-	-	-	4,683,050
Total Assets	$ 4,181,983	$ 12,973,541	$ 2,196,765	$ 4,119,061	$ 11,940,261	$ 54,133	$ 15,791,763	$ 93,488,391
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	$ 271,860	$ 842,668	$ 328,361	$ 904,321	$ 27,581	$ -	$ 636,479	$ 3,910,347
Salaries and Benefits Payable	-	-	-	-	-	-	-	528,264
Unearned Revenue	-	-	-	-	-	-	-	1,878,013
Deposits	-	-	-	-	-	-	-	230,868
Due to Other Governments	-	-	-	-	-	-	-	12,995,102
Interfund Payables	-	-	-	-	-	-	-	1,039,630
Total Liabilities	271,860	842,668	328,361	904,321	27,581	-	636,479	20,582,224
DEFERRED INFLOWS OF RESOURCES								
Leases	-	-	-	-	-	-	-	285,718
Unavailable Revenue	-	-	-	-	-	-	-	768,470
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	1,054,188
FUND BALANCES (DEFICITS)								
Restricted for:								
Public Safety	-	-	-	-	-	-	-	1,121,274
Public Works	-	-	-	-	11,912,680	-	-	21,227,044
Community Services	-	-	-	-	-	-	-	8,373,823
Community Development	-	-	-	-	-	-	-	6,237,516
Debt Service	-	-	-	-	-	-	15,155,284	15,155,284
Capital Improvements	-	12,130,873	1,868,404	-	-	54,133	-	14,053,410
Committed to:								
Capital Improvements	3,910,123	-	-	3,214,740	-	-	-	7,124,863
Unassigned	-	-	-	-	-	-	-	(1,441,235)
Total Fund Balances (Deficits)	3,910,123	12,130,873	1,868,404	3,214,740	11,912,680	54,133	15,155,284	71,851,979
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 4,181,983	$ 12,973,541	$ 2,196,765	$ 4,119,061	$ 11,940,261	$ 54,133	$ 15,791,763	$ 93,488,391

CITY OF SANTA BARBARA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – OTHER SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2025

	Special Revenue Funds					
	Traffic Safety	Creek Restoration/ Water Quality	Wildland Fire Suppression	Permanent Local Housing Allocation	Transportation Development	Community Development Block Grant
REVENUES						
Taxes	$ -	$ 5,931,222	$ -	$ -	$ 95,279	$ -
Intergovernmental	-	-	-	679,777	-	338,417
Fines and Forfeitures	231,793	300,000	-	-	-	-
Charges for Services	-	-	-	-	-	-
Use of Money and Property	-	799,056	140	69	5,637	224
Other	-	48,248	328,793	-	-	480,980
Total Revenues	231,793	7,078,526	328,933	679,846	100,916	819,621
EXPENDITURES						
Current:						
City Attorney	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Public Safety	14,350	-	238,217	-	-	-
Public Works	-	3,599,072	-	-	-	-
Community Services	-	-	-	-	-	-
Community Development	-	-	-	226,356	-	395,934
Sustainability and Resilience	-	-	-		-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	9,027	-	-	-	-
Interest and Fiscal Charges	-	35,247	-	-	-	-
Cost of Issuance	-	-	-	-	-	-
Total Expenditures	14,350	3,643,346	238,217	226,356	-	395,934
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	217,443	3,435,180	90,716	453,490	100,916	423,687
OTHER FINANCING USES						
Debt Proceeds	-	-	-	-	-	-
Debt Premium	-	-	-	-	-	-
Transfers in	-	-	-	-	-	23
Transfers out	(217,583)	(2,706,505)	-	-	(199,850)	-
Total Other Financing Uses	(217,583)	(2,706,505)	-	-	(199,850)	23
NET CHANGE IN FUND BALANCES	(140)	728,675	90,716	453,490	(98,934)	423,710
Fund Balances (Deficits) - Beginning of Year	37,331	4,051,235	129,419	(453,490)	201,630	661,615
FUND BALANCES (DEFICITS) - END OF YEAR	$ 37,191	$ 4,779,910	$ 220,135	$ -	$ 102,696	$ 1,085,325

CITY OF SANTA BARBARA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – OTHER SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Special Revenue Funds (Continued)					
	Police - Asset Forfeiture	County Library	Measure A	Miscellaneous Grants	Street Sweeping	HOME Program
REVENUES						
Taxes	$ -	$ -	$ 5,129,366	$ -	$ -	$ -
Intergovernmental	50,887	366,148	-	2,711,523	-	960,445
Fines and Forfeitures	20,815	1,537	-	-	-	-
Charges for Services	90,549	-	59	14,628	-	-
Use of Money and Property	14,271	(2,008)	161,937	772	134	60
Other	-	126,127	-	490,445	-	203,358
Total Revenues	176,522	491,804	5,291,362	3,217,368	134	1,163,863
EXPENDITURES						
Current:						
City Attorney	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Public Safety	131,984	-	-	511,743	-	-
Public Works	-	-	4,539,911	-	302,609	-
Community Services	-	446,703	-	922,048	-	-
Community Development	-	-	-	686,953	-	960,447
Sustainability and Resilience	-	-	-	1,280,626	-	-
Capital Outlay	-	-	-	92,163	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Cost of Issuance	-	-	-	-	-	-
Total Expenditures	131,984	446,703	4,539,911	3,493,533	302,609	960,447
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	44,538	45,101	751,451	(276,165)	(302,475)	203,416
OTHER FINANCING USES						
Debt Proceeds	-	-	-	-	-	-
Debt Premium	-	-	-	-	-	-
Transfers in	-	-	-	120,854	405,552	6
Transfers out	-	-	(2,598,654)	-	-	-
Total Other Financing Uses	-	-	(2,598,654)	120,854	405,552	6
NET CHANGE IN FUND BALANCES	44,538	45,101	(1,847,203)	(155,311)	103,077	203,422
Fund Balances (Deficits) - Beginning of Year	302,998	18,839	2,563,629	1,782,779	(98,803)	342,792
FUND BALANCES (DEFICITS) - END OF YEAR	$ 347,536	$ 63,940	$ 716,426	$ 1,627,468	$ 4,274	$ 546,214

CITY OF SANTA BARBARA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – OTHER SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

	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	$ -	$ -	$ 8,315,804	$ -	$ -	$ -	$ -
Intergovernmental	2,202,132	258,033	5,526,665	88,962	-	1,417	-
Fines and Forfeitures	-	-	-	-	-	-	-
Charges for Services	-	-	282,253	-	-	-	-
Use of Money and Property	-	3,637	67,124	-	-	-	206,689
Other	-	-	286,600	-	1,086,120	31,154	-
Total Revenues	2,202,132	261,670	14,478,446	88,962	1,086,120	32,571	206,689
EXPENDITURES							
Current:							
City Attorney	828	-	-	-	-	-	-
Finance	66,583	-	-	-	-	-	-
Public Safety	-	261,318	-	43,457	-	-	-
Public Works	26,195	-	10,774,793	-	-	-	-
Community Services	13,120	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Sustainability and Resilience	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Cost of Issuance	-	-	-	-	-	-	-
Total Expenditures	106,726	261,318	10,774,793	43,457	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,095,406	352	3,703,653	45,505	1,086,120	32,571	206,689
OTHER FINANCING USES							
Debt Proceeds	-	-	-	-	-	-	-
Debt Premium	-	-	-	-	-	-	-
Transfers In	-	-	1,135,230	-	-	-	924,901
Transfers Out	(473,998)	-	(2,673,545)	-	(27,625)	(11,154)	-
Total Other Financing Uses	(473,998)	-	(1,538,315)	-	(27,625)	(11,154)	924,901
NET CHANGE IN FUND BALANCES	1,621,408	352	2,165,338	45,505	1,058,495	21,417	1,131,590
Fund Balances (Deficits) - Beginning of Year	(2,438,457)	16	1,512,803	236,393	5,224,501	25,153	3,470,113
FUND BALANCES (DEFICITS) - END OF YEAR	$ (817,049)	$ 368	$ 3,678,141	$ 281,898	$ 6,282,996	$ 46,570	$4,601,703

CITY OF SANTA BARBARA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – OTHER SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Capital Projects Fund						Debt Service Fund	
	General Capital Improvements	Dwight Murphy Field	Measure A Capital	Streets Capital Improvements	Creek Restoration Capital	Utilities Undergounding District	2024 Revenue Bonds	Total Other Governmental Funds
REVENUES								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,471,671
Intergovernmental	252,347	-	-	-	-	-	-	13,436,753
Fines and Forfeitures	-	-	-	-	-	-	-	554,145
Charges for Services	-	-	-	50,856	-	-	-	438,345
Use of Money and Property	-	249,636	-	-	-	-	249,096	1,756,474
Other	60,000	-	-	13,363	-	-	-	3,155,188
Total Revenues	312,347	249,636	-	64,219	-	-	249,096	38,812,576
EXPENDITURES								
Current:								
City Attorney	-	-	-	-	-	-	-	828
Finance	-	-	-	-	-	-	-	66,583
Public Safety	-	-	-	-	-	-	-	1,201,069
Public Works	252,345	2,989	-	-	-	-	-	19,497,914
Community Services	-	-	-	-	-	-	-	1,381,871
Community Development	2,861	-	-	-	-	-	-	2,272,551
Sustainability and Resilience	-	-	-	-	-	-	-	1,280,626
Capital Outlay	1,708,477	842,192	2,451,346	8,812,506	1,095,470	9,110	2,844,902	17,856,166
Debt Service:								
Principal Retirement	-	-	-	-	-	-	-	9,027
Interest and Fiscal Charges	-	-	-	-	-	-	-	35,247
Cost of Issuance	-	-	-	-	-	-	787,791	787,791
Total Expenditures	1,963,683	845,181	2,451,346	8,812,506	1,095,470	9,110	3,632,693	44,389,673
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,651,336)	(595,545)	(2,451,346)	(8,748,287)	(1,095,470)	(9,110)	(3,383,597)	(5,577,097)
OTHER FINANCING USES								
Debt Proceeds	-	-	-	-	-	-	122,020,000	122,020,000
Debt Premium	-	-	-	-	-	-	4,737,055	4,737,055
Transfers In	1,511,574	12,726,418	698,602	3,901,922	2,650,000	-	-	24,075,082
Transfers Out	-	-	(804,221)	-	-	-	(108,218,174)	(117,931,309)
Total Other Financing Uses	1,511,574	12,726,418	(105,619)	3,901,922	2,650,000	-	18,538,881	32,900,828
NET CHANGE IN FUND BALANCES	(139,762)	12,130,873	(2,556,965)	(4,846,365)	1,554,530	(9,110)	15,155,284	27,323,731
Fund Balances (Deficits) - Beginning of Year	4,049,885	-	4,425,369	8,061,105	10,358,150	63,243	-	44,528,248
FUND BALANCES (DEFICITS) - END OF YEAR	$ 3,910,123	$ 12,130,873	$ 1,868,404	$ 3,214,740	$ 11,912,680	$ 54,133	$ 15,155,284	$ 71,851,979

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
TRAFFIC SAFETY
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Fines and Forfeitures	$ 245,000	$ 245,000	$ 231,793	$ (13,207)
EXPENDITURES				
Current:				
Public Safety	15,000	15,000	14,350	650
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	230,000	230,000	217,443	(12,557)
OTHER FINANCING USES				
Transfers Out	(230,000)	(230,000)	(217,583)	12,417
NET CHANGE IN FUND BALANCE	-	-	(140)	(140)
Fund Balance - Beginning of Year	37,331	37,331	37,331	-
FUND BALANCE - END OF YEAR	$ 37,331	$ 37,331	$ 37,191	$ (140)

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CREEK RESTORATION/WATER QUALITY
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 5,830,000	$ 5,830,000	$ 5,931,222	$ 101,222
Fines and Forfeitures	300,000	300,000	300,000	-
Use of Money and Property	380,000	380,000	799,056	419,056
Other	12,314	12,314	48,248	35,934
Total Revenues	6,522,314	6,522,314	7,078,526	556,212
EXPENDITURES				
Current:				
Public Works	4,276,029	4,838,044	3,599,072	1,238,972
Debt Service:				
Principal Retirement	-	-	9,027	(9,027)
Interest and Fiscal Charges	-	-	35,247	(35,247)
Total Expenditures	4,276,029	4,838,044	3,643,346	1,194,698
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,246,285	1,684,270	3,435,180	1,750,910
OTHER FINANCING USES				
Transfers Out	(2,650,000)	(2,706,505)	(2,706,505)	-
NET CHANGE IN FUND BALANCE	(403,715)	(1,022,235)	728,675	1,750,910
Fund Balance - Beginning of Year	4,051,235	4,051,235	4,051,235	-
FUND BALANCE - END OF YEAR	$ 3,647,520	$ 3,029,000	$ 4,779,910	$ 1,750,910

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
WILDLAND FIRE SUPPRESSION
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Use of Money and Property	$ -	$ -	$ 140	$ 140
Other	299,442	299,442	328,793	29,351
Total Revenues	299,442	299,442	328,933	29,491
EXPENDITURES				
Current:				
Public Safety	318,881	322,085	238,217	83,868
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,439)	(22,643)	90,716	113,359
Fund Balance - Beginning of Year	129,419	129,419	129,419	-
FUND BALANCE - END OF YEAR	$ 109,980	$ 106,776	$ 220,135	$ 113,359

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
PERMANENT LOCAL HOUSING ALLOCATION
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 397,796	$ 1,461,208	$ 679,777	$ (781,431)
Use of Money and Property	-	-	69	69
Total Revenues	397,796	1,461,208	679,846	(781,362)
EXPENDITURES				
Current:				
Community Development	401,730	975,263	226,356	748,907
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,934)	485,945	453,490	(32,455)
Fund Balance (Deficit) - Beginning of Year	(453,490)	(453,490)	(453,490)	-
FUND BALANCE - END OF YEAR	$ (457,424)	$ 32,455	$ -	$ (32,455)

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
TRANSPORTATION DEVELOPMENT
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 80,000	$ 80,000	$ 95,279	$ 15,279
Use of Money and Property	9,000	9,000	5,637	(3,363)
Total Revenues	89,000	89,000	100,916	11,916
OTHER FINANCING USES				
Transfers Out	-	(199,850)	(199,850)	-
NET CHANGE IN FUND BALANCE	-	(143,161)	(98,934)	44,227
Fund Balance - Beginning of Year	201,630	201,630	201,630	-
FUND BALANCE - END OF YEAR	$ 201,630	$ 58,469	$ 102,696	$ 44,227

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 876,711	$ 1,086,673	$ 338,417	$ (748,256)
Use of Money and Property	-	-	224	224
Other	300,000	300,000	480,980	180,980
Total Revenues	1,176,711	1,386,673	819,621	(567,052)
EXPENDITURES				
Current:				
Development Services	1,179,562	2,133,629	395,934	1,737,695
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,851)	(746,956)	423,687	1,170,643
OTHER FINANCING USES				
Transfers in	-	23	23	-
NET CHANGE IN FUND BALANCE	(2,851)	(746,933)	423,710	1,170,643
Fund Balance - Beginning of Year	661,615	661,615	661,615	-
FUND BALANCE - END OF YEAR	$ 658,764	$ (85,318)	$ 1,085,325	$ 1,170,643

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
POLICE – ASSET FORFEITURE
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 52,000	$ 52,000	$ 50,887	$ (1,113)
Fines and Forfeitures	-	-	20,815	20,815
Charges for Services	95,000	95,000	90,549	(4,451)
Use of Money and Property	-	-	14,271	14,271
Total Revenues	147,000	147,000	176,522	29,522
EXPENDITURES				
Current:				
Public Safety	207,242	209,433	131,984	77,449
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(60,242)	(62,433)	44,538	106,971
Fund Balance - Beginning of Year	302,998	302,998	302,998	-
FUND BALANCE - END OF YEAR	$ 242,756	$ 240,565	$ 347,536	$ 106,971

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
COUNTY LIBRARY
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 288,924	$ 367,071	$ 366,148	$ (923)
Fines and Forfeitures	2,000	2,000	1,537	(463)
Use of Money and Property	-	-	(2,008)	(2,008)
Other	127,000	127,000	126,127	(873)
Total Revenues	417,924	496,071	491,804	(4,267)
EXPENDITURES				
Current:				
Community Services	562,008	552,130	446,703	105,427
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(144,084)	(56,059)	45,101	101,160
Fund Balance - Beginning of Year	18,839	18,839	18,839	-
FUND BALANCE - END OF YEAR	$ (125,245)	$ (37,220)	$ 63,940	$ 101,160

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
MEASURE A
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 4,836,416	$ 4,836,416	$ 5,129,366	$ 292,950
Charges for Services	-	-	59	59
Use of Money and Property	174,000	174,000	161,937	(12,063)
Total Revenues	5,010,416	5,010,416	5,291,362	280,946
EXPENDITURES				
Current:				
Public Works	4,925,238	4,959,576	4,539,911	419,665
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	85,178	50,840	751,451	700,611
OTHER FINANCING USES				
Transfers Out	(352,591)	(2,598,654)	(2,598,654)	-
NET CHANGE IN FUND BALANCE	(267,413)	(2,547,814)	(1,847,203)	700,611
Fund Balance - Beginning of Year	2,563,629	2,563,629	2,563,629	-
FUND BALANCE - END OF YEAR	$ 2,296,216	$ 15,815	$ 716,426	$ 700,611

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
MISCELLANEOUS GRANTS
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ -	$ 14,719,692	$ 2,711,523	$ (12,008,169)
Charges for Services	15,500	15,911	14,628	(1,283)
Use of Money and Property	-	-	772	772
Other	30,389	1,389,301	490,445	(898,856)
Total Revenues	45,889	16,124,904	3,217,368	(12,907,536)
EXPENDITURES				
Current:				
Public Safety	10,000	2,740,480	511,743	2,228,737
Community Services	35,889	5,935,783	922,048	5,013,735
Public Works	-	-	686,953	(686,953)
Sustainability and Resilience	-	6,031,482	1,280,626	4,750,856
Capital Outlay	-	2,006,951	92,163	1,914,788
Total Expenditures	45,889	18,348,452	3,493,533	14,854,919
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(2,223,548)	(276,165)	1,947,383
OTHER FINANCING USES				
Transfers In	-	437,325	120,854	(316,471)
Total Other Financing Uses	-	385,221	120,854	(264,367)
NET CHANGE IN FUND BALANCE	-	(1,838,327.00)	(155,311)	1,683,016
Fund Balance - Beginning of Year	1,782,779	1,782,779	1,782,779	-
FUND BALANCE - END OF YEAR	$ 1,782,779	$ (55,548)	$ 1,627,468	$ 1,683,016

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
STREET SWEEPING
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Use of Money and Property	$ -	$ -	$ 134	$ 134
Total Revenues	-	-	134	134
EXPENDITURES				
Current:				
Public Works	305,746	304,623	302,609	2,014
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(305,746)	(304,623)	(302,475)	2,148
OTHER FINANCING USES				
Transfers In	305,746	405,552	405,552	-
Total Other Financing Uses	305,746	405,552	405,552	-
NET CHANGE IN FUND BALANCE	-	100,929	103,077	2,148
Fund Balance (Deficit) - Beginning of Year	(98,803)	(98,803)	(98,803)	-
FUND BALANCE - END OF YEAR	$ (98,803)	$ 2,126	$ 4,274	$ 2,148

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
HOME PROGRAM
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 606,383	$ 2,501,806	$ 960,445	$ (1,541,361)
Use of Money and Property	-	-	60	60
Other	150,000	342,770	203,358	(139,412)
Total Revenues	756,383	2,844,576	1,163,863	(1,680,713)
EXPENDITURES				
Current:				
Development Services	769,734	2,843,850	960,447	1,883,403
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,351)	726	203,416	202,690
OTHER FINANCING USES				
Transfers in	-	6	6	-
NET CHANGE IN FUND BALANCE	(13,351)	732	203,422	202,690
Fund Balance - Beginning of Year	342,792	342,792	342,792	-
FUND BALANCE - END OF YEAR	$ 329,441	$ 343,524	$ 546,214	$ 202,690

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
POLICE – SUPPLEMENTAL LAW ENFORCEMENT
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 218,104	$ 258,033	$ 258,033	$ -
Use of Money and Property	-	-	3,637	3,637
Total Revenues	218,104	258,033	261,670	3,637
EXPENDITURES				
Current:				
Public Safety	250,138	265,629	261,318	4,311
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(32,034)	(7,596)	352	7,948
Fund Balance - Beginning of Year	16	16	16	-
FUND BALANCE - END OF YEAR	$ (32,018)	$ (7,580)	$ 368	$ 7,948

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
STREETS
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 7,596,676	$ 7,596,676	$ 8,315,804	$ 719,128
Intergovernmental	4,588,613	5,338,613	5,526,665	188,052
Charges for Services	307,686	307,686	282,253	(25,433)
Use of Money and Property	36,968	36,968	67,124	30,156
Other	32,500	149,994	286,600	136,606
Total Revenues	12,562,443	13,429,937	14,478,446	1,048,509
EXPENDITURES				
Current:				
Public Works	11,626,942	12,127,927	10,774,793	1,353,134
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	935,501	1,302,010	3,703,653	(304,625)
OTHER FINANCING USES				
Transfers In	1,135,230	1,135,230	1,135,230	-
Transfers Out	(2,680,699)	(2,677,043)	(2,673,545)	3,498
Total Other Financing Uses	(1,545,469)	(1,541,813)	(1,538,315)	3,498
NET CHANGE IN FUND BALANCE	(609,968)	(239,803)	2,165,338	(301,127)
Fund Balance - Beginning of Year	1,512,803	1,512,803	1,512,803	-
FUND BALANCE - END OF YEAR	$ 902,835	$ 1,273,000	$ 3,678,141	$ (301,127)

CITY OF SANTA BARBARA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
POLICE CAD-RMS SUPPORT
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 88,982	$ 88,982	$ 88,962	$ (20)
EXPENDITURES				
Current:				
Public Safety	88,982	125,644	43,457	82,187
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(36,662)	45,505	82,167
OTHER FINANCING USES				
Transfers Out	-	-	-	-
NET CHANGE IN FUND BALANCE	-	(36,662)	45,505	82,167
Fund Balance - Beginning of Year	236,393	236,393	236,393	-
FUND BALANCE - END OF YEAR	$ 236,393	$ 199,731	$ 281,898	$ 82,167

NONMAJOR PROPRIETARY FUNDS

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CITY OF SANTA BARBARA, CALIFORNIA
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2025

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, 2025

	Downtown Parking	Golf Course	Total
ASSETS			
Current Assets:			
Pooled Cash and Investments	$ 3,950,003	$ 5,647,067	$ 9,597,070
Receivables:			
Accounts	125,633	6,211	131,844
Leases	224,750	146,474	371,224
Deposits	-	225,000	225,000
Inventories	-	132,595	132,595
Total Current Assets	4,300,386	6,157,347	10,457,733
Noncurrent Assets:			
Leases, Noncurrent	897,790	-	897,790
Capital Assets:			
Nondepreciable/Amortizable	11,584,789	342,302	11,927,091
Depreciable/Amortizable, Net	21,758,569	3,223,019	24,981,588
Total Noncurrent Assets	34,241,148	3,565,321	37,806,469
Total Assets	38,541,534	9,722,668	48,264,202
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related	1,198,188	44,457	1,242,645
LIABILITIES			
Current Liabilities:			
Accounts Payable	250,824	780,921	1,031,745
Salaries and Benefits Payable	251,546	4,725	256,271
Unearned Revenue	-	208,071	208,071
Deposits	27,295	32,142	59,437
Lease Payable	-	84,481	84,481
Subscriptions Payable	-	6,585	6,585
Compensated Absences Payable	320,352	-	320,352
Total Current Liabilities	850,017	1,116,925	1,966,942
Noncurrent Liabilities:			
Lease Payable, Noncurrent	-	255,128	255,128
Subscriptions Payable, Noncurrent	-	12,134	12,134
Compensated Absences Payable	35,595	-	35,595
Net Pension Liability	5,819,875	1,826,749	7,646,624
Total Noncurrent Liabilities	5,855,470	2,094,011	7,949,481
Total Liabilities	6,705,487	3,210,936	9,916,423
DEFERRED INFLOWS OF RESOURCES			
Lease Related	967,583	133,664	1,101,247
Total Deferred Inflows of Resources	967,583	133,664	1,101,247
NET POSITION			
Net Investment in Capital Assets	33,281,140	2,931,710	36,212,850
Unrestricted	(1,214,488)	3,490,815	2,276,327
Total Net Position	$ 32,066,652	$ 6,422,525	$ 38,489,177

CITY OF SANTA BARBARA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2025

	Downtown Parking	Golf Course	Total
OPERATING REVENUES			
Service Charges	$ 9,401,374	$ 4,480,922	$ 13,882,296
Other Revenues	345,223	89,252	434,475
Total Operating Revenues	9,746,597	4,570,174	14,316,771
OPERATING EXPENSES			
Salaries, Wages, and Benefits	6,346,460	127,641	6,474,101
Material, Supplies, and Services	4,839,097	3,505,851	8,344,948
Depreciation/Amortization	1,207,863	282,913	1,490,776
Total Operating Expenses	12,393,420	3,916,405	16,309,825
OPERATING INCOME (LOSS)	(2,646,823)	653,769	(1,993,054)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	257,814	276,556	534,370
Leases and Rents	211,692	271,652	483,344
Interest Expense	-	(3,844)	(3,844)
Total Nonoperating Revenues (Expenses)	469,506	544,364	1,013,870
INCOME (LOSS) BEFORE TRANSFERS	(2,177,317)	1,198,133	(979,184)
TRANSFERS			
Transfers In	1,402,899	-	1,402,899
Total Transfers	1,402,899	-	1,402,899
CHANGES IN NET POSITION	(774,418)	1,198,133	423,715
Total Net Position - Beginning of Year	32,841,070	5,224,392	38,065,462
TOTAL NET POSITION - END OF YEAR	$ 32,066,652	$ 6,422,525	$ 38,489,177

CITY OF SANTA BARBARA
COMBINING STATEMENT CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2025

	Downtown Parking	Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	$ 9,365,522	$ 4,513,607	$ 13,879,129
Payments to Suppliers of Goods or Services	(4,760,304)	(2,815,831)	(7,576,135)
Payments to Employees	(6,143,365)	(124,583)	(6,267,948)
Receipts from Others	345,223	89,252	434,475
Net Cash Provided (Used) by Operating Activities	(1,192,924)	1,662,445	469,521
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received from Other Funds	1,402,899	-	1,402,899
Net Cash Provided by Noncapital Financing Activities	1,402,899	-	1,402,899
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(1,198,297)	(1,384,126)	(2,582,423)
Lease and Rental Income	211,692	271,652	483,344
Interest Paid	-	(3,844)	(3,844)
Net Cash Used by Capital and Related Financing Activities	(986,605)	(1,116,318)	(2,102,923)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	257,814	276,556	534,370
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(518,816)	822,683	303,867
Cash and Cash Equivalents - Beginning of Year	4,468,819	4,824,384	9,293,203
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,950,003	$ 5,647,067	$ 9,597,070

CITY OF SANTA BARBARA
COMBINING STATEMENT CASH FLOWS (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2025

	Downtown Parking	Golf Course	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ (2,646,823)	$ 653,769	$ (1,993,054)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	1,207,863	282,913	1,490,776
Accounts Receivable	62,795	1,190	63,985
Lease Receivable	(531,516)	141,443	(390,073)
Inventory	-	(31,221)	(31,221)
Deferred Outflows - Pension Related	328,216	9,328	337,544
Accounts Payable	78,793	404,469	483,262
Salaries and Benefits Payable	41,842	744	42,586
Deposits Payable	6,672	1,450	8,122
Lease Payable	-	298,053	298,053
Subscriptions Payable	-	18,719	18,719
Compensated Absences Payable	22,431	-	22,431
Unearned Revenue	-	22,266	22,266
Net Pension Liability	(181,933)	(6,751)	(188,684)
Deferred Inflows - Lease Related	426,197	(133,664)	292,533
Deferred Inflows - Pension Related	(7,461)	(263)	(7,724)
Total Adjustments	1,453,899	1,008,676	2,462,575
Net Cash Provided (Used) by Operating Activities	$ (1,192,924)	$ 1,662,445	$ 469,521
SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING AND INVESTING ACTIVITIES			
Capital Assets in Accounts Payable	$ 22,325	$ -	$ 22,325
Lease Payable	$ -	$ 342,133	$ 342,133
Subscriptions Payable	$ -	$ 32,663	$ 32,663
Change in Fair Value	$ 82,572	$ 119,476	$ 202,048

INTERNAL SERVICE FUNDS

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CITY OF SANTA BARBARA, CALIFORNIA
INTERNAL SERVICE FUNDS
JUNE 30, 2025

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, 2025

	Intra-City Service	Self-Insurance	Postemployment Benefits	Information Systems	Vehicle Capital	Energy Management	Total
ASSETS							
Current Assets:							
Pooled Cash and Investments	$ 3,104,331	$ 12,244,490	$ 2,941,317	$ 3,242,907	$ 29,972,301	$ 1,394,779	$ 52,900,125
Accounts Receivable, Net	668	108,090	-	-	7,988	16,212	132,958
Prepaids Assets and Deposits	483,604	1,828,255	-	-	159,603	-	2,471,462
Total Current Assets	3,588,603	14,180,835	2,941,317	3,242,907	30,139,892	1,410,991	55,504,545
Noncurrent Assets:							
Capital Assets:							
Nondepreciable/Amortizable	34,316	-	-	-	2,915,358	-	2,949,674
Depreciable/Amortizable, Net	4,713,749	67,215	-	2,793,532	10,544,662	-	18,119,158
Total Capital Assets, Net	4,748,065	67,215	-	2,793,532	13,460,020	-	21,068,832
Total Noncurrent Assets	4,748,065	67,215	-	2,793,532	13,460,020	-	21,068,832
Total Assets	8,336,668	14,248,050	2,941,317	6,036,439	43,599,912	1,410,991	76,573,377
DEFERRED OUTFLOWS OF RESOURCES							
Pension Related	1,201,978	366,912	-	2,192,320	648,688	2,546	4,412,444
OPEB Related	-	-	11,409,131	-	-	-	11,409,131
Total Deferred Outflows of Resources	1,201,978	366,912	11,409,131	2,192,320	648,688	2,546	15,821,575
LIABILITIES							
Current Liabilities:							
Accounts Payable	305,866	341,989	-	58,283	245,683	251,797	1,203,618
Salaries and Benefits Payable	132,594	45,378	84,489	209,187	74,010	3,283	548,941
Subscription Payable	-	21,107	-	863,232	-	-	884,339
Current Portion Long-Term Debt	-	-	-	-	543,217	-	543,217
Compensated Absences Payable	226,626	73,929	-	295,292	134,816	72,488	803,151
Claims Payable	-	5,380,000	-	-	-	-	5,380,000
Total OPEB Liability, Due in One Year	-	-	1,991,632	-	-	-	1,991,632
Total Current Liabilities	665,086	5,862,403	2,076,121	1,425,994	997,726	327,568	11,354,898
Noncurrent Liabilities:							
Subscriptions Payable, Net of Current Portion	-	47,216	-	766,455	-	-	813,671
Compensated Absences Payable	25,181	8,214	-	32,810	14,980	8,054	89,239
Long-Term Debt, Net of Current Portion	-	-	-	-	1,657,950	-	1,657,950
Claims Payable	-	17,198,000	-	-	-	-	17,198,000
Net Pension Liability	8,418,364	1,262,869	-	4,558,292	3,261,861	1,136,363	18,637,749
Total Other Postemployment Benefit Liability	-	-	42,385,350	-	-	-	42,385,350
Total Noncurrent Liabilities	8,443,545	18,516,299	42,385,350	5,357,557	4,934,791	1,144,417	80,781,959
Total Liabilities	9,108,631	24,378,702	44,461,471	6,783,551	5,932,517	1,471,985	92,136,857
DEFERRED INFLOWS OF RESOURCES							
OPEB Related	-	-	19,969,510	-	-	-	19,969,510
Total Deferred Inflows of Resources	-	-	19,969,510	-	-	-	19,969,510
NET POSITION							
Net Investment In Capital Assets	4,748,065	(1,108)	-	1,163,845	11,258,853	-	17,169,655
Unrestricted	(4,318,050)	(9,762,632)	(50,080,533)	281,363	27,057,230	(58,448)	(36,881,070)
Total Net Position	$ 430,015	$ (9,763,740)	$ (50,080,533)	$ 1,445,208	$ 38,316,083	$ (58,448)	$ (19,711,415)

CITY OF SANTA BARBARA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2025

	Intra-City Service	Self-Insurance	Postemployment Benefits	Information Systems	Vehicle Capital	Energy Management	Total
OPERATING REVENUES							
Service Charges	$ 6,968,626	$ 20,143,580	$ 3,552,618	$ 8,557,459	$ 8,891,982	$ 2,162,858	$ 50,277,123
Other Revenues	331,652	-	-	217,997	995,344	92,096	1,637,089
Total Operating Revenues	7,300,278	20,143,580	3,552,618	8,775,456	9,887,326	2,254,954	51,914,212
OPERATING EXPENSES							
Salaries, Wages, and Benefits	4,335,443	1,068,853	2,827,824	5,074,366	2,100,422	446,329	15,853,237
Materials, Supplies, and Services	3,039,721	18,349,732	-	2,540,180	2,033,410	2,088,303	28,051,346
Depreciation/Amortization	218,494	22,405	-	1,648,631	1,509,960	-	3,399,490
Total Operating Expenses	7,593,658	19,440,990	2,827,824	9,263,177	5,643,792	2,534,632	47,304,073
OPERATING INCOME (LOSS)	(293,380)	702,590	724,794	(487,721)	4,243,534	(279,678)	4,610,139
NONOPERATING REVENUES (EXPENSES)							
Interest Income	4,936	466,501	-	3,284	1,391,166	585	1,866,472
Interest Expense	-	(3,280)	-	(55,756)	(63,155)	-	(122,191)
Total Nonoperating Revenues	4,936	463,221	-	(52,472)	1,328,011	585	1,744,281
INCOME (LOSS) BEFORE TRANSFERS	(288,444)	1,165,811	724,794	(540,193)	5,571,545	(279,093)	6,354,420
TRANSFERS							
Transfers In	-	75,825	-	1,536,913	8,870	-	1,621,608
Transfers Out	-	-	-	-	(248,568)	-	(248,568)
Total Transfers	-	75,825	-	1,536,913	(239,698)	-	1,373,040
CHANGES IN NET POSITION	(288,444)	1,241,636	724,794	996,720	5,331,847	(279,093)	7,727,460
Total Net Position (Deficit) - Beginning of Year	718,459	(11,005,376)	(50,805,327)	448,488	32,984,236	220,645	(27,438,875)
TOTAL NET POSITION (DEFICIT) - END OF YEAR	$ 430,015	$ (9,763,740)	$ (50,080,533)	$ 1,445,208	$ 38,316,083	$ (58,448)	$ (19,711,415)

CITY OF SANTA BARBARA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2025

	Intra-City Service	Self-Insurance	Postemployment Benefits	Information Systems	Vehicle Capital	Energy Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from Customers and Users	$ 6,968,626	$ 20,144,060	$ 3,552,618	$ 8,557,459	$ 8,913,456	$ 2,157,656	$ 50,293,875
Payments to Suppliers of Goods or Services	(2,939,882)	(17,207,302)	-	(2,141,468)	(1,906,289)	(2,585,550)	(26,780,491)
Payments to Employees	(3,751,606)	(1,029,281)	(2,304,794)	(5,455,364)	(1,965,923)	(78,071)	(14,585,039)
Receipts from Others	331,652	-	-	217,997	995,344	92,096	1,637,089
Net Cash Provided (Used) by Operating Activities	608,790	1,907,477	1,247,824	1,178,624	6,036,588	(413,869)	10,565,434
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Cash Transfers In	-	75,825	-	1,536,913	8,870	-	1,621,608
Cash Transfers Out	-	-	-	-	(248,568)	-	(248,568)
Advance from (to) Other Funds	-	-	-	-	884,634	-	884,634
Net Cash Provided by Noncapital Financing Activities	-	75,825	-	1,536,913	644,936	-	2,257,674
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from Sale of Capital Assets	-	-	-	-	-	533,185	533,185
Acquisition of Capital Assets, Net	(34,316)	(2,871)	-	(1,601,150)	(2,478,420)	-	(4,116,757)
Principal Paid on Capital Debt	-	-	-	-	(543,216)	-	(543,216)
Interest Paid on Capital Debt	-	(3,280)	-	(55,756)	(63,155)	-	(122,191)
Net Cash Provided (Used) by Capital and Related Financing Activities	(34,316)	(6,151)	-	(1,656,906)	(3,084,791)	533,185	(4,248,979)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment Income	4,936	466,501	-	3,284	1,391,166	585	1,866,472
NET CHANGE IN CASH AND CASH EQUIVALENTS	579,410	2,443,652	1,247,824	1,061,915	4,987,899	119,901	10,440,601
Cash and Cash Equivalents - Beginning of Year	2,524,921	9,800,838	1,693,493	2,180,992	24,984,402	1,274,878	42,459,524
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,104,331	$ 12,244,490	$ 2,941,317	$ 3,242,907	$ 29,972,301	$ 1,394,779	$ 52,900,125

CITY OF SANTA BARBARA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2025

	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)	$ (293,380)	$ 702,590	$ 724,794	$ (487,721)	$ 4,243,534	$ (279,678)	$ 4,610,139
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation and Amortization	218,494	22,405	-	1,648,631	1,509,960	-	3,399,490
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:							
Accounts Receivable	-	480	-	-	21,474	(5,202)	16,752
Prepaid Assets	(29,431)	51,095	-	-	(30,480)	-	(8,816)
Deferred Outflows of Resources - Pension Related	810,904	79,335	-	(128,668)	199,360	367,851	1,328,782
Deferred Outflows of Resources - OPEB Related	-	-	2,098,528	-	-	-	2,098,528
Increase (Decrease) in Operating Liabilities and Deferred Inflows of Resources:							
Accounts Payable	129,270	10,177	-	(10,996)	157,601	70,641	356,693
Salaries and Benefits Payable	(26,375)	9,970	(132,081)	53,910	8,581	(27,454)	(113,449)
Leases Payable	-	-	-	-	-	(567,888)	(567,888)
Subscriptions Payable	-	(16,687)	-	409,708	-	-	393,021
Compensated Absences Payable	(8,345)	8,160	-	36,729	29,200	30,058	95,802
Net Pension Liability	(182,509)	(55,712)	-	(332,883)	(98,497)	(387)	(669,988)
Total Other Postemployment Benefit Liability	-	-	842,285	-	-	-	842,285
Claims and Judgements	-	1,097,845	-	-	-	-	1,097,845
Deferred Inflows of Resources - Pension Related	(9,838)	(2,181)	-	(10,086)	(4,145)	(1,810)	(28,060)
Deferred Inflows of Resources - OPEB Related	-	-	(2,285,702)	-	-	-	(2,285,702)
Total Adjustments	902,170	1,204,887	523,030	1,666,345	1,793,054	(134,191)	5,955,295
Net Cash Provided (Used) by Operating Activities	$ 608,790	$ 1,907,477	$ 1,247,824	$ 1,178,624	$ 6,036,588	$ (413,869)	$ 10,565,434
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITY							
Subscriptions Payable	$ -	$ 2,869	$ -	$ 1,602,027	$ -	$ -	$ 1,604,896
Change in Fair Value	$ -	$ 258,989	$ -	$ -	$ 618,658	$ -	$ 877,647

FIDUCIARY FUNDS

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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, 2025

	Revolving Rehab	California Law Enforcement Telecommunications	Total Custodial Funds
ASSETS			
Current Assets:			
Pooled Cash and Investments	$ 698,687	$ -	$ 698,687
Accounts Receivable, Net	-	67,087	67,087
Loans Receivable	1,925,080	-	1,925,080
Total Assets	2,623,767	67,087	2,690,854
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,697	-	1,697
Due to the City of Santa Barbara	-	68,468	68,468
Total Liabilities	1,697	68,468	70,165
NET POSITION			
Restricted for Others	2,622,070	(1,381)	2,620,689
Total Net Position	$ 2,622,070	$ (1,381)	$ 2,620,689

CITY OF SANTA BARBARA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2025

	Revolving Rehab	California Law Enforcement Telecommunications	Total Custodial Funds
ADDITIONS			
Interest Income	$ 23,146	$ (1,491)	$ 21,655
Contributions from Members	-	174,960	174,960
Total Additions	23,146	173,469	196,615
DEDUCTIONS			
Administrative Expenses	35,329	134,372	169,701
Program Payments	858	40,638	41,496
Total Deductions	36,187	175,010	211,197
CHANGE IN NET POSITION	(13,041)	(1,541)	(14,582)
Net Position - Beginning of Year	2,635,111	160	2,635,271
NET POSITION - END OF YEAR	$ 2,622,070	$ (1,381)	$ 2,620,689

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.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF SANTA BARBARA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING
(AMOUNTS EXPRESSED IN THOUSANDS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	$427,683	$436,966	$443,975	$465,776	$493,238	$498,799	$518,120	$530,288	$541,873	$562,641
Restricted	80,934	65,647	81,702	82,205	87,096	99,056	105,464	110,749	120,534	113,252
Unrestricted	(186,953)	(164,523)	(189,963)	(211,108)	(235,289)	(235,531)	(216,208)	(186,638)	(187,463)	(212,355)
Total governmental activities net position	$321,664	$338,090	$335,714	$336,873	$345,045	$362,325	$407,377	$454,398	$474,944	$463,538
Business-type activities										
Net investment in capital assets	$361,076	$365,505	$359,890	$380,202	$384,837	$391,224	$398,278	$416,480	$434,138	$459,809
Restricted	11,962	13,546	13,052	9,349	10,457	9,779	5,663	8,434	9,308	8,456
Unrestricted	37,996	57,464	78,131	68,259	97,205	105,630	143,205	142,240	171,803	182,455
Total business-type activities net position	$411,034	$436,515	$451,073	$457,810	$492,499	$506,634	$547,147	$567,153	$615,249	$650,720
Primary government										
Net investment in capital assets	$788,759	$802,471	$803,865	$845,978	$878,075	$890,023	$916,398	$946,767	$976,011	$1,022,450
Restricted	92,896	79,193	94,754	91,554	97,553	108,835	111,127	119,182	129,842	121,708
Unrestricted	(148,957)	(107,059)	(111,832)	(142,849)	(138,084)	(129,900)	(73,002)	(44,398)	(15,660)	(29,900)
Total primary government net position	$732,698	$774,605	$786,787	$794,683	$837,544	$868,958	$954,523	$1,021,551	$1,090,193	$1,114,258

CITY OF SANTA BARBARA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Years									
Expenses	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Governmental activities:										
Administration	$16,179	$16,612	$20,045	$19,586	$20,956	$19,964	$19,177	$20,966	$23,803	$24,606
Public safety	63,451	66,678	82,485	79,814	90,295	88,435	90,023	65,582	100,520	109,514
Public works	26,053	28,565	34,583	44,753	40,103	46,787	37,767	51,964	58,408	89,631
Community services	26,454	27,635	30,500	25,777	25,294	27,392	24,973	31,117	34,779	35,938
Community development	16,933	17,442	16,083	18,753	18,182	19,434	15,459	19,420	22,673	23,049
Sustainability and Resilience	-	-	-	-	-	38	110	42	972	1,934
Interest on long-term debt	42	66	-	-	-	-	-	-	-	788
Total governmental activities expenses	149,112	156,998	183,696	188,683	194,830	202,050	187,509	189,091	241,154	285,460
Business-type activities:										
Water	35,859	37,291	45,239	51,504	50,122	52,502	50,913	56,917	58,759	56,404
Wastewater	17,376	18,299	20,542	20,828	22,794	23,906	22,307	25,530	27,454	30,213
Airport	21,361	22,057	24,507	26,139	26,745	26,066	27,530	33,462	35,795	39,451
Waterfront	12,639	12,975	15,010	15,861	15,710	15,418	14,387	17,258	18,287	18,702
Solid Waste	20,498	20,837	23,948	24,325	27,146	31,245	30,333	34,838	37,866	38,665
Parking	7,941	8,481	10,104	10,277	9,758	9,138	9,173	11,236	12,350	12,173
Golf course	2,022	2,591	2,642	2,625	2,358	3,446	3,401	3,358	3,561	3,863
Clean Energy	-	-	-	-	-	132	16,021	37,598	33,475	56,387
Total business-type activities expenses	117,696	122,531	141,992	151,559	154,633	161,853	174,065	220,197	227,548	255,858
Total primary government expenses	$266,808	$279,529	$325,688	$340,242	$349,463	$363,903	$361,574	$409,288	$468,702	$541,318
Program Revenues										
Governmental activities:										
Charges for services:										
Administration	$4,479	$4,143	$3,826	$2,043	$2,273	$1,757	$3,659	$2,689	$1,434	$1,370
Public safety	10,650	11,758	12,141	5,838	5,464	5,025	5,965	5,464	6,424	7,052
Public works	9,161	9,586	9,333	7,282	6,615	7,534	7,558	8,542	9,959	10,884
Community services	11,909	12,400	12,629	6,416	5,471	5,201	7,397	7,309	7,864	7,851
Community development	6,540	6,081	6,916	5,529	5,091	5,717	7,441	7,871	8,444	9,031
Operating grants and contributions	8,487	7,882	10,462	20,162	19,508	33,100	22,360	19,778	24,413	23,229
Capital grants and contributions	26,181	16,966	16,301	24,112	23,446	21,274	22,688	18,803	22,974	27,275
Total governmental activities program revenues	77,407	68,816	71,608	71,382	67,868	79,608	77,068	70,456	81,512	86,692
Business-type activities:										
Charges for services:										
Water	45,097	51,641	56,117	54,622	60,133	65,633	69,058	67,335	69,514	78,537
Wastewater	18,632	20,142	20,738	21,402	22,990	24,474	25,807	27,438	28,722	32,096
Airport	17,988	19,175	20,650	23,205	23,275	19,596	25,920	28,681	32,012	35,200
Waterfront	14,658	15,075	14,815	14,639	14,215	15,644	17,241	18,158	19,582	20,717
Solid Waste	21,059	20,953	22,116	24,191	27,455	29,817	34,294	35,828	38,360	40,275
Parking	8,457	8,514	8,285	8,473	6,383	4,355	6,082	9,131	9,488	9,958
Golf course	1,950	2,531	2,607	2,629	2,681	4,079	4,229	4,178	4,577	4,842
Clean Energy	-	-	-	-	-	100	14,718	43,408	54,137	46,970
Operating grants and contributions	24	23	23	23	23	8,742	17,913	2,116	8,674	7,100
Capital grants and contributions	5,582	496	8,640	2,220	46	3,565	292	126	15	94
Total business-type activities program revenues	133,447	138,550	153,991	151,404	157,201	176,005	215,554	236,399	265,081	275,789
Total primary government program revenues	$210,854	$207,366	$225,599	$222,786	$225,069	$255,613	$292,622	$306,855	$346,593	$362,481

CITY OF SANTA BARBARA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Net (expense)/revenue										
Governmental activities	($71,705)	($88,182)	($112,088)	($117,301)	($126,962)	($122,442)	($110,441)	($118,635)	($159,642)	($198,768)
Business-type activities	15,751	16,019	11,999	(155)	2,568	14,152	41,489	16,202	37,533	19,931
Total primary government net expense	($55,954)	($72,163)	($100,089)	($117,456)	($124,394)	($108,290)	($68,952)	($102,433)	($122,109)	($178,837)
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes										
Property	$29,382	$31,612	$34,928	$35,187	$38,148	$39,862	$42,226	$46,006	$48,672	$50,658
Transient occupancy	22,379	23,110	22,650	23,421	18,168	18,807	31,956	31,456	32,261	34,983
Sales & use	21,932	21,807	25,203	48,603	44,533	49,770	59,328	59,790	60,579	64,676
Business license	2,636	2,651	2,786	2,725	2,765	2,543	2,667	2,684	4,250	2,730
Utility users	14,338	14,014	14,149	13,888	14,120	14,674	15,610	16,381	16,330	16,523
Real property transfer	730	762	795	863	658	1,144	1,353	862	838	913
Cannabis taxes	-	-	11	79	1,052	1,921	1,672	1,397	1,311	1,086
Other taxes	-	-	-	15	3	-	6	9	15	137
Franchise fees	3,132	4,231	3,597	3,637	3,635	3,852	4,176	4,254	6,079	6,073
Unrestricted motor vehicle license-in-lieu	37	42	49	46	74	69	108	90	108	10,000
Investment income	2,288	1,733	2,172	4,137	4,291	2,478	(1,661)	2,406	8,377	1,073
Other revenue	419	2,610	11,289	57	8,982	90		240	922	-
Extraordinary gain	23,054	1,335	-	-	-	-	745	-	-	-
Extraordinary loss	-	-	-	-	-	-	-	-	-	-
Gain/loss on sale of capital assets	44	404	-	-	-	-	-	-	-	-
Transfers	433	299	(462)	(277)	(165)	625	(2,693)	(1,176)	445	(1,489)
Total governmental activities	120,804	104,610	117,167	132,381	136,264	135,835	155,493	164,399	180,187	187,363
Business-type activities:										
Investment earnings	1,304	556	724	4,574	3,952	419	(3,858)	2,797	2,797	13,860
Other revenue	248	9,205	1,372	1,914	28,873	4,296	189	189	189	189
Extraordinary gain	-	-	-	-	-	-	-	-	-	-
Transfers	(433)	(299)	462	277	165	(625)	2,693	1,176	1,176	1,489
Total business-type activities	1,119	9,462	2,558	6,765	32,990	4,090	(976)	4,162	4,162	15,538
Total primary government	$121,923	$114,072	$119,725	$139,146	$169,254	$139,925	$154,517	$168,561	$184,349	$202,901
Change in Net Position										
Governmental activities	$49,099	$16,429	$5,079	$15,080	$9,302	$13,393	$45,052	$45,764	$20,545	($11,405)
Business-type activities	16,870	25,481	14,557	6,610	35,558	18,242	40,513	20,364	41,695	35,469
Total primary government	$65,969	$41,909	$19,636	$21,690	$44,860	$31,635	$85,565	$66,128	$62,240	$24,064

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	Trans- portation Tax	Business License Tax	Real Property Transfer Tax	Cannabis Tax	Other Tax	Total
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
2025	50,658	64,676	34,983	16,523	5,225	2,730	913	1,086	6,073	182,867

Source: FY 24, 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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 2,747	$ 2,105	$ 1,689	$ 9,592	$ 1,252	$ 1,277	$ 7,060	$ 3,427	$ 2,249	$ 145
Restricted	2,682	2,667	2,856	2,995	2,140	2,299	2,504	2,601	4,211	3,358
Committed	30,299	31,461	27,917	26,777	34,499	35,639	39,126	42,051	45,431	50,692
Assigned	203	312	357	-	-	-	-	-	-	3,308
Unassigned	-	-	-	(4,412)	(5,739)	(481)	2,878	7,684	(4,752)	(15,195)
Total general fund	$ 35,931	$ 36,545	$ 32,819	$ 34,952	$ 32,152	$ 38,734	$ 51,568	$ 55,763	$ 47,139	$ 42,308
All other governmental funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	62,104	62,980	78,845	79,020	84,883	93,492	95,862	97,394	103,493	219,782
Committed	12,965	12,883	11,899	11,052	13,342	23,364	40,552	46,668	50,999	37,385
Assigned	3,789	2,837	2,857	3,961	-	-	-	-	-	-
Unassigned	(1,604)	(949)	(4,546)	(7,295)	(6,702)	(5,772)	(9,028)	(12,093)	(10,158)	(1,441)
Total all other governmental funds	$ 77,254	$ 77,751	$ 89,055	$ 86,738	$ 91,523	$ 111,084	$ 127,386	$ 131,969	$ 144,334	$ 255,726

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$95,086	$97,702	$104,477	$128,923	$123,502	$133,159	$160,102	$164,107	$169,384	$176,793
Franchise fees	3,132	4,231	3,597	3,637	3,650	3,852	4,176	4,254	6,079	6,073
Intergovernmental	27,055	19,929	17,723	23,344	24,211	39,572	26,713	16,756	26,437	37,776
Fines and forfeitures	3,597	4,106	3,975	3,481	2,812	2,225	3,249	2,045	2,933	3,523
Use of money and property	2,177	1,684	2,107	3,710	3,905	2,448	(1,274)	2,457	7,863	9,376
Charges for services	22,336	21,811	22,849	22,401	20,733	22,532	26,617	29,149	30,590	32,556
Program income	386	399	374	236	828	757	409	383	773	684
Other revenues	13,672	15,453	23,069	13,737	21,835	11,853	13,230	15,719	14,100	13,508
Total revenues	167,441	165,315	178,171	199,469	201,476	216,398	233,222	234,870	258,159	280,289
Expenditures										
General government/administration (1)	15,923	15,980	17,681	18,261	19,005	17,803	20,918	20,853	22,394	23,791
Public safety	64,330	66,847	73,706	72,602	75,984	74,849	80,601	83,814	91,668	97,309
Public works	20,536	20,465	21,252	22,324	23,423	22,556	23,967	27,105	28,868	32,923
Community services	23,191	24,224	24,727	23,808	22,408	22,039	25,360	29,060	32,645	34,363
Community development	13,646	13,494	13,573	16,836	15,736	17,663	16,718	18,269	20,286	19,961
Community promotions (1)	-	-	-	-	-	-	-	-	-	-
Sustainability and Resilience	-	-	-	-	-	38	110	42	891	1,875
Capital outlay	32,068	21,056	19,076	45,300	42,070	32,435	34,652	42,458	54,608	86,267
Debt service										
Principal	307	663	-	-	-	-	334	485	681	812
Interest	38	58	-	-	-	-	84	65	103	106
Other charges	-	-				-	-	-	-	788
Total expenditures	170,039	162,787	170,015	199,131	198,626	187,383	202,744	222,151	252,144	298,195
Excess of revenues over (under) expenditures	(2,598)	2,528	8,156	338	2,850	29,015	30,478	12,719	6,015	(17,906)

(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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other financing sources (uses)										
Lease obligation	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,179	$ 807	$ 499	$ 50
Subscription Obligation	-	-	-	-	-	-	-	224	841	523
Transfers in	9,150	11,625	18,006	36,040	33,238	35,742	41,970	39,233	55,998	129,962
Transfers out	(9,093)	(13,042)	(18,580)	(36,564)	(34,103)	(42,501)	(44,491)	(45,470)	(59,610)	(132,824)
Proceeds from bond issuance	-	-	-	-	-	-	-	-	-	126,757
Total other financing sources (uses)	57	(1,417)	(574)	(524)	(865)	(6,759)	(1,342)	(5,206)	(2,272)	124,468
Net change in fund balances	(2,541)	1,111	7,581	(187)	2,005	22,218	29,045	7,512	3,740	106,561
Debt service as a percentage of noncapital expenditures	0.24%	0.49%	0.00%	0.00%	0.00%	0.42%	0.23%	0.28%	0.35%	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
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%
2025	27,921,504	1,390,489	-	29,311,993	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

The city utilizes data provided by HdL, Coren & Cone for various reports published in the Statistical Section of the Annual Comprehensive Financial Report.

HDL Coren & Cone Data Source: Santa Barbara County Assessor 2014/15 - 2024/25 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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	0.01411	0.01207	0.01192	0.01177	0.01177	0.01176	0.01217	0.01217	0.01157	0.01121
Goleta Union	0.01248	0.01061	0.00955	0.00907	0.00862	0.00776	0.02621	0.02124	0.01977	0.01711
Hope Elementary	0.01779	0.01514	0.01222	0.01181	0.01181	0.02280	0.02340	0.03959	0.03804	0.03764
Montecito Union Elementary Bond 1997 A	0.00025	0.00019	0.00010	0.00007	0.00007	0.00007	0.00007	0.00004	0.00003	0.00002
Santa Barbara Community College Bond 2008	0.00850	0.00731	0.00731	0.00731	0.00731	0.00731	0.00709	0.00688	0.00654	0.00713
Santa Barbara Elementary	0.01995	0.01776	0.01713	0.03445	0.02850	0.02616	0.02639	0.02804	0.02663	0.02584
Santa Barbara High Bond	0.01670	0.01581	0.02692	0.02417	0.02417	0.02414	0.02415	0.02617	0.02524	0.02380
	0.08978	0.07889	0.08515	0.09865	0.09225	0.10000	0.11948	0.13413	0.12782	0.12275
Total Direct and Overlapping Rates:	1.08978	1.07889	1.08515	1.09865	1.09225	1.10000	1.11948	1.13413	1.12782	1.12275
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)	0.12019	0.12010	0.12009	0.12009	0.12011	0.11877	0.11880	0.13878	0.13841	0.13819

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.

The city utilizes data provided by HdL, Coren & Cone for various reports published in the Statistical Section of the Annual Comprehensive Financial Report.

HDL Coren & Cone Data Source: Santa Barbara County Assessor 2015/16 - 2024/25 Tax Rate Table

CITY OF SANTA BARBARA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year 2025	
Taxpayer	Taxable Net Assessed Value	Percentage of Total Taxable Net Assessed Value
LEVON INVESTMENTS LLC	$149,817	0.51%
HC ASSETCO	149,683	0.51%
AMERICAN TRADITION	129,738	0.44%
KHP IV SANTA BARBARA LLC	93,500	0.32%
XHR SANTA BARBARA LLC	92,228	0.31%
ROMASANTA FAMILY-COMMERCIAL LP	90,551	0.31%
EL ENCANTO INC	85,665	0.29%
MCC BB PROPERTY LLC	83,727	0.29%
DARIO L PINI TRUST	70,226	0.24%
PASEO NUEVO OWNER LLC	69,029	0.24%
	$1,014,164	3.46%

	Fiscal Year 2016	
Taxpayer	Taxable Net Assessed Value	Percentage of Total Taxable Net Assessed Value
FESS PARKER DOUBLETREE HOTEL	$88,884	0.50%
LEVON INVESTMENTS LLC	86,478	0.48%
EL ENCANTO INC	81,090	0.45%
DARIO PINI	64,025	0.36%
HITCHCOCK HOLDINGS LLC	55,829	0.31%
GRI- REGENCY LLC	50,926	0.28%
ESTATE OF HUGUETTE M CLARK	47,970	0.27%
I AND G DIRECT REAL ESTATE 3 LP	47,220	0.26%
MCC BB PROPERTY LLC	44,641	0.25%
KHP II CANARY LLC	44,104	0.25%
	$611,165	3.42%

Notes:

The city utilizes data provided by HdL, Coren & Cone for various reports published in the Statistical Section of the Annual Comprehensive Financial Report.

HDL Coren & Cone Data Source: Santa Barbara County Assessor 2015/16 and 2024/25 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%
2025	50,658	50,658	100%	-	50,658	100%

CITY OF SANTA BARBARA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)

	Governmental Activities			Business-Type Activities					
Fiscal Year	Certificates of Participation	Tax Allocation Bonds	Loans	Revenue Bonds	Certificates of Participation	Loans	Total Primary Government	Percentage of Personal Income[1]	Per Capita[1]
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
2025	-	-	2,201	31,801	3,677	100,356	138,035	2.49%	1,597

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 Value[1] of Property	Per Capita[2]
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
2025	-	-	2,201	-	2,201	0.01%	25

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assessed valuation	$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	$31,662,094
Coverage percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	$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	$7,915,524
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	$736,416	$782,126	$831,416	$881,547	$922,911	$968,701	$1,002,019	$1,079,101	$1,143,002	$1,187,329
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$736,416	$782,126	$831,416	$881,547	$922,911	$968,701	$1,002,019	$1,079,101	$1,143,002	$1,187,329
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.

The city utilizes data provided by HdL, Coren & Cone for various reports published in the Statistical Section of the Annual Comprehensive Financial Report.

HDL Coren & Cone Data Source: Santa Barbara County Assessor 2024/25 Combined Tax Rolls

CITY OF SANTA BARBARA
PLEDGE-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	Water Revenue Bonds					
		Less	Net			
Fiscal	Water	Operating	Available	Debt Service		
Year	Revenue	Expenses	Revenue	Principal	Interest	Coverage
2016	$ 45,268	$ 27,096	$ 18,172	$ 1,390	$ 747	8.50
2017	52,079	28,869	23,210	1,425	712	10.86
2018	57,234	34,798	22,436	1,470	668	10.49
2019	55,384	40,004	15,380	1,520	616	7.20
2020	79,432	38,066	41,366	1,585	554	19.34
2021	65,633	37,983	27,650	1,645	489	12.96
2022	69,058	39,102	29,955	1,715	422	14.02
2023	67,334	45,089	22,246	1,790	352	10.39
2024	69,514	48,035	21,479	1,865	270	10.06
2025	78,537	46,349	32,188	1,960	174	15.08

	Wastewater Revenue Bonds					
	Waste-	Less	Net			
Fiscal	water	Operating	Available	Debt Service		
Year	Revenue	Expenses	Revenue	Principal	Interest	Coverage
2016	$ 18,712	$ 11,556	$ 7,156	$ 730	$ 625	5.28
2017	20,181	12,656	7,525	750	492	6.06
2018	20,808	15,026	5,782	700	463	4.97
2019	21,418	15,348	6,070	725	435	5.23
2020	23,003	16,086	6,917	760	398	5.97
2021	24,474	15,825	8,649	805	360	7.42
2022	25,807	15,807	10,151	845	320	8.71
2023	27,438	19,068	8,369	880	278	7.23
2024	28,683	21,694	6,989	925	234	6.03
2025	32,043	24,695	7,348	970	188	6.35

	Tax Allocation Bonds			
Fiscal	Tax	Debt Service		
Year	Increment	Principal	Interest	Coverage
2016	$ 8,147 [1]	$ 6,790 [1]	$ 1,357 [1]	1.00
2017	8,143 [1]	7,085 [1]	1,058 [1]	1.00
2018	8,145 [1]	7,430 [1]	715 [1]	1.00
2019	8,146	7,795 [1]	351 [1]	1.00
2020	-	- [1,2]	- [1]	-
2021	-	- [1,2]	- [1]	-
2022	-	- [1,2]	- [1]	-
2023	-	- [1,2]	- [1]	-
2024	-	- [1,2]	- [1]	-
2025	-	- [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)

Airport Revenue Bonds

Fiscal Year	Airport Revenue	Plus Non-Operating Rents/Leases4	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2016	$ 17,996	$ -	$ 13,011	$ 4,985	$ 970	$ 2,147	1.60
2017	19,178	-	14,254	4,924	1,020	2,102	1.58
2018	20,656	-	16,421	4,235	1,065	2,060	1.36
2019	23,326	-	17,247	6,079	1,105	2,011	1.95
2020	31,141	-	18,560	12,581	990	1,473	5.11
2021	19,569	-	16,206	3,363	1,025	1,442	1.36
2022	25,920	-	18,880	7,041	1,075	1,391	2.86
2023	28,681	-	24,835	3,846	1,125	1,337	1.56
2024	10,019	21,993	28,022	3,990	1,180	1,281	1.62
2025	11,772	23,428	31,979	3,222	1,250	1,222	1.30

Airport Promissory Note 3

Fiscal Year	Airport Revenue	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2016	$ 17,996	$ 13,011	$ 4,985	$ 286	$ 175	10.81
2017	19,178	14,254	4,924	296	165	10.68
2018	20,656	16,421	4,235	306	154	9.21
2019	23,326	17,247	6,079	317	143	13.22
2020	31,141	18,560	12,581	3,856	67	3.21
2021	19,569	16,206	3,363	-	-	-
2022	25,920	18,880	7,041	-	-	-
2023	28,681	24,835	3,846	-	-	-
2024	10,019	28,022	3,990	-	-	-
2025	11,772	23,428	31,979	3,222	-	-

Waterfront Revenue Bonds

Fiscal Year	Waterfront Revenue	Plus Non-Operating Rents/Leases4	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2016	$ 14,660	$ -	$ 10,309	$ 4,351	$ 760	$ 396	4
2017	15,080	-	10,857	4,223	794	369	3.63
2018	14,822	-	12,650	2,172	814	340	1.88
2019	14,995	-	13,033	1,962	842	311	1.70
2020	14,629	-	12,748	1,881	873	281	1.63
2021	15,644	-	11,626	4,018	903	250	3.48
2022	17,241	-	11,827	5,415	931	218	4.71
2023	18,158	-	14,772	3,386	963	185	2.95
2024	13,494	6,088	16,276	3,306	995	151	2.88
2025	13,872	6,845	16,954	3,763	1,029	115	3.29

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]
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%
2025	86,451	5,538,519	64,065	3.3%

Notes:
The city utilizes data provided by HdL, Coren & Cone for various reports published in 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, 2025			As of June 30, 2016		
Employer	**Number of Employees (1)**	**Percentage of Total Employment**	**Employer**	**Number of Employees (1)**	**Percentage of Total Employment**
University of California, Santa Barbara	11,839	13.80%	University of California, Santa Barbara	10,827	12.95%
County of Santa Barbara	4,678	5.45%	County of Santa Barbara	4,945	5.92%
Cottage Health System	4,484	5.23%	Cottage Health System	3,760	4.50%
Vandenberg Space Force Base	4,212	4.91%	Santa Barbara City College	2,348	2.81%
Marian Regional Medical Center	2,244	2.62%	Santa Barbara Unified School District	2,000	2.39%
Santa Maria-Bonita School District	2,010	2.34%	City of Santa Barbara	1,619	1.94%
Chumash Casino Resort	2,000	2.33%	Raytheon Electronic Systems	1,100	1.32%
Santa Barbara Unified School District	1,643	1.91%	Sansum Medical Foundation Clinic	1,002	1.20%
Allan Hancock College	1,600	1.86%	Santa Barbara County Education	875	1.05%
RTX	1,400	1.63%	Goleta Union School District	625	0.75%
Ten largest companies or organizations	36,110	42.09%		29,101	34.81%

Sources:
(1) State of California EDD (Unemployment Rate and Labor Force Data), City of Santa Barbara FY16 ACFR, and Pacific Coast Business Times "2025 Book of Lists".

Source Notes: In preparing the FY25 principal employers schedule, the total number of employees ("Labor Force") at 6/30/25 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 (FY16) was obtained from FY16 ACFR (CAFR) Statistic Section, and FY25 Employer data was from the Pacific Coast Business Times' 2025 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

	Full-time Equivalent Employees as of June 30									
Function	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Administration	106.5	106.5	108.3	111.3	103.0	106.0	110.3	111.3	118.5	119.0
Administrative services (3)	30.5	30.5	30.5	31.5	28.0	29.0	32.0	32.0	43.0	43.0
City administrator	9.5	9.5	8.5	8.5	13.0	14.0	15.0	15.0	14.0	14.0
City attorney	11.0	11.0	13.8	15.8	15.0	16.0	16.8	16.8	15.0	15.5
Finance	47.5	47.5	47.5	47.5	39.0	39.0	38.5	39.5	38.5	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	317.0	317.0	316.0	316.0	316.0	315.0	316.0	316.0	315.0	315.0
Police	212.0	212.0	211.0	210.0	210.0	209.0	210.0	210.0	210.0	210.0
Fire	105.0	105.0	105.0	106.0	106.0	106.0	106.0	106.0	105.0	105.0
Public works (4)	143.0	140.0	141.0	143.0	142.0	142.0	146.8	147.0	145.0	144.0
Community services	126.5	131.6	132.8	125.5	123.0	124.0	129.8	128.2	127.0	127.6
Library	36.1	38.4	40.4	35.0	34.0	35.0	39.0	37.4	45.0	45.6
Parks and recreation	90.4	93.3	92.5	90.5	89.0	89.0	90.8	90.8	82.0	82.0
Community development	70.8	73.8	72.8	75.3	76.0	78.0	81.0	81.0	81.5	83.5
Water	74.3	75.3	72.8	72.8	70.5	71.5	71.0	71.8	71.8	71.8
Wastewater	49.0	49.0	52.5	52.5	56.5	56.5	57.0	57.0	57.0	57.0
Sustainability and resilience (2)	0.0	0.0	0.0	0.0	14.0	15.0	17.0	17.0	31.0	30.0
Airport	55.5	55.8	61.0	63.0	66.0	67.0	71.0	71.0	73.0	73.0
Waterfront	46.0	47.0	47.0	47.0	48.0	48.0	48.0	48.0	47.0	46.0
Parking and transportation	31.4	31.4	30.4	30.4	27.0	27.0	30.4	29.4	29.4	29.4
Golf (1)	9.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	1,029.7	1,027.3	1,034.5	1,036.7	1,042.0	1,050.0	1,078.2	1,077.7	1,096.2	1,096.3

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 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	Fiscal Year 2025
Police										
Parking citations	55,716	59,580	59,613	72,038	49,439	55,439	51,554	25,923	39,125	56,275
Street sweeping citations	29,031	27,032	26,349	26,922	19,514	21,675	25,925	20,151	20,624	0
Fire										
Number of calls received	9,102	9,891	9,240	10,583	7,312	9,198	11,292	11,448	12,031	11,950
Engine company fire inspections	2,890	2,450	2,329	2,034	924	-	564	823	1,454	1,280
Public works										
Street resurfacing (Blocks)	14.2	8.4	11.3	36.0	54.0	31.0	0.0	26.0	126.0	234.0
Community services										
Library items checked out	825,731	792,767	826,420	957,879	749,877	565,258	697,963	564,071	637,747	582,983
Community development										
Building inspections completed	11,403	11,805	13,128	11,690	13,252	12,091	13,838	14,063	14,997	13,144
Total permits issued (1)	2,818	2,571	2,777	2,741	2,438	2,388	2,273	3,949	2,774	2,630
Water										
Million gallons water treated	4,247	4,132	4,600	4,016	4,382	5,558	2,687	4,054	4,156	4,605
Percent of drinking water regulations met	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Wastewater										
Million gallons waste water treated	2,301	2,312	2,252	2,369	2,202	2,088	2,137	2,320	2,500	2,223
Miles of wastewater collection system pipes cleaned	262	219	277	346	280	275	330	271	240	223
Percent of discharge requirements met	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Airport										
Total number of annual passengers	630,612	690,992	738,079	860,909	796,908	426,836	1,122,129	1,385,020	1,314,660	1,486,968
Annual tons of airfreight	1,794	1,736	1,943	1,838	1,675	1,758	1,607	1,399	1,411	1,742
Waterfront										
Number of lease contracts managed	64	65	60	60	61	61	62	62	62	62
Number of parking permits distributed	765,471	781,419	727,345	736,660	609,178	754,696	840,583	828,014	781,014	822,352
Parking										
Vehicles parked in city lots	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	3,137,485
Golf course										
Paid rounds of golf	55,376	53,799	54,300	52,222	54,465	76,393	72,248	65,647	71,895	76,453

Source: Various City Departments

(1) FY23 permits issued was corrected in FY24 due to clerical error.

CITY OF SANTA BARBARA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	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	Fiscal Year 2025
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)	255	255	255	254	254	254	254	254	256	256
Streetlights										
Concrete installed-sidewalk, curb and gutter (sq ft.)	14,145	15,976	15,387	83,698	28,242	21,481	54,837	0	N/A	N/A
Sidewalks (sq. ft.)	-	-	-	-	-	-	-	8,000,000	8,000,000	8,000,000
Curbs and Gutters (sq. ft.)	-	-	-	-	-	-	-	1,609,344	1,609,344	1,609,344
Community services										
Parks acreage	1,765	1,808	1,808	1,810	1,815	1,815	1,815	1,815	1,815	1,877
Parks and sports facilities	57	60	60	60	60	60	60	60	60	64
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis and pickle ball courts	34	33	33	33	33	33	33	33	33	36
Community buildings	15	16	16	16	16	16	16	16	16	18
Libraries	2	2	2	2	2	3	3	3	3	3
Number of volumes (books, periodicals, tapes, etc.)	439,773	396,055	564,103	506,195	521,414	454,560	436,554	436,554	436,554	435,243
munity 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	2	2	3	3	3	3
Number of pump stations	14	14	14	14	15	17	17	17	17	17
Number of treatment plants	2	3	3	3	3	3	3	3	3	3
Number of wells	8	9	10	10	9	9	9	9	9	9
Wastewater										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of lift stations	7	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	6,943,779	6,784,710	6,784,710	6,784,710	6,784,710	6,848,906
Waterfront										
Number of harbor slips	1,139	1,143	1,141	1,143	1,143	1,143	1,143	1,143	1,143	1,152
Parking										
Number of parking structures and lots	16	15	15	15	15	15	15	16	15	14
Number of parking spaces	3,628	3,605	3,605	3,605	3,605	3,605	3,605	3,532	3,584	3,372