

City of Carpinteria, California Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2016



CITY OF CARPINTERIA, CALIFORNIA
Comprehensive Annual Financial Report
For the
Fiscal Year Ended June 30, 2016

Prepared By the Department of Administrative Services



Introductory Section



CITY OF CARPINTERIA
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Fiscal Year Ended June 30, 2016

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CITY of CARPINTERIA, CALIFORNIA



December 15, 2016

To the Honorable Mayor, Members of
the City Council and Citizens of the City of Carpinteria

The City follows a policy of preparing a complete set of financial statements in conformity with U. S. generally accepted accounting principles after the end of each fiscal year. This report is published to fulfill that policy for the fiscal year ended June 30, 2016.

Management of the City of Carpinteria assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that the City has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the City's financial statements are free of material misstatements.

The firm of Terry E. Krieg, Certified Public Accountant, has issued an unqualified independent auditor's report on the City of Carpinteria's financial statements for the fiscal year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY AND ITS OPERATIONS

The City of Carpinteria was incorporated in 1965. The City is located on the Central Coast of California about 100 miles north of Los Angeles. The City is within about ten minutes of driving time from the downtown area of the City of Santa Barbara which is visited annually by substantial numbers of tourists seeking to enjoy the area's moderate Climate, ocean views and sunsets, fine restaurants, and the relaxing atmosphere unique to coastal communities.

The City is home to about 13,900 individuals, and most of the City is residential. The City's population has been growing by a rate of about 2 percent a year. Major commercial and industrial development has been restrained by economic conditions.

The City operates under a council-manager form of government. Policy making and legislative authority are vested in the City Council consisting of the Mayor and four other elected Council members. The Council is responsible, among other matters, for passing ordinances, adopting the City budget, appointing committees, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the daily operations of the City and for appointing other employees and otherwise managing daily operations of the City. The Council is elected to four year staggered terms.

The City provides a range of municipal services including police protection; construction and maintenance of City streets, storm drains, bridges and similar infrastructure type assets; park maintenance; community recreation activities.

The City's annual budget serves as the foundation for the City of Carpinteria's financial planning and control system. All departments of the City submit requests for appropriations to the City Manager each year. The Manager uses these requests as a starting point for developing a proposed budget. The Manager presents a proposed budget to the City Council each year. The Council holds public hearings on the proposed budget and then ultimately adopts a formal budget. The budget is adopted by fund, function, department and object. The Council periodically reviews during the fiscal year the City's actual financial activity in relationship to the original budget, and as necessary amends the original budget to reflect changing conditions.

The General Fund, the Development Impact Fee Fund, the Measure A Fund and the Revolving Fund, all deemed major funds under the new reporting standards, are presented as required supplementary information in a separate section of this report immediately following the notes to the financial statements. For the City's other governmental-type funds a budget to actual comparison schedule is presented as optional information in the section of this report containing combining financial statements and individual fund schedules.

Local Economy

The City is located in a beautiful area of the Central Coast and the City limits encompass beaches on the Pacific Ocean. Several lodging establishments, fine restaurants, a downtown with shops reflecting an attractive and enjoyable small City environment, are for the most part within walking distance of the City's beaches on the Pacific Ocean. About 90 percent of the City's general fund revenues come from the local hotel tax, sales tax revenues, franchise and local property taxes. In fiscal 2016 the City experienced about a 4.3% increase (about \$384,000) in its general fund revenues. These increases were in nearly all the major categories.

The City will continue to monitor closely all revenue sources in order to evaluate the viability of the City's 2017 financial plan.

Long-Term Financial Planning

The City has identified some \$148 million in capital projects to be completed in the foreseeable future. These include about \$ 105 million for Highway 101 interchange projects, \$11 million for community center projects, \$5 million for storm drain improvements, \$16 million for local street projects and \$11 million for other local projects. While the general fund ended fiscal 2016 with about a \$ 8.7 million fund balance, the City believes that some of this can be used for future capital improvements. The City also has about \$2.9 million in the Development Impact Fee Fund and \$1.2 million in the Measure A Fund which monies will specifically be used for future projects, mainly street infrastructure. While some financial resources are currently available to meet the City's long-range needs, the City will need to evaluate its capital and infrastructure improvement needs and may find it necessary to obtain long-term debt financing to be able to complete the planned projects.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Carpinteria for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. In order to receive this award, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a one year period only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration departments. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor the Members of the City Council and the City Manager for their continued support for maintaining the highest standards of professionalism in the management of the City of Carpinteria's financial affairs.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "John Thornberry". The signature is fluid and cursive, with a large loop at the end.

John Thornberry
Administrative Services Director

CITY OF CARPINTERIA

List of Principal Officials

June 30, 2016

CITY COUNCIL

Mayor
Vice Mayor
Councilmember
Councilmember
Councilmember

Gregg Carty
Fred Shaw
J. Bradley Stein
Al Clark
Wade Nomura

APPOINTED OFFICIALS

City Manager
City Attorney
Administrative Services
Director
City Clerk
Public Works
Director/Engineer
Parks and Recreation Director
Community Development
Director

Dave Durflinger
Peter N. Brown
John Thornberry

Fidela Garcia
Charles Ebeling

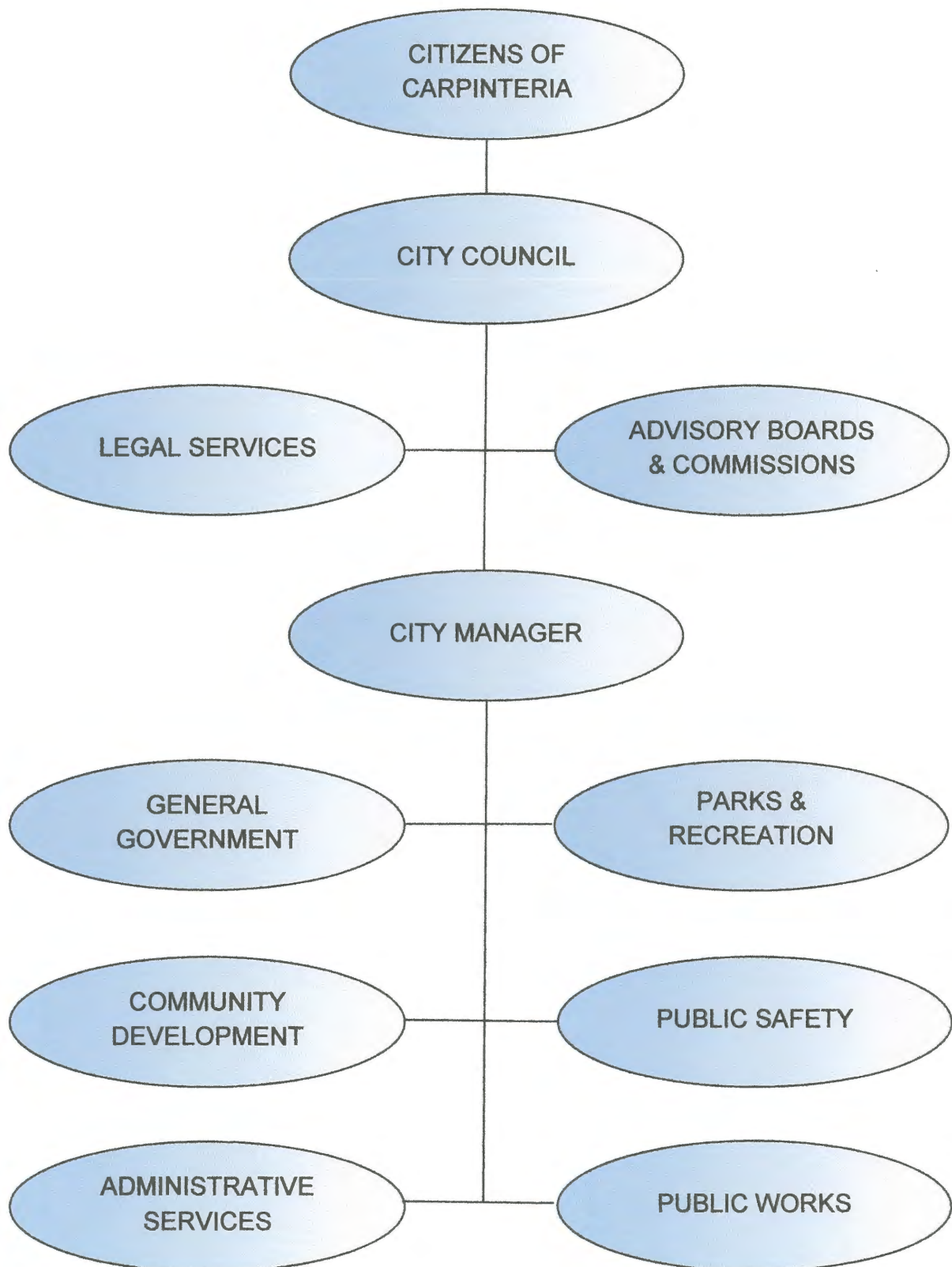
Matthew Roberts
Steve Goggia

BOARDS AND COMMISSIONS

Planning Commission
Parking and Business Improvement Area
Architectural Review
Tree Advisory
Mobile Home Rent Stabilization
Personnel

City of Carpinteria

Organizational Chart





Government Finance Officers Association

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

Presented to

**City of Carpinteria
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



Financial Section





Terry E. Krieg, CPA
Certified Public Accountant

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Carpinteria
Carpinteria, California

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Carpinteria, California, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Carpinteria's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Carpinteria, California as of June 30, 2016, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The City in fiscal 2016 adopted the provisions of Governmental Accounting Standards Board (GASB) Statement Number 72, titled, Fair Value Measurement and Application. My opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 12 and the Budgetary Comparison Schedules, Schedule of Funding Progress, Schedule of the City's Proportionate Share of the Net Pension Liability, and Schedule of Employer's Pension Contributions on pages 35 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

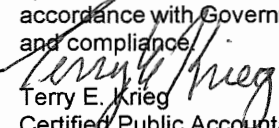
Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carpinteria's basic financial statements. The accompanying nonmajor fund combining financial statements, budget and actual schedules, schedules of capital assets, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The nonmajor fund combining financial statements, budget and actual schedules, and schedules of capital assets 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the nonmajor fund combining financial statements, budget to actual schedules, and schedules of capital assets is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report, dated October 31, 2016 on my consideration of the City of Carpinteria's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Carpinteria's internal control over financial reporting and compliance.


Terry E. Krieg
Certified Public Accountant
Santa Rosa, California
October 31, 2016

This section of the *City of Carpinteria's* annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the City's audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Revenue from all governmental activities of \$12,748,048 decreased by \$64,055 compared to the 2015 fiscal year. General Fund revenues increased \$384,541 while all of the other major funds and other governmental funds decreased by \$448,596.
- Expenses for all governmental activities of \$12,383,606 increased by \$1,083,644, or 9.6%, compared to fiscal 2015. General Government and Public Safety programs increased \$371,910 or 5.2% while Public Works and Recreation programs increased \$717,734 or 17.3%. The City's total net position therefore increased by \$364,442 over the course of this year's operations after conducting all City operations and programs
- General revenue from taxes and investments totaling \$9,122,214 showed an increase of \$546,314 from prior year levels. All categories of general revenues increased, most notably property taxes, \$179,649 and investment earnings, \$263,181. The vast majority of the investment earnings variance, \$229,628, is due to the requirement that each year the book value of Treasury Notes be marked to market. A year ago this mark to market adjustment resulted in a decrease in investment earnings of \$163,687. In the current year this adjustment resulted in an increase in investment earnings of \$65,941. To avoid having these, sometimes volatile, market changes in investment earnings affect the unreserved fund balance these adjustments are recognized as changes in the economic uncertainties reserve.
- The General Fund reported an ending total fund balance of \$8,671,406 as of June 30, 2016 compared to \$8,426,842 at the end of fiscal 2015, a \$244,564 increase.
- The City also ended the fiscal year with \$2,962,441 reported in its major development impact fee fund which monies are set aside for future infrastructure improvements. This is a decrease of \$8,761 compared to the end of fiscal 2015. The City's other major funds, Revolving and Measure A, ended the year with fund balances of \$34,151 and \$1,217,688 respectively. The City's other non-major governmental funds ended 2016 with \$2,604,110 available for special purposes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of five parts – *an introductory section, management's discussion and analysis* (this section), the *basic financial statements, required supplementary information*, and an optional section that presents *combining statements* for no major governmental funds and statistical information. The basic financial statements include two kinds of statements that present different views of the City:

The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's *overall* financial status. The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The *governmental funds* statements tell how *general government* services like public safety, recreation, public works, parks and general operations were financed in the *short term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about non major funds, each of which are added together and presented in single columns in the basic financial statements.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1
Major Features of City of Carpinteria's Government-Wide and Fund Financial Statements

| | | Fund Statements | |
|---|--|--|--------------------|
| | | Government-Wide Statements | Governmental Funds |
| <u>Scope</u> | Entire City government | The activities of the City that are not proprietary or fiduciary, such as police, parks, public works, streets, recreation programs and general administration | |
| <u>Required financial statements</u> | <ul style="list-style-type: none"> • Statement of net position • Statement of activities | <ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances | |
| <u>Accounting basis and measurement focus</u> | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | |
| <u>Type of asset/liability information</u> | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included | |
| <u>Type of inflow/outflow information</u> | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | |

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Carpinteria's finances in a manner similar to the financial reporting methods used by private-sector businesses. The *statement of net position* includes *all* the City of Carpinteria's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Carpinteria 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 cash flows*

Both of the government-wide financial statements distinguish functions of the City of Carpinteria that are principally supported by taxes and intergovernmental revenues(the governmental activities) from other functions that are designed to recover a significant portion of their costs through user fees(the business-type activities).

The government-wide financial statements of the City are reported in one category:

- *Governmental activities* – All of the City's basic services are included here, such as the police, public works, parks, streets, and general administration. Property taxes, sales taxes, transient occupancy taxes, special and other taxes, user charges and fees and state, local and federal grants finance these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law such as the State Gas Tax Fund.

- Most other funds are maintained to demonstrate that the City is properly using certain specific taxes and restricted revenues for their intended purpose (such as the City's street lighting tax and landscape maintenance tax funds).
- Other funds are maintained for similar purposes but in addition demonstrate the City's ability to repay its long-term debt obligations such as the certificates of participation debt service fund.

The City has one type of fund:

- *Governmental funds* – The City's basic services are included in governmental funds, which focus on (1) *how cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term view* that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

The City of Carpinteria has several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the City's general fund, development impact fees fund, revolving fund and the Measure A fund all of which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for these other non-major governmental funds is provided in the form of combining statements elsewhere in this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a more complete understanding of the data provided in the government-wide and fund financial statements. The notes are found immediately after the basic financial statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the City of Carpinteria's adopted and final budget, compared to actual results, for the City's general fund, development impact fee fund, revolving fund, and Measure "A" fund. The RSI section also contains schedules about the funding progress of the City's retired employee health care plan and schedules about pension plan proportionate shares and contributions to the plan.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (The City as a Whole)

Net Position. The City's *combined* net position increased \$364,442 between fiscal years 2015 and 2016. (See Table A-1.)

**TABLE A-1
CITY OF CARPINTERIA'S NET POSITION**

| | 2016 | 2015 | Percentage Change 2015-2016 |
|----------------------------------|---------------------|---------------------|-----------------------------------|
| Assets: | | | |
| Current and other assets | \$16,714,354 | \$16,395,005 | +1.9% |
| Capital assets | 19,580,644 | 19,561,546 | +0.1% |
| Total assets | 36,294,998 | 35,956,551 | +0.9% |
| Deferred outflows of resources: | | | |
| Pension plan deferrals | 395,475 | 506,884 | -22.0% |
| Liabilities: | | | |
| Current liabilities | 1,420,058 | 1,673,009 | -15.1% |
| Noncurrent liabilities | 7,750,804 | 7,144,491 | + 8.5% |
| Total liabilities | 9,170,862 | 8,817,500 | +4.0% |
| Deferred inflows of resources: | | | |
| Pension plan timing differences | 940,042 | 1,430,808 | -34.3% |
| Net position: | | | |
| Net investment in capital assets | 19,256,641 | 18,752,543 | +2.7% |
| Restricted | 5,949,721 | 6,635,977 | -10.3% |
| Unrestricted deficit | 1,373,207 | 826,607 | +66.1% |
| Total net position | \$26,579,569 | \$26,215,127 | +1.4% |

Net position of the City's governmental activities increased \$364,442 to \$26,579,569. About 72 % of the net assets relating to governmental activities are represented by the City's net investment in its capital assets such as buildings, land, equipment and facilities. The remaining 28% is essentially represented by cash, investments and receivables. About 85% of the City's total liabilities are represented by long-term obligations such as pension and other than pension retiree benefits as well as the certificates of participation.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (The City as a Whole)

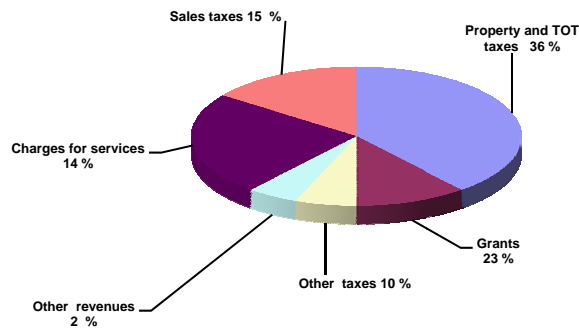
Changes in net position. The City's 2016 total revenues of \$12,748,048 decreased by \$64,055 compared to 2015 as a result of increases in general revenues discussed above combined with decreases in program revenues such as charges for services, operating grants and capital grants. (See Table A-2.). About 69 % of the City's revenue comes from some type of tax including property, sales, and other taxes. The remainder comes from fees charged for services, state, local and federal aid, and contributions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

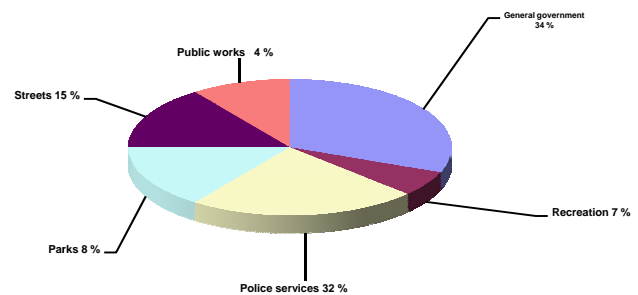
The total cost of all programs and services in fiscal 2016 was \$ 12,383,606 and includes a wide range of services such as police protection, streets, public works, general administration and recreation related services.

The Sources of the City's major types of revenue and the areas where such resources are used is shown below in summary graphic form:

Sources of Revenue for Fiscal Year 2016



Functional Expenses for Fiscal Year 2016



Governmental Activities

Revenues from all activities decreased in fiscal 2016 by \$64,055 to \$12,748,048. Expenses of all City programs increased by \$1,083,644 to \$12,383,606.

As the above graph shows, the City's primary sources of revenue come from some kind of tax. Charges for services account for about 16% of the City's total revenue stream. The City depends heavily upon transient occupancy taxes (hotel tax), sales taxes, special local taxes and local property tax revenues to fund the costs of City programs.

The majority of the City's operating expenses are incurred to provide police protection and general operational costs of the City. Combined, safety and administration account for 61% of the City's total 2016 operating expenses. The other 39% of the City's 2016 operating expenses were incurred to provide recreation, parks, street maintenance, landscaping, and lighting services.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (The City as a Whole)
Table A-2
Changes in City of Carpinteria's Net Position

| | | | Total Percent Change |
|---------------------------------|---------------------|---------------------|-------------------------|
| | 2016 | 2015 | 2015-2016 |
| Revenues | | | |
| Program revenues: | | | |
| Charges for services | \$2,036,889 | \$2,229,651 | -8.6% |
| Grants and contributions | 1,588,945 | 2,006,552 | -20.8% |
| General revenues: | | | |
| Property taxes | 3,142,567 | 2,962,918 | 6.1% |
| Sales taxes | 2,090,019 | 2,054,033 | 1.8% |
| Hotel tax(TOT) | 2,379,751 | 2,369,762 | 0.4% |
| Other | 1,509,877 | 1,189,187 | 27.0% |
| Total revenues | 12,748,048 | 12,812,103 | -0.5% |
| Expenses | | | |
| General government | 3,945,980 | 3,392,625 | 16.3% |
| Public safety | 3,623,748 | 3,805,193 | -4.8% |
| Recreation and parks | 1,618,317 | 1,556,728 | 3.9% |
| Public works/streets | 3,173,896 | 2,516,574 | 26.1% |
| Other | 21,665 | 28,842 | -24.9% |
| Total expenses | 12,383,606 | 11,299,962 | 9.6% |
| Increase in net position | 364,442 | 1,512,141 | |
| Net position, beginning, | 26,215,127 | 24,702,986 | 6.1% |
| Net position, ending | \$26,579,569 | \$26,215,127 | 1.4% |

The decrease in the change in net position for 2016 compared to 2015 was directly related to the increase in total expenses (spending) far exceeding the decrease in total revenues.

Hotel tax revenues increased in fiscal 2016, as did sales tax and property tax revenues indicating that our local economy continues to recover from the general economic slowdown.

The 27 percent increase in other general revenues was from the fair value pricing of the City's investment in U.S. Treasury notes.

Table A-3 presents the cost of each of the City's four largest programs – administration or general government, public safety, public works and parks.

- The cost of all *governmental* activities this year was \$12,383,606 compared to \$11,299,962 in fiscal 2015.

GOVERNMENT WIDE FINANCIAL ANALYSIS (The City as a Whole)

- While users and contributors funded \$3,625,834 of the costs of city programs through related program revenues, the City still had to fund the short fall from general revenues such as taxes and this short fall was an additional \$8,757,772. Major sources of program revenues were:
 - Those who directly benefited from or used the programs \$2,036,889, or
 - Other governments and organizations that subsidized certain programs with grants and contributions, \$1,588,945.
- The City paid for the \$8,757,772 “public benefit” portion with property taxes, sales taxes, other tax revenues and investment earnings.

Table A-3
Cost of City of Carpinteria's Governmental Activities

| | Total Cost of Services | | Percentage Change |
|----------------------|------------------------|---------------------|-------------------|
| | 2016 | 2015 | 2015-2016 |
| General Government | \$3,945,980 | \$3,392,625 | +16.3% |
| Public Safety | 3,623,748 | 3,805,193 | -4.8% |
| Public Works | 3,173,896 | 2,516,574 | +26.1% |
| Parks and Recreation | 1,618,317 | 1,556,728 | +4.0% |
| All other | 21,665 | 28,842 | -24.9% |
| Total | \$12,383,606 | \$11,299,962 | +9.6% |

Overall, spending increased from 2015 by about 9.6%. The increases in General Government and Public Works were very significant increasing a little more than 16.9% or \$1,059,729 while Public Safety program expenses decreased 4.8% or \$181,445.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, its governmental funds reported a *combined* fund balance of \$15,489,796 compared to \$14,915,079 at the end of fiscal 2015. The City transferred a net total of \$782,487 out of the general fund and into other funds. Most of this went to fund a \$500,000 pavement project and debt service on the certificates of participation. The remainder was transferred to other special funds to subsidize their operations where revenue generation was insufficient. At year end, the City's general fund had a fund balance of \$8,671,406. Within the general fund balance the City has reserved \$6,936,744 for future projects, asset replacement and Public, Education and Government Access Television and contingencies leaving \$1,734,662 available to start the next fiscal year.

The City's other major funds, the development impact fee, revolving and measure A funds, ended the 2016 year with fund balances of \$2,962,441, \$34,151 and \$1,217,688 respectively. These monies are legally restricted for future infrastructure projects related to streets, bridges, highways, parks and other capital assets projects and cannot be

MANAGEMENT'S DISCUSSION AND ANALYSIS

used to pay for general governmental operations. In addition, the City's non major governmental funds ended the 2016 fiscal year with a combined fund balance of \$2,604,110.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget several times. The budget amendments fall into two categories: changes made at the midyear budget review for unanticipated revenues and costs and increases in appropriations to prevent budget overruns.

Actual general fund revenues and transfers in were \$197,696 over budget. Major components of this variance were greater than expected property and occupancy taxes, and a significant increase in the fair market value of Treasury note investments.

Actual general fund expenditures and transfers out were \$45,242 under the final budget projections.

Overall, the general fund balance increased \$242,938 more than anticipated in the budget.

CAPITAL ASSET AND DEBT ADMINISTRATION**Capital Assets**

At the end of 2016, the City had invested \$ 19,256,641 in a broad range of capital assets, including land, equipment, vehicles, buildings, park facilities, the City pool and other assets. (See Table A-4.) This amount represents a net increase (including additions and deductions) of \$19,098 from last year.

Table A-4
City of Carpinteria -Changes in
Capital Assets

| | Total | | Total Percentage Change |
|----------------------------|---------------------|-------------------|-------------------------------|
| | 2016 | 2015 | 2015-2016 |
| Land and site improvements | \$11,316,888 | \$11,316,888 | +0.0% |
| Buildings and pool | 1,167,297 | 1,232,756 | -5.3% |
| Machinery and equipment | 159,227 | 148,788 | +7.0% |
| Streets and improvements | 5,242,434 | 5,388,546 | -2.7% |
| Vehicles | 164,908 | 101,965 | +61.7% |
| Construction in progress | 1,205,887 | 1,048,600 | +15.0% |
| Total | \$19,256,641 | 19,237,543 | +0.1% |

This year's major capital asset additions included:

The City had modest capital asset financial activity in fiscal year 2016 as the City added \$366,733 to construction in progress, facilities, equipment and vehicles.

Details on capital asset activity are shown on page 25 of this report in the notes to the basic financial statements.

The City in fiscal year 2016 had financial transactions which qualified to be capitalized as a capital asset under the City's Infrastructure Accounting Policy. This policy requires that the City identify, account for, assign depreciable lives, and calculate depreciation on infrastructure type capital assets. The City has determined that infrastructure systems applicable to the City include streets, roads, bridges, and street lighting systems with an initial cost of at least \$ 50,000. Also costs incurred to preserve or expand the capacity of infrastructure installed prior to 2002 will qualify under this policy to be reported as capital assets.

The City has not recaptured or reported the estimated and or historical costs of other major infrastructure assets put in service subsequent to fiscal year 1980 and prior to 2002. The City, as a Phase 3 Implementation Government, is not required to do so under accounting principles generally accepted in the United States.

Long - Term Debt

At the end of 2016, the City's only form of long-term debt securities consisted of \$330,000 in certificates of participation issued by the City's Improvement Corporation (a blended component unit) under a leasing arrangement with the City. All required debt service payments have been made as required in fiscal 2016. Further details on long-term debt are presented in the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the 2017 fiscal year, general fund revenue projections have been conservative compared to higher revenue projections in the past.

- Overall general fund revenues are projected to be \$699K less than fiscal year 2016 actual amounts.
- The City expects that general fund revenues will be less than general fund spending in fiscal 2017 by about \$318K.

General fund 2017 budgeted appropriations are set at \$ 8.90M. This is about \$800K less than 2016 actual expenditures. In fiscal 2017, total City spending is expected to be about \$16.5M or about \$4.1M more than 2016 actual expenditures.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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 questions about this report or need additional financial information, contact the Administrative Services Director, City of Carpinteria, 5775 Carpinteria Avenue, Carpinteria, California 93013.

CITY OF CARPINTERIA
Statement of Net Position
June 30, 2016

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Current assets: | |
| Cash and investments | \$ 15,081,914 |
| Net receivables | 1,388,064 |
| Prepayments | 216,537 |
| Inventories | 27,839 |
| Total current assets | <u>16,714,354</u> |
| Noncurrent assets: | |
| Notes receivable | 324,003 |
| Capital assets not being depreciated | 12,522,775 |
| Net capital assets being depreciated | 6,733,866 |
| Total noncurrent assets | <u>19,580,644</u> |
| Total assets | <u>\$ 36,294,998</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension plan contributions subsequent to measurement date | 395,475 |
| Total deferred outflows of resources | <u>395,475</u> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | \$ 277,643 |
| Accrued liabilities | 86,907 |
| Compensated absences | 30,000 |
| Deposits | 610,358 |
| Unearned advances | 249,650 |
| Accrued interest payable | 5,500 |
| Certificates | 160,000 |
| Total current liabilities | <u>1,420,058</u> |
| Noncurrent liabilities: | |
| Compensated absences | 65,229 |
| Net other post employment benefit obligation | 2,381,396 |
| Net pension liability | 5,134,179 |
| Certificates due in more than one year | 170,000 |
| Total noncurrent liabilities | <u>7,750,804</u> |
| Total liabilities | <u>9,170,862</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Differences in pension plan proportions | 644,689 |
| Differences in pension plan earnings, changes in assumptions, and actual experience | 295,353 |
| | <u>940,042</u> |
| NET POSITION | |
| Net investment in capital assets | 19,256,641 |
| Restricted for: | |
| Capital projects | 2,962,441 |
| Public education and communications | 191,981 |
| Debt service | 184,487 |
| Street maintenance and improvements | 2,339,234 |
| Recycling | 271,578 |
| Unrestricted | 1,373,207 |
| Total net position | <u>\$ 26,579,569</u> |

See accompanying notes to the basic financial statements

CITY OF CARPINTERIA
Statement of Activities
For the Fiscal Year Ended June 30, 2016

| Functions/Programs: | Program Revenues | | | | Total City Government |
|-----------------------------------|----------------------|-------------------------|--|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net (Expenses) Revenues and Changes in Net Position |
| City government: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 3,945,980 | \$ 473,436 | \$ - | \$ - | \$ (3,472,544) |
| Public safety: | | | | | |
| Police protection | 3,623,748 | 118,930 | 116,035 | - | (3,388,783) |
| Public works: | | | | | |
| Public works administration | 853,489 | 190,804 | - | - | (662,685) |
| Streets | 2,320,407 | 405,331 | 1,131,090 | 270,894 | (513,092) |
| Parks and recreation: | | | | | |
| Parks and recreation | 1,618,317 | 848,388 | 8,257 | 62,669 | (699,003) |
| Interest on long-term debt | 21,665 | - | - | - | (21,665) |
| Total governmental activities | 12,383,606 | 2,036,889 | 1,255,382 | 333,563 | (8,757,772) |
| Total City government | <u>\$ 12,383,606</u> | <u>\$ 2,036,889</u> | <u>\$ 1,255,382</u> | <u>\$ 333,563</u> | <u>(8,757,772)</u> |
| General revenues: | | | | | |
| Taxes: | | | | | |
| Property taxes | | | | | \$ 3,142,567 |
| Sales taxes | | | | | 2,090,019 |
| Franchise taxes | | | | | 660,231 |
| Park maintenance taxes | | | | | 153,082 |
| Street lighting taxes | | | | | 327,430 |
| Transient occupancy taxes | | | | | 2,379,751 |
| Other taxes | | | | | 160,630 |
| Other general revenues | | | | | 25,242 |
| Unrestricted investment earnings | | | | | 183,262 |
| Total general revenues | | | | | <u>9,122,214</u> |
| Change in net position | | | | | 364,442 |
| Net position, beginning | | | | | <u>26,215,127</u> |
| Net position, ending | | | | | <u>\$ 26,579,569</u> |

See accompanying notes to the basic financial statements

CITY OF CARPINTERIA
Balance Sheet
Governmental Funds
June 30, 2016

| | General Fund | Development Impact Fee Fund | Revolving Fund | Measure A Fund | Other Governmental Funds | Total Governmental Funds |
|---|--------------------|-----------------------------|-------------------|---------------------|--------------------------|--------------------------|
| ASSETS | | | | | | |
| Cash and investments | \$7,623,306 | \$ 3,277,866 | \$ 254,395 | \$ 1,236,211 | \$ 2,690,136 | \$ 15,081,914 |
| Taxes receivable | 978,727 | - | - | - | - | 978,727 |
| Accounts receivable | 174,015 | - | - | - | 1,661 | 175,676 |
| Due from other governments | - | - | 181,024 | - | 26,294 | 207,318 |
| Accrued interest receivable | 26,343 | - | - | - | - | 26,343 |
| Prepayments | 216,537 | - | - | - | - | 216,537 |
| Due from other funds | 138,394 | - | - | - | - | 138,394 |
| Inventory | - | - | - | - | 27,839 | 27,839 |
| Notes | - | 324,003 | - | - | - | 324,003 |
| Total assets | <u>\$9,157,322</u> | <u>\$ 3,601,869</u> | <u>\$ 435,419</u> | <u>\$ 1,236,211</u> | <u>\$ 2,745,930</u> | <u>\$ 17,176,751</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 107,447 | \$ 8,402 | \$ 13,224 | \$ 18,523 | \$ 130,047 | \$ 277,643 |
| Accrued liabilities | 75,134 | - | - | - | 11,773 | 86,907 |
| Deposits | 303,335 | 307,023 | - | - | - | 610,358 |
| Due to other funds | - | - | 138,394 | - | - | 138,394 |
| Unearned advances | - | - | 249,650 | - | - | 249,650 |
| Total liabilities | <u>485,916</u> | <u>315,425</u> | <u>401,268</u> | <u>18,523</u> | <u>141,820</u> | <u>1,362,952</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | | | |
| Long-term notes receivable | - | 324,003 | - | - | - | 324,003 |
| Total deferred inflows of resources | - | <u>324,003</u> | - | - | - | <u>324,003</u> |
| FUND BALANCES: | | | | | | |
| Nonspendable | 216,537 | - | - | - | 26,439 | 242,976 |
| Restricted for: | | | | | | |
| Cable television access | 191,981 | - | - | - | - | 191,981 |
| Debt service | - | - | - | - | 184,487 | 184,487 |
| Infrastructure projects | - | 2,962,441 | - | - | - | 2,962,441 |
| Streets | - | - | - | 1,217,688 | 2,121,606 | 3,339,294 |
| Recycling | - | - | - | - | 271,578 | 271,578 |
| Committed for: | | | | | | |
| Capital asset replacement | 1,039,531 | - | - | - | - | 1,039,531 |
| Economic uncertainties | 4,402,285 | - | - | - | - | 4,402,285 |
| Special projects | 1,086,410 | - | 34,151 | - | - | 1,120,561 |
| Unassigned | 1,734,662 | - | - | - | - | 1,734,662 |
| Total fund balances | <u>8,671,406</u> | <u>2,962,441</u> | <u>34,151</u> | <u>1,217,688</u> | <u>2,604,110</u> | <u>15,489,796</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$9,157,322</u> | <u>\$ 3,601,869</u> | <u>\$ 435,419</u> | <u>\$ 1,236,211</u> | <u>\$ 2,745,930</u> | <u>\$ 17,176,751</u> |
| Total Governmental Fund Balances | | | | | | \$ 15,489,796 |
| Amounts reported for governmental activities in the statement of net position are different because: | | | | | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds | | | | | | 19,256,641 |
| The net pension liability does not require the use of current financial resources and is therefore not reported in the funds | | | | | | (5,134,179) |
| Deferred inflows and deferred outflows of resources related to the net pension liability do not require the use of current financial resources and are not reported in the funds. | | | | | | (544,567) |
| Some assets such as long-term notes receivable are not available for use and are reported as deferred inflows of resources until collected in cash | | | | | | 324,003 |
| Some liabilities, including other post employment benefit obligations, certificates, compensated absences, claims, and accrued interest are not due and payable in the current period and are therefore not reported in the funds | | | | | | (2,812,125) |
| Net Position of Governmental Activities | | | | | | <u>\$ 26,579,569</u> |

See accompanying notes to the basic financial statements

CITY OF CARPINTERIA
Statements of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

| | General Fund | Development Impact Fee Fund | Revolving Fund | Measure A Fund | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|-----------------------------------|-------------------|---------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | | |
| Property taxes | \$ 3,142,567 | \$ - | \$ - | \$ - | \$ 480,512 | \$ 3,623,079 |
| Sales taxes | 2,090,019 | - | - | - | - | 2,090,019 |
| Transient occupancy taxes | 2,379,751 | - | - | - | - | 2,379,751 |
| Other taxes | 160,630 | - | - | - | - | 160,630 |
| Franchise taxes | 660,231 | - | - | - | - | 660,231 |
| Special assessments | - | - | - | - | 223,300 | 223,300 |
| Licenses and permits | 115,914 | - | - | - | - | 115,914 |
| Fines and forfeits | 93,594 | - | - | - | 25,639 | 119,233 |
| Intergovernmental | 33,336 | - | 517,406 | 748,818 | 300,705 | 1,600,265 |
| Interest | 172,452 | 23,515 | - | 12,836 | 23,380 | 232,183 |
| Charges for services | 451,737 | 89,125 | - | - | 715,037 | 1,255,899 |
| Miscellaneous | 1,885 | - | - | - | 285,659 | 287,544 |
| Total revenues | 9,302,116 | 112,640 | 517,406 | 761,654 | 2,054,232 | 12,748,048 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 3,650,176 | - | - | - | 6,164 | 3,656,340 |
| Public safety | 3,476,705 | - | 116,025 | - | 15,648 | 3,608,378 |
| Public works and streets | 750,873 | - | - | 259,756 | 1,104,354 | 2,114,983 |
| Parks and recreation | 337,524 | - | - | - | 1,042,808 | 1,380,332 |
| Capital outlay | 59,787 | 114,159 | 401,381 | 591,347 | 67,374 | 1,234,048 |
| Debt service: | | | | | | |
| Principal | - | - | - | - | 155,000 | 155,000 |
| Interest | - | - | - | - | 24,250 | 24,250 |
| Total expenditures | 8,275,065 | 114,159 | 517,406 | 851,103 | 2,415,598 | 12,173,331 |
| Excess (deficiency) of revenues over (under)expenditures | 1,027,051 | (1,519) | - | (89,449) | (361,366) | 574,717 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 647,922 | - | - | 608,991 | 1,194,257 | 2,451,170 |
| Transfers out | (1,430,409) | (7,242) | (8,761) | (115,959) | (888,799) | (2,451,170) |
| Total other financing sources (uses) | (782,487) | (7,242) | (8,761) | 493,032 | 305,458 | - |
| Net change in fund balances | 244,564 | (8,761) | (8,761) | 403,583 | (55,908) | 574,717 |
| Fund balances, July 1 | 8,426,842 | 2,971,202 | 42,912 | 814,105 | 2,660,018 | 14,915,079 |
| Fund balances, June 30 | <u>\$ 8,671,406</u> | <u>\$ 2,962,441</u> | <u>\$ 34,151</u> | <u>\$ 1,217,688</u> | <u>\$ 2,604,110</u> | <u>\$ 15,489,796</u> |

See accompanying notes to the basic financial statements

CITY OF CARPINTERIA
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2016

| | |
|---|-------------------|
| Net Change in Fund Balances - Total Governmental Funds | <u>\$ 574,717</u> |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$366,733) exceed depreciation (\$347,635) | 19,098 |
| Other post employment benefit obligations are liabilities that do not require the use of current financial resources and are therefore not reported in the funds | (294,043) |
| Proceeds of long-term debt provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayments of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net assets. This is the amount of debt repayments during the period on the leases and certificates | 155,000 |
| Changes in the net pension liability do not use current financial resources and are therefore not reported in the funds. | (473,358) |
| Deferred inflows and outflows of resources related to pensions do not use current financial resources and are not reported in the funds. | 379,357 |
| Some expenses in the statement of activities for noncurrent liabilities such as long-term compensated absences do not require the use of or provide current financial resources and are therefore not reported as expenditures or revenues in the governmental funds. | 1,086 |
| Interest accrued on long-term debt is recognized as an expense in the statement of activities, but is reported in the funds when due and payable | <u>2,585</u> |
| Net differences | <u>(210,275)</u> |
| Change in Net Position of Governmental Activities | <u>\$ 364,442</u> |

See accompanying notes to the basic financial statements

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Carpinteria is a municipal corporation governed by an elected five-member City Council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

The Carpinteria Public Improvement Corporation is a legally separate Corporate Entity for which the City is financially accountable and it is governed by the elected City Council. The Corporation was formed to provide a method of financing public improvements. The financial activities of the Corporation are blended with those of the City and are reported in the City's governmental funds, and as capital assets of the City and debt obligations of the City. A facility and site lease receivable of the Corporation and a corresponding lease payable of the City have been eliminated from the accompanying financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. 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 City has no functions which are reported as business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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. Assets in governmental funds that do not meet the availability criterion for recognition as revenue in the governmental funds are classified as a deferred inflow of resources as those resources are not available for spending in the current period.

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

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

Property taxes, sales taxes, transient occupancy taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. The City reports the following major governmental funds:

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

The *Development Impact Fee Fund* accounts for development impact fees collected by the City and restricted by City regulation for use only for capital related improvements; primarily infrastructure type assets. The Measure A fund is used to account for allocations made to the City by the County for use in street related projects. The *Revolving Fund* is used to account for grants and allocations made to the City by Federal, State and County governments for special and capital projects.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

D. Assets, Liabilities, and Net Position

1. Deposits and Investments

The City is authorized by its most recent investment policy to invest in the State of California Local Agency Investment Fund; FDIC insured interest-bearing checking accounts, investments permitted by California Law including U.S.Treasury securities. The City's investment policy specifically prohibits any investment resulting in zero interest accrual if held to maturity. Investments in the debt service fund are permitted to be invested in other investments in accordance with the trust agreement. Investments of the City are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares

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CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position (Continued)

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources. All trade and property tax receivables are not shown net of an allowance for uncollectibles.

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the County, and be shared by applicable jurisdictions. The County of Santa Barbara collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and become delinquent on December 10 and April 10. The City recognizes property tax revenues in the fiscal year in which they are due to the City.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when used or consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$ 3,000 (\$50,000 for infrastructure type assets) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Under the GASB 34 Implementation Rules, the City is classified as a Phase 3 government and is not required to record infrastructure assets existing or acquired prior to July 1, 2002; and the City has not recorded such assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|------------------------------|--------------|
| Buildings and improvements | 15 - 40 |
| Public domain infrastructure | 50 |
| System infrastructure | 50 |
| Vehicles and equipment | 5- 10 |

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position (Continued)

5. Compensated Absences and Other Post Employment Benefits

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is a liability for a portion of unpaid accumulated sick leave since the City does have a policy to pay certain amounts when employees separate from service with the City. All vacation pay and applicable sick leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City reports as a liability in the government wide financial statements, based upon actuarial computations, an estimate of its obligations for other post employment benefit obligations such as retired employee medical benefits. General fund financial resources are used to reduce/liquidate the City's net other post employment benefit obligations.

6. Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of California Public Employees Retirement System (PERS) and additions to or deductions from the PERS fiduciary net position have been determined on the same basis as they are reported by the PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The general fund is used to liquidate net pension obligations.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

8. Fund Balances – Governmental Funds

Fund balances for governmental funds are reported in classifications based primarily on the extent to which the City is bound to honor constraints about the specific purposes for which amounts in these funds can be spent. These classifications include (1) nonspendable, (2) restricted, (3) committed, (4) assigned and (5) unassigned amounts. Nonspendable amounts generally are items not expected to be converted into cash such as inventories, prepaid items and certain long-term receivables. Restricted amounts include those amounts where constraints placed on the use of the resources are externally imposed by grantors, contributors, other governments or by laws and regulations. Committed amounts are those that can only be used for a specific purpose as determined by the City Council. Such committed amounts may be redeployed for other uses only by direction of the City Council. Assigned amounts are fund balance amounts constrained by the City's intent to be used for a specific purpose as determined by the Director of Administrative Services or City Manager. Unassigned amounts are the residual amounts reported in the general fund. The City Council by resolution established a policy that delegates to the City Manager or Director of Administrative Services the authority to establish, rescind or modify assigned amounts. Committed amounts may be established, modified, or rescinded by the adoption of a resolution of the City Council.

When expenditures are incurred for which both restricted and unrestricted (committed, assigned or unassigned) amounts are available, the City considers that restricted amounts to have been spent first. When expenditures are incurred for which any class of unrestricted fund balance could be used, the City considers committed amounts would be reduced first, followed by assigned, and then unassigned amounts.

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

8. Comparative Data

Comparative total data for the prior year have been presented in order to provide an understanding of the changes in net position. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year presentation.

2. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statements of net position. One element of that reconciliation explains that “capital assets are not financial resources and are not reported in the funds.” The details of this \$ 19,256,641 difference are as follows:

| | |
|--|----------------------|
| Capital assets | \$ 24,194,075 |
| Less: Accumulated depreciation | <u>(4,937,434)</u> |
| Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i> | <u>\$ 19,256,641</u> |

Another element of the reconciliation explains that “long-term liabilities” are not due and payable in the current period and are therefore not reported in the funds. The details of this \$ 2,812,125 difference is as follows:

| | |
|--|------------------------|
| Long-Term Debt Obligations and Related Interest: | |
| Certificates of participation | \$ (330,000) |
| Compensated absences | (95,229) |
| Net other post employment benefit obligation | (2,381,396) |
| Accrued interest payable on certificates | <u>(5,500)</u> |
| Net adjustment to decrease fund balance total governmental Funds to arrive at net position - governmental activities | <u>\$ (2,812,125)</u> |

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$ (210,275) difference and other significant components of the difference are as follows:

| | |
|--|---------------------|
| Capital outlay | \$ 366,733 |
| Depreciation expense | (347,635) |
| Repayment of long-term debt principal | 155,000 |
| OPEB expenses | (294,043) |
| Change in net pension liability and related deferred items | (94,001) |
| Other items | <u>3,671</u> |
| Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> | <u>\$ (210,275)</u> |

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

3. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis of consistent with generally accepted accounting principles for all governmental funds except debt service funds. Appropriations lapse at fiscal year end. The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Transfers of appropriations between departments require approval of the City Manager. Transfers within departments may be made by department heads. The Council made several supplemental budgetary appropriations throughout the year. The supplemental budgetary appropriations made in the General Fund were material. Encumbrance accounting is not employed in governmental funds. Expenditures (excluding transfers out) in the gas tax, Tidelands, and recreation, special revenue funds and exceeded their expenditure budgets by \$1,267, \$45,403, \$33,665 respectively. These over expenditures were funded by available fund balances.

4. Detailed Notes on All Funds

A. Deposits and Investments

Deposits and investments at June 30, 2016 consisted of the following:

| | |
|---|----------------|
| Pooled demand deposits | \$ 2,464,036 |
| Pooled investments (State Investment Pool-LAIF) | 20,784 |
| Pooled investments (U.S Treasury Notes) | 12,412,607 |
| Investments with trustees | <u>184,487</u> |

Total deposits and investments \$ 15,081,914

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is that they will be made only in institutions in California, they shall be insured or collateralized with United States backed securities, and time certificates of deposit shall have a maturity of less than three years. At June 30, 2016, \$2,974,671 of the City's bank balances of \$ 3,224,671 was exposed to credit risk as follows:

Uninsured and collateral held by pledging banks agent
but not in the City's name: \$ 2,974,671

Investments - At June 30, 2016, the City had the following investments.

| Investment | Maturities | Fair Values |
|-----------------------|------------------|----------------------|
| State Investment Pool | Average 167 days | \$ 20,784 |
| U.S. Treasury Notes | 2.67 years | 12,412,607 |
| Mutual fund | 10 months | <u>184,487</u> |
| Totals | | <u>\$ 12,617,878</u> |

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to the State of California Local Agency Investment Fund and to U.S. Treasury bills and notes with a maturity of five years or less at the time of purchase.

Credit Risk - The City's policy is to limit investments to those that are rated in the top two credit ratings by nationally recognized rating organizations. The City's investment in LAIF and mutual funds were unrated.

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

4. Detailed Notes on All Funds (Continued)

A. Deposits and Investments(Continued)

Custodial Credit Risk - **For** an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy specifies that securities are to be held by a third party, other than the counterparty, in the City's name, whenever possible. Investments in the LAIF and mutual fund are not subject to custodial credit risk as they are not evidenced by specific securities. The U.S. Treasury Notes are held in a separate account in the name of the City.

Fair Value Measurements – Investments. The City categorizes its fair value measurements within the hierarchy established by generally accepted account principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, and level 3 inputs are significant unobservable inputs. The City has the following fair value measurements at June 30, 2016:

U.S. Treasury Notes of \$12,412,607 are valued using quoted market prices (Level 1 inputs).

B. Receivables

Receivables as of year-end for the government's individual major and nonmajor funds in the aggregate, net of the applicable allowances for uncollectible accounts, are as follows:

| Receivables | General Fund | Development Impact Fund | Revolving Measure A | Nonmajor Funds | Totals |
|----------------|--------------------|-------------------------|---------------------|------------------|--------------------|
| Taxes | \$978,727 | \$ - | \$ - | \$ - | \$ 978,727 |
| Governments | - | | 181,024 | 26,294 | 207,318 |
| Accounts | 174,015 | | | 1,661 | 175,676 |
| Interest | 26,343 | | | | 26,343 |
| Long-term note | | 324,003 | | | 324,003 |
| Totals | \$1,179,085 | \$ 324,003 | \$181,024 | \$ 27,955 | \$1,712,067 |

C. Interfund Transfers

The composition of interfund transfers of June 30, 2016, is as follows:

| | General Fund | Measure A | Non-Major Impact Revolving | Total |
|---------------------------|-------------------|-------------------|----------------------------|---------------------|
| Transfers out: | | | | |
| General fund | \$ - | \$ 608,991 | \$ 821,418 | \$ 1,430,409 |
| Measure A | 100,482 | - | 15,477 | 115,959 |
| Nonmajor funds | 547,440 | | 357,362 | 904,802 |
| Total transfers in | \$ 647,922 | \$ 608,991 | \$ 1,194,227 | \$ 2,451,170 |

The transfers were made primarily to fund approved projects, provide monies for payment of debt service on long-term obligations, and to reimburse the general fund for certain capital related expenditures.

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

4. Detailed Notes on All Funds (Continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|-----------|-----------|-------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$9,674,134 | \$ - | \$ - | \$9,674,134 |
| Park land site improvements | 1,642,754 | - | - | 1,642,754 |
| Construction in progress | 1,048,600 | 157,287 | - | 1,205,887 |
| Total capital assets, not being depreciated | 12,365,488 | 157,287 | - | 12,522,775 |
| Capital assets, being depreciated: | | | | |
| Buildings | 2,109,396 | - | - | 2,109,396 |
| Machinery and equipment | 1,034,126 | 24,103 | - | 1,058,229 |
| Vehicles | 583,187 | 81,750 | - | 664,937 |
| Street and other improvements | 6,279,986 | 71,918 | - | 6,351,904 |
| City pool and facilities | 1,455,159 | 31,675 | - | 1,486,834 |
| Total capital assets being depreciated | 11,461,854 | 209,446 | - | 11,671,300 |
| Less accumulated depreciation for: | | | | |
| Buildings | (1,148,741) | (49,524) | - | (1,198,265) |
| Machinery and equipment | (885,338) | (13,664) | - | (899,002) |
| Vehicles | (481,222) | (18,807) | - | (500,029) |
| Infrastructure | (891,440) | (218,030) | - | (1,109,470) |
| City pool and facilities | (1,183,058) | (47,610) | - | (1,230,668) |
| Total accumulated depreciation | (4,589,799) | (347,635) | - | (4,937,434) |
| Total capital assets, being depreciated, net | 6,872,055 | (138,189) | - | 6,733,866 |
| Governmental activities capital assets, net | \$ 19,237,543 | \$ 19,098 | \$ - | \$ 19,256,641 |

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

4. Detailed Notes on All Funds (Continued)

D. Capital Assets (Continued)

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

| | |
|-------------------------------|-------------------|
| Governmental activities: | |
| General government | \$ 8,535 |
| Parks and recreation programs | 131,225 |
| Public safety | 15,370 |
| Infrastructure | 187,672 |
| Public works | 4,833 |
| Total depreciation expense | <u>\$ 347,635</u> |

E. Long-Term Debt

Certificates of Participation

The certificates were originally issued in the amount of \$2,140,000 by the Carpinteria Public Improvement Corporation to refund and retire the Corporation's 1993 certificates. Proceeds from the original sale of the certificates were used by the City to finance park, swimming pool, and other public improvements. The certificates bear interest at rates of 3.25 to 5.0 percent payable each September 1 and March 1 through March 1, 2018. The City has agreed to annually make budget appropriations in amounts sufficient to pay principal and interest on the certificates. The City's general fund is responsible for about 92 percent of the debt service on the certificates and the remaining 8 percent is an obligation of the City's recreation program fund. Future debt service is:

| Fiscal Year | Principal | Interest | Total |
|-------------|-------------------|------------------|-------------------|
| 2017 | \$ 160,000 | \$ 16,500 | \$ 176,500 |
| 2018 | 170,000 | 8,500 | 178,500 |
| | <u>\$ 330,000</u> | <u>\$ 25,000</u> | <u>\$ 355,000</u> |

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

4. Detailed Notes on All Funds (Continued)

E. Long-Term Debt (Continued)

Changes in Long-term liabilities

Long-term debt activity for the 2016 fiscal year was as follows:

| Governmental Activities | Beginning Balances | Additions | Deletions | Ending Balances | Due In One Year |
|--------------------------------|-------------------------------|------------------|-------------------|----------------------------|----------------------------|
| Certificates participation | \$ 485,000 | \$ - | \$ 155,000 | 330,000 | \$ 160,000 |
| Compensated absences | 96,315 | 28,914 | 30,000 | 95,229 | 30,000 |
| Totals | \$ 581,315 | \$ 28,914 | \$ 185,000 | \$425,229 | \$ 190,000 |

The City's general fund is normally used to liquidate the liability for compensated absences.

5. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries insurance. The City, due to the costs of available coverage, participates in the California Joint Powers Insurance Authority.

The risk of loss is transferred to the Authority for general liability, workers compensation and property damage claims. The general liability protection for each member is \$50 million per occurrence and \$50 million annual aggregate. The premiums paid by the City are subject to retrospective premium adjustments and refunds based upon the loss experience of all pool members. For workers compensation coverage, the City's protection is provided by the Authority per statutory liability under California Workers Compensation Law. All risk property coverage provided by the Authority has a \$50 million per occurrence limit, generally limited to scheduled property, which for the City was \$8,084,273. The City also obtains from the Authority insurance coverage for earthquake and flood, boiler and machinery, and a blanket fidelity bond. The City accounts for its insurance activities in its general fund. There were no material changes in coverage during the year except to increase the amount of covered scheduled property, no material claim liabilities for which the City is responsible, and no claims exceeding insurance coverage in the last three years.

B. Contingencies and Commitments

Litigation. The City is involved in litigation incurred in the normal course of conducting City business. City management believes that, based upon consultation with its counsel, these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City.

Shoreline Study. The City has entered into a multi-year contract with the U.S. Corp of Engineers to sponsor a study of shoreline storm damage, beach erosion and similar issues. The study is estimated to cost \$ 2.2 million and the City is required to fund 50 percent of the cost. The City's share may be funded with cash or entirely by the City providing in-kind staff services.

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

5. Other Information (Continued)

C. Law Enforcement Agreement

The City, since 1992, has maintained an agreement with the Santa Barbara County Sheriff's Department to provide law enforcement services to the City of Carpinteria. These services are accounted for in the City's general fund and related expenditures are charged to public safety. The City's Public Employees Retirement Plan (PERS) for police employees pertains only to safety employees employed by the City prior to 1992, and the City made separate current contributions to that Plan based upon the PERS funding arrangements.

D. Public Employee Pension Plans

Plan Description - The plans are a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). The CalPERS is governed by a 13 member Board of Administration with six elected members, three appointed members and four ex officio members which include the State Treasurer, the State Controller, the Director of the California Department of Human Services and a designee of the State Personnel Board.

Benefits Provided - The CalPERS provides retirement, disability and death benefits. Retirement benefits are defined as 2.5 percent of the employee's final 12 months average compensation times the employee's years of service (2.0 percent for safety employees). Employees with 10 years of continuous are eligible to retire at age 55 (age 50 for safety employees). Employees are eligible for service-related disability benefits regardless of the length of service. Five years of service is required for non-service-related disability eligibility. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Pre-retirement death benefits equal an employee's final full-year salary. Both plans provide for a 2 percent Cost of Living Adjustment (COLA). The public safety plan is closed to new entrants.

Contributions - Section 20814 of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ending June 30, 2015 (the measurement date), the average active employee contribution rate is 7.346 percent of annual pay, and the average employer contribution rate is 14.062 percent of annual payroll (29.1 percent for the safety plan). Contributions (employer) to the plans in were \$ 685,896 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions. At June 30, 2015 the City reported a liability of \$2,903,280 for its proportionate share of the net pension liability applicable to its regular employees and a \$2,230,899 net pension liability applicable to its former safety employees. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2015, the City's proportion was 0.074800 percent compared to 0.074903 percent at June 30, 2015.

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

5. Other Information (Continued)

D. Public Employee Pension Plans (Continued)

For the measurement period ending June 30, 2015, the City recognized pension expense of \$207,548 for its regular employees and \$281,908 for the safety employees plan. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <u>Regular Employee Plan</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 15,336 | \$ - |
| Changes in assumptions | - | (145,087) |
| Net difference between projected and actual earnings on pension plan investments | - | (72,734) |
| Changes in proportions and differences between city contributions and proportionate share of contributions | - | (499,223) |
| City contributions subsequent to the Measurement date | 280,439 | - |
| | <hr/> | <hr/> |
| Totals | \$ 295,775 | \$ (717,044) |

The \$280,439 reported as deferred outflows of resources related to pensions from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan measurement period ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | <u>Plan Measurement Period Ended June 30</u> | <u>Deferred Outflows (Inflows) of Resources</u> |
|--|--|---|
| | 2016 | \$(158,212) |
| | 2017 | (270,456) |
| | 2018 | (255,133) |
| | 2019 | (17,908) |
| | Thereafter | - |

| <u>Safety Plan</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ - | \$ (11,710) |
| Changes in assumptions | - | (53,860) |
| Net difference between projected and actual earnings on pension plan investments | - | (27,297) |
| Changes in proportions and differences between city contributions and proportionate share of contributions | - | (145,467) |
| City contributions subsequent to the measurement date | 115,036 | - |
| | <hr/> | <hr/> |
| Totals | \$ 115,036 | \$ (238,334) |

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

5. Other Information (Continued)

D. Public Employee Pension Plans (Continued)

The \$115,036 reported as deferred outflows of resources related to pensions from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan measurement period ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Plan Measurement Period Ended June 30 (Safety)</u> | <u>Deferred Outflows (Inflows) of Resources</u> |
|---|---|
| 2016 | \$(43,687) |
| 2017 | (82,270) |
| 2018 | (85,073) |
| 2019 | (27,304) |
| Thereafter | - |

Actuarial Assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 2.75 percent |
| Salary increases | 3.0 percent |
| Investment rate of return | 7.65 percent, net of pension plan investment expense, including inflation |

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at the CalPERS website under Forms and Publications.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net 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 cash flows. The expected rate of return was then set equivalent to a single equivalent rate calculated by CalPERS and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>New Strategic Allocation</u> | <u>Real Return Years 1-10</u> | <u>Real Return Years 11+</u> |
|-----------------------------|-------------------------------------|-----------------------------------|----------------------------------|
| Global Equity | 47.0% | 5.25% | 5.71% |
| Global Fixed Income | 19.0 | .99 | 2.43 |
| Inflation Sensitive | 6.0 | .45 | 3.36 |
| Private Equity | 12.0 | 6.83 | 6.95 |
| Real Estate | 11.0 | 4.50 | 5.13 |
| Infrastructure & Forestland | 3.0 | 4.50 | 5.09 |
| Liquidity | 2.0 | (.55) | (1.05) |

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

5. Other Information (Continued)

D. Public Employee Pension Plans (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65 percent will be applied to all plans in the Public Employee Retirement Fund.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.65 percent) or 1-percentage higher (8.65 percent) than the current rate:

| | 1% Decrease (6.65%) | Current Discount Rate (7.65%) | 1% Increase (8.65%) |
|--|---------------------------|-------------------------------------|---------------------------|
| City's proportionate share of the net pension liability: | | | |
| Regular employee plan | \$5,088,038 | \$2,903,280 | \$1,099,509 |
| Safety plan | \$3,537,588 | \$2,230,899 | \$1,159,438 |

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

E. Restricted Net Position and Nonspendable Fund Balances

The \$ 5,949,721 restricted amount in the governmental activities statement of net position represents amounts to be used only for specific purposes which restrictions are imposed by laws, formal agreements or other governments. The restricted amounts consist of \$ 191,981 in the general fund restricted by agreement, \$ 2,962,441 in the Development Impact Fee Fund and \$2,795,299 in special and debt service funds. Nonspendable fund balances consisted of the following:

| Purpose | General Fund | Development Impact Fee Fund | Nonmajor Funds |
|-------------|-------------------|-----------------------------------|-------------------|
| Prepayments | \$ 216,537 | \$ - | \$ - |
| Inventory | - | - | 26,439 |
| | <u>\$ 216,537</u> | <u>\$ -</u> | <u>\$ 26,439</u> |

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

5. Other Information (Continued)

D. Other Post Employment Benefits

Plan Description. The city administers the city's retired employee's healthcare plan, a single employer defined benefit health care plan. The plan provides medical benefits to eligible retired employees and their beneficiaries. The City's plan is affiliated with the State of California PERS in so much as the City's Health insurance premium payments are paid to the PERS. The PERS through an aggregation of single employer plans pools administrative functions in regard to purchases of commercial health insurance policies and coverage. City resolutions and regulations assign the authority to establish and amend benefit provisions to the City. A separate OPEB trust account has not been established by the City with the PERS.

The City participates in this State Health Insurance Pool (City resolutions 1839, 1840, 1841, May 22, 1989) administered by the California Public Employees Retirement System (CalPERS). Member agencies participating in the State Pool are subject to regulations of the Public Employees Medical and Hospital Care Act (PEMHCA) which requires that member agencies provide lifetime health benefits for retirees. California Government Code Section 22892 of the PEMHCA establishes the contracting agencies minimum health premium contribution for their participating active membership and requires that the employer contribution be an equal amount for retirees. The minimum employer contribution is currently \$125 monthly. Further, the City extends additional health insurance benefits to retirees (Resolutions numbers 1496 and 3063) that were employed on June 30, 1988 and who retire from the City after 20 years of qualified service. This benefit provides retirees with single-coverage HMO insurance through the City's insurance program at City expense.

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by the City. The required contribution is based on a projected pay-as-you-go financing requirements, with additional amounts to prefund benefits determined annually by the City Council. For the fiscal year ended June 30, 2016, the City contributed \$134,879 of current year premiums (100% of total premiums) and zero to prefund benefits. Plan members receiving benefits contributed no amounts of the total premiums.

Annual OPEB Costs and the Net OPEB Obligation. The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board Statement Number 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB costs for the year, the amounts actually contributed to the plan, and changes in the City's net OPEB obligation to the Plan:

| | |
|--|--------------------|
| Annual required contribution (ARC) | \$444,684 |
| Interest on net OPEB obligation | 104,368 |
| Adjustments to the ARC | <u>(120,132)</u> |
| Annual OPEB expense | 428,920 |
| Contributions made | <u>(134,879)</u> |
| Change in net OPEB obligation | 294,041 |
| Net OPEB obligation, beginning of year | <u>2,087,355</u> |
| Net OPEB obligation end of year | <u>\$2,381,396</u> |

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

5. Other Information (Continued)

F. Other Post- Employment Benefits (Continued)

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 was as follows:

| Fiscal year Ended | Annual OPEB Cost | Percentage Contributed | Net OPEB Obligation |
|----------------------|---------------------|---------------------------|------------------------|
| June 30, 2016 | \$428,920 | 31.4% | \$2,381,396 |
| June 30, 2015 | \$398,536 | 30.3% | \$2,087,355 |
| June 30, 2014 | \$397,010 | 14.77% | \$1,809,741 |

Funding Status and Funding Progress. As of June 30, 2016, the most recent actuarial valuation date, the plan was zero funded. The actuarial accrued liability for benefits was \$4,161,155, and the actuarial value of plan assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of the \$4,161,155. The covered payroll (annual payroll of active employees covered by the plan) was \$2,435,091 and the ratio of the UAAL to covered payroll was 170.9 percent.

Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and health care trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplemental information, following the notes to these financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to actuarial liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) includes the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial liabilities and the actuarial value of plan assets, consistent with the long-term perspective of the calculations.

Actuarial Methods and Assumptions (Continued) In the June 30, 2016 valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 5 percent investment rate of return based on assumed long-term return on plan assets or employer assets as appropriate. An annual health care trend rate of 9 percent initially decreasing to 5 percent in year number five and a one percent inflation rate. There were no plan assets at the valuation date. The UAAL is being amortized as a level percentage of payroll over a 30 year closed period, the remaining amortization period at June 30, 2016.

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2016

5. Other Information (Continued)

G. Change in Accounting Principle

The City in fiscal 2016 implemented the Governmental Accounting Standards Board (GASB) Statement Number 72, Fair Value Measurement and Application.. The implementation of this accounting standard resulted in no restatement of the City's beginning of year net position.



Required Supplementary Information



Required Supplementary Information
CITY OF CARPINTERIA
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|-----------------------|---|
| | Original | Final | Actual Amounts | |
| Fund Balance, July 1 | \$ 8,476,514 | \$ 8,426,842 | \$ 8,426,842 | \$ - |
| Resources (inflows): | | | | |
| Property taxes | 3,040,571 | 3,094,713 | 3,142,567 | 47,854 |
| Sales taxes | 2,130,000 | 2,086,268 | 2,090,019 | 3,751 |
| Transient occupancy taxes | 2,278,431 | 2,409,497 | 2,379,751 | (29,746) |
| Franchise taxes | 621,152 | 614,785 | 660,231 | 45,446 |
| Other taxes | 106,000 | 132,908 | 160,630 | 27,722 |
| License permits | 143,452 | 124,909 | 115,914 | (8,995) |
| Fines and forfeits | 72,478 | 80,147 | 93,594 | 13,447 |
| Interest and rents | 93,987 | 105,578 | 172,452 | 66,874 |
| Intergovernmental | 35,000 | 27,255 | 33,336 | 6,081 |
| Charges for services | 286,360 | 394,780 | 451,737 | 56,957 |
| Miscellaneous | 320 | 28,276 | 1,885 | (26,391) |
| Transfers in | 639,162 | 653,226 | 647,922 | (5,304) |
| Amounts available for charges to appropriations | 17,923,427 | 18,179,184 | 18,376,880 | 197,696 |
| Charges to appropriations: | | | | |
| General government: | | | | |
| City council | 126,829 | 139,123 | 125,453 | 13,670 |
| Legal | 455,000 | 536,604 | 520,979 | 15,625 |
| City manager | 331,086 | 294,825 | 316,811 | (21,986) |
| Economic development | 168,638 | 164,640 | 161,804 | 2,836 |
| City clerk | 208,220 | 204,741 | 214,997 | (10,256) |
| Human resources | 188,059 | 150,004 | 153,122 | (3,118) |
| Community promotion | 36,304 | 39,748 | 30,694 | 9,054 |
| Finance | 379,123 | 360,133 | 408,235 | (48,102) |
| Risk management | 407,606 | 150,004 | 398,788 | (248,784) |
| Central services | 238,815 | 243,913 | 241,957 | 1,956 |
| Management information services | 94,100 | 103,550 | 117,879 | (14,329) |
| Planning | 541,961 | 471,702 | 477,639 | (5,937) |
| Code compliance | 279,462 | 274,746 | 272,124 | 2,622 |
| Development review | 216,480 | 209,125 | 209,694 | (569) |
| Public safety: | | | | |
| Police | 3,537,668 | 3,537,205 | 3,453,261 | 83,944 |
| Animal control | 31,600 | 26,600 | 22,093 | 4,507 |
| Disaster preparedness | 16,315 | 16,315 | 1,351 | 14,964 |
| Parks and recreation: | | | | |
| Administration | 250,066 | 233,137 | 241,424 | (8,287) |
| Community service grants | 105,946 | 96,166 | 96,100 | 66 |
| Public works | | | | |
| Administration | 779,634 | 758,601 | 749,772 | 8,829 |
| Solid waste | 2,500 | 1,200 | 1,101 | 99 |
| Special projects | 46,383 | 41,500 | 24,898 | 16,602 |
| Capital outlay | 15,000 | 34,000 | 34,889 | (889) |
| Transfers out | 1,373,017 | 1,370,587 | 1,430,409 | (59,822) |
| Total charges to appropriations | 9,829,812 | 9,458,169 | 9,705,474 | (247,305) |
| Fund Balance, June 30 | \$ 8,093,615 | \$ 8,721,015 | \$ 8,671,406 | \$ (49,609) |

CITY OF CARPINTERIA

Budgetary Comparison Schedule - General Fund

Note to RSI

For the Fiscal Year Ended June 30, 2016

Note A. Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and expenditures:

Sources/inflows resources:

Actual amounts "available for appropriation" from budgetary comparison schedule: \$ 18,376,880

Differences - budget to GAAP:

The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes (8,426,842)

Transfers in from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes (647,922)

Total revenues as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds \$ 9,302,116

Uses/outflows of resources:

Actual amounts "total charges to appropriations" from the budgetary comparison schedule \$ 9,705,474

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes (1,430,409)

Total expenditures as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds \$ 8,275,065

CITY OF CARPINTERIA
Measure A Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | | Variance With Final Budget- Positive(Negative) |
|---|-------------------------|---------------------|---------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Intergovernmental: | | | | |
| Measure A allocations | \$ 753,460 | \$ 753,460 | \$ 748,818 | \$ (4,642) |
| Interest | 9,039 | 9,039 | 12,836 | 3,797 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>762,499</u> | <u>762,499</u> | <u>761,654</u> | <u>(845)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Tree maintenance | 135,000 | 120,000 | 121,223 | (1,223) |
| Pavement management system | 15,000 | - | - | - |
| Easy lift cart | 12,000 | 12,000 | 12,000 | - |
| Other services | 132,000 | 45,000 | 28,515 | 16,485 |
| Capital outlay: | | | | |
| Pavement rehabilitation | 500,000 | 500,000 | 502,103 | (2,103) |
| Concrete repairs | 35,000 | 35,000 | 1,266 | 33,734 |
| Pedestrian facilities | 140,000 | 100,000 | 87,228 | 12,772 |
| Other projects | 205,750 | 114,260 | 98,768 | 15,492 |
| Total expenditures | <u>1,174,750</u> | <u>926,260</u> | <u>851,103</u> | <u>75,157</u> |
| Excess(deficiency) of revenues over expenditures | <u>(412,251)</u> | <u>(163,761)</u> | <u>(89,449)</u> | <u>74,312</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 608,991 | 608,991 | 608,991 | - |
| Transfers out | (119,958) | (115,959) | (115,959) | - |
| Total other financing sources (uses) | <u>489,033</u> | <u>493,032</u> | <u>493,032</u> | <u>-</u> |
| Net change in fund balances | <u>76,782</u> | <u>329,271</u> | <u>403,583</u> | <u>74,312</u> |
| Fund balance, July 1 | <u>837,932</u> | <u>814,105</u> | <u>814,105</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ 914,714</u> | <u>\$ 1,143,376</u> | <u>\$ 1,217,688</u> | <u>\$ 74,312</u> |

Required Supplementary Information
CITY OF CARPINTERIA
Retired Employees Health Care Plan
Schedule of Funding Progress
June 30, 2016

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL)- Entry Age (b) | Unfunded AAL (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
|--------------------------------|-------------------------------------|---|-----------------------|-----------------------|------------------------|--|
| 6/30/2010 | \$ - | \$ 3,336,816 | \$ 3,336,816 | 0.0% | \$2,478,668 | 134.6% |
| 6/30/2013 | \$ - | \$ 4,499,276 | \$ 4,499,276 | 0.0% | \$2,153,102 | 209.0% |
| 6/30/2014 | \$ - | \$ 3,765,093 | \$ 3,765,093 | 0.0% | \$2,359,282 | 159.6% |
| 6/30/2016 | \$ - | \$ 4,161,155 | \$ 4,161,155 | 0.0% | \$2,435,091 | 170.9% |

CITY OF CARPINTERIA
Schedule of the City's Proportionate Share of the Net Pension Liability
California Public Employees Retirement System
Last 10 Fiscal Years

| | Fiscal Year End | |
|--|------------------------|------------------|
| | 2015 | 2016 |
| <u>Measurement date</u> | <u>6/30/2014</u> | <u>6/30/2015</u> |
| City's proportion of the net pension liability | 0.074903% | 0.074800% |
| City's proportionate share of the net pension liability | \$ 4,660,841 | \$ 5,134,179 |
| City's covered employee payroll (plan year) | \$ 2,306,493 | \$ 2,435,091 |
| City's proportionate share of the net pension liability as a percentage of its covered employee payroll | 202.07% | 210.84% |
| Plan fiduciary net position as a percentage of the total pension liability | 79.82% | 78.40% |

Notes to the schedule:

Benefit changes: In fiscal 2016, there were no benefit changes

Changes in assumptions: In fiscal 2016, the plan's discount rate was changed from 7.5% to 7.65%.

Last Ten Years: This schedule is intended to show information for 10 years. Fiscal year 2015 was the first year of implementation, and additional years information will be presented as it becomes available.

CITY OF CARPINTERIA
Schedule of City's Contributions
California Public Employees Retirement System
Last 10 Fiscal Years

| Contributions for the fiscal year ending | June 30 | |
|---|--------------|--------------|
| | 2015 | 2016 |
| Contractually required contributions | \$ 328,288 | \$ 685,896 |
| Contributions in relation to the contractually required contributions | \$ 328,288 | \$ 685,896 |
| Contribution deficiency (excess) | \$ - | \$ - |
| City's covered employee payroll (City fiscal year) | \$ 2,435,091 | \$ 2,472,058 |
| Contributions as a percentage of covered employee payroll | 13.48% | 27.75% |

Notes to the schedule:

Plan's valuation date: June 30, 2014

Last Ten Years: This schedule is intended to show information for 10 years. Fiscal year 2015 was the first year of implementation, and additional years information will be presented as it becomes available



Supplementary Information

*Nonmajor Funds' Combining Financial Statements
and
Budget to Actual Schedules*



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CITY OF CARPINTERIA
Combining Balance Sheets
Nonmajor Funds
June 30, 2016

| Special Revenue Funds | | | | | | | | | |
|--|------------------|-----------------------|------------------|------------------|-------------------|----------------------|-------------------|---------------------|-----------------|
| | Traffic Safety | Equipment Replacement | Park Development | Park Maintenance | State Gas Tax | Local Transportation | Tidelands Trust | Street Lighting | Right of Way |
| Assets | | | | | | | | | |
| Cash and investments | \$ 10,924 | \$ 7,669 | \$ - | \$ 48,109 | \$ 157,468 | \$ 59,186 | \$ 83,568 | \$ 1,099,808 | \$ 5,550 |
| Receivables: | - | - | - | - | - | - | 456 | - | - |
| Accounts | - | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | 2,893 | - | - | - | 18,857 | 4,425 |
| Inventory | - | - | - | - | - | - | 26,439 | - | - |
| Total assets | <u>\$ 10,924</u> | <u>\$ 7,669</u> | <u>\$ -</u> | <u>\$ 51,002</u> | <u>\$ 157,468</u> | <u>\$ 59,186</u> | <u>\$ 110,463</u> | <u>\$ 1,118,665</u> | <u>\$ 9,975</u> |
| Liabilities and Fund Balances | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 50,841 | \$ 17,915 | \$ - | \$ 29,935 | \$ 874 | \$ 7,463 |
| Accrued liabilities | - | - | - | 161 | 1,026 | - | 1,006 | - | 2,512 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>51,002</u> | <u>18,941</u> | <u>-</u> | <u>30,941</u> | <u>874</u> | <u>9,975</u> |
| Fund balances: | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | 26,439 | - | - |
| Restricted for debt service | - | - | - | - | - | - | - | - | - |
| Restricted for recycling | - | - | - | - | - | - | - | - | - |
| Restricted for streets | 10,924 | 7,669 | - | - | 138,527 | 59,186 | 53,083 | 1,117,791 | - |
| Total fund balances | <u>10,924</u> | <u>7,669</u> | <u>-</u> | <u>-</u> | <u>138,527</u> | <u>59,186</u> | <u>79,522</u> | <u>1,117,791</u> | <u>-</u> |
| Total liabilities and fund balances | <u>\$ 10,924</u> | <u>\$ 7,669</u> | <u>\$ -</u> | <u>\$ 51,002</u> | <u>\$ 157,468</u> | <u>\$ 59,186</u> | <u>\$ 110,463</u> | <u>\$ 1,118,665</u> | <u>\$ 9,975</u> |

(Continued)

CITY OF CARPINTERIA
Combining Balance Sheets
Nonmajor Funds
June 30, 2016

| | Special Revenue Funds | | | | Debt Service Fund | |
|--------------------------------------|--|-----------------------|-------------------|------------------------|----------------------------------|---------------------|
| | Parking and Business Improvement | AB 939 Solid Waste | Measure D | Recreation Programs | Certificates of Participation | Totals |
| Assets | | | | | | |
| Cash and investments | \$ 50,310 | \$ 271,760 | \$ 684,083 | \$ 27,214 | \$ 184,487 | \$ 2,690,136 |
| Receivables: | | | | | | |
| Accounts | - | - | - | 1,205 | - | 1,661 |
| Intergovernmental | 119 | - | - | - | - | 26,294 |
| Inventory | - | - | - | 1,400 | - | 27,839 |
| Total assets | <u>\$ 50,429</u> | <u>\$ 271,760</u> | <u>\$ 684,083</u> | <u>\$ 29,819</u> | <u>\$ 184,487</u> | <u>\$ 2,745,930</u> |
| Liabilities and Fund Balances | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 86 | \$ 182 | \$ - | \$ 22,751 | \$ - | \$ 130,047 |
| Accrued liabilities | - | - | - | 7,068 | - | 11,773 |
| Total liabilities | <u>86</u> | <u>182</u> | <u>-</u> | <u>29,819</u> | <u>-</u> | <u>141,820</u> |
| Nonspendable | - | - | - | - | - | 26,439 |
| Restricted for debt service | - | - | - | - | 184,487 | 184,487 |
| Restricted for recycling | - | 271,578 | - | - | - | 271,578 |
| Restricted for streets | 50,343 | - | 684,083 | - | - | 2,121,606 |
| Total fund balances | <u>50,343</u> | <u>271,578</u> | <u>684,083</u> | <u>-</u> | <u>184,487</u> | <u>2,604,110</u> |
| Total liabilities and fund balances | <u>\$ 50,429</u> | <u>\$ 271,760</u> | <u>\$ 684,083</u> | <u>\$ 29,819</u> | <u>\$ 184,487</u> | <u>\$ 2,745,930</u> |

CITY OF CARPINTERIA
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Funds
For the Fiscal Year Ended June 30, 2016

Special Revenue Funds

| | Traffic Safety | Equipment Replacement | Park Development | Park Maintenance | State Gas Tax | Local Transportation | Tidelands Trust | Street Lighting |
|---|----------------|-----------------------|------------------|------------------|---------------|----------------------|-----------------|-----------------|
| Revenues: | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 153,082 | \$ - | \$ - | \$ - | \$ 327,430 |
| Special assessments | - | - | - | - | - | - | - | - |
| Fines and forfeits | 25,639 | - | - | - | - | - | - | - |
| Interest | (848) | 70 | - | 35 | 902 | 438 | 1,860 | 8,861 |
| Intergovernmental | - | - | - | - | 290,210 | 10,495 | - | - |
| Charges for services | 545 | - | 1,007 | 71,789 | - | - | - | - |
| Miscellaneous | - | 17 | - | 313 | 327 | - | 284,809 | - |
| Total revenues | 25,336 | 87 | 1,007 | 225,219 | 291,439 | 10,933 | 286,669 | 336,291 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | - | - | - | - |
| Public safety | 15,648 | - | - | - | - | - | - | - |
| Streets and tidelands | - | - | - | - | 434,605 | - | 142,979 | 103,720 |
| Parks and recreation | - | - | - | 376,376 | - | - | - | - |
| Public works | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | 67,374 | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Total expenditures | 15,648 | - | - | 376,376 | 434,605 | - | 210,353 | 103,720 |
| Excess (deficiency) of revenues over (under) expenditures | 9,688 | 87 | 1,007 | (151,157) | (143,166) | 10,933 | 76,316 | 232,571 |
| Other financing sources (uses): | | | | | | | | |
| Transfers in | - | - | 34,142 | 235,161 | 225,433 | - | - | - |
| Transfers out | - | - | (35,149) | (84,004) | (129,734) | (402) | (114,994) | (192,611) |
| Total other financing sources (uses) | - | - | (1,007) | 151,157 | 95,699 | (402) | (114,994) | (192,611) |
| Net change in fund balances | 9,688 | 87 | - | - | (47,467) | 10,531 | (38,678) | 39,960 |
| Fund balances, July 1 | 1,236 | 7,582 | - | - | 185,994 | 48,655 | 118,200 | 1,077,831 |
| Fund balances, June 30 | \$ 10,924 | \$ 7,669 | \$ - | \$ - | \$ 138,527 | \$ 59,186 | \$ 79,522 | \$ 1,117,791 |

(Continued)

CITY OF CARPINTERIA
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Funds
For the Fiscal Year Ended June 30, 2016

| | Special Revenue Funds | | | | | Debt Service Fund | |
|--|-----------------------|----------------------------------|--------------------|------------|---------------------|-------------------------------|--------------|
| | Right of Way | Parking and Business Improvement | AB 939 Solid Waste | Measure D | Recreation Programs | Certificates of Participation | Totals |
| Revenues: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 480,512 |
| Special assessments | 195,427 | 27,873 | - | - | - | - | 223,300 |
| Fines and forfeits | - | - | - | - | - | - | 25,639 |
| Interest | - | 433 | 2,583 | 7,512 | - | 1,534 | 23,380 |
| Intergovernmental | - | - | - | - | - | - | 300,705 |
| Charges for services | - | - | 182,662 | - | 459,034 | - | 715,037 |
| Miscellaneous | 193 | - | - | - | - | - | 285,659 |
| Total revenues | 195,620 | 28,306 | 185,245 | 7,512 | 459,034 | 1,534 | 2,054,232 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | - | 6,164 | - | - | - | - | 6,164 |
| Public safety | - | - | - | - | - | - | 15,648 |
| Streets and tidelands | 383,340 | - | - | 1,714 | - | - | 1,066,358 |
| Parks and recreation | - | - | - | - | 666,432 | - | 1,042,808 |
| Public works | - | - | 37,996 | - | - | - | 37,996 |
| Capital outlay | - | - | - | - | - | - | 67,374 |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | 155,000 | 155,000 |
| Interest | - | - | - | - | - | 24,250 | 24,250 |
| Total expenditures | 383,340 | 6,164 | 37,996 | 1,714 | 666,432 | 179,250 | 2,415,598 |
| Excess(deficiency) of revenues over (under) expenditures | (187,720) | 22,142 | 147,249 | 5,798 | (207,398) | (177,716) | (361,366) |
| Other financing sources (uses): | | | | | | | |
| Transfers in | 242,067 | - | - | - | 280,634 | 176,820 | 1,194,257 |
| Transfers out | (54,347) | (17,249) | (191,564) | - | (68,745) | - | (888,799) |
| Total other financing sources (uses) | 187,720 | (17,249) | (191,564) | - | 211,889 | 176,820 | 305,458 |
| Net change in fund balances | - | 4,893 | (44,315) | 5,798 | 4,491 | (896) | (55,908) |
| Fund balances, July 1 | - | 45,450 | 315,893 | 678,285 | (4,491) | 185,383 | 2,660,018 |
| Fund balances, June 30 | \$ - | \$ 50,343 | \$ 271,578 | \$ 684,083 | \$ - | \$ 184,487 | \$ 2,604,110 |

CITY OF CARPINTERIA
Traffic Safety Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget- Positive(Negative)</u> |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Interest | \$ 1 | \$ 1 | \$ (848) | \$ (849) |
| Fines and forfeits | 20,000 | 20,000 | 25,639 | 5,639 |
| Charges for services: | | | | |
| Police fees | 1,100 | 1,100 | 545 | (555) |
| Total revenues | 21,101 | 21,101 | 25,336 | 4,235 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Contract services | 16,061 | 16,061 | 15,648 | 413 |
| Parttime wages and benefits | 5,461 | 5,382 | - | - |
| Total expenditures | 21,522 | 21,443 | 15,648 | 413 |
| Excess(deficiency) of revenues over (under)expenditures | (421) | (342) | 9,688 | 4,648 |
| Other Financing Sources: | | | | |
| Transfers in | 367 | 367 | - | (367) |
| Net change in fund balances | (54) | 25 | 9,688 | 4,281 |
| Fund balance, July 1 | 54 | 1,236 | 1,236 | - |
| Fund balance, June 30 | \$ - | \$ 1,261 | \$ 10,924 | \$ 4,281 |

CITY OF CARPINTERIA
Equipment Replacement Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget- Positive(Negative)</u> |
|-----------------------------|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Interest | \$ 32 | \$ 32 | \$ 70 | \$ 38 |
| Miscellaneous: | | | | |
| Sale of property | <u>1,000</u> | <u>1,000</u> | <u>17</u> | <u>(983)</u> |
| Total revenues | <u>1,032</u> | <u>1,032</u> | <u>87</u> | <u>(945)</u> |
| Expenditures: | | | | |
| Capital outlay | <u>1,623</u> | <u>1,623</u> | <u>-</u> | <u>1,623</u> |
| Total expenditures | <u>1,623</u> | <u>1,623</u> | <u>-</u> | <u>1,623</u> |
| Net change in fund balances | (591) | (591) | 87 | 678 |
| Fund balance, July 1 | <u>591</u> | <u>7,582</u> | <u>7,582</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ -</u> | <u>\$ 6,991</u> | <u>\$ 7,669</u> | <u>\$ 678</u> |

CITY OF CARPINTERIA
Park Development Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | <u>Budgeted Amounts</u> | | | Variance With Final Budget- Positive(Negative) |
|--|-------------------------|--------------|---------------|--|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Interest | \$ - | \$ - | \$ - | \$ - |
| Charges for services: | | | | |
| Park development fees | 543 | 543 | 1,007 | 464 |
| Total revenues | 543 | 543 | 1,007 | 464 |
| Expenditures: | | | | |
| Current: | | | | |
| Streets and tidelands | - | - | - | - |
| Total expenditures | - | - | - | - |
| Excess(deficiency) of revenues over(under) expenditures | - | - | 1,007 | 464 |
| Other financing sources (uses): | | | | |
| Transfers in | 34,606 | 34,606 | 34,142 | (464) |
| Transfers out | (35,149) | (35,149) | (35,149) | - |
| Total other financing sources(uses) | (543) | (543) | (1,007) | (464) |
| Net change in fund balances | - | - | - | - |
| Fund balance, July 1 | - | - | - | - |
| Fund balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF CARPINTERIA
Park Maintenance Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | <u>Budgeted Amounts</u> | | | Variance With Final Budget- Positive(Negative) |
|---|-------------------------|------------------|------------------|--|
| | <u>Original</u> | <u>Budget</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Taxes and assessments: | | | | |
| Special park tax | \$ 154,000 | \$ 154,000 | \$ 153,082 | \$ (918) |
| Interest | - | - | 35 | 35 |
| Intergovernmental: | | | | |
| Bluffs endowment | 27,000 | 27,000 | 26,630 | (370) |
| State day-use parking | 15,000 | 15,000 | 25,620 | 10,620 |
| Berm assessment | 20,000 | 20,000 | 19,539 | (461) |
| Miscellaneous | 17,000 | 17,000 | 313 | (16,687) |
| Total revenues | <u>233,000</u> | <u>233,000</u> | <u>225,219</u> | <u>(7,781)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Parks: | | | | |
| Personnel | 88,633 | 87,760 | 80,398 | 7,362 |
| Maintenance | 225,439 | 172,615 | 184,428 | (11,813) |
| Utilities | 75,000 | 75,046 | 77,264 | (2,218) |
| Other services supplies | 38,500 | 92,151 | 34,286 | 57,865 |
| Total expenditures | <u>427,572</u> | <u>427,572</u> | <u>376,376</u> | <u>51,196</u> |
| Excess (deficiency) of revenues over(under) expenditures | <u>(194,572)</u> | <u>(194,572)</u> | <u>(151,157)</u> | <u>43,415</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 278,576 | 278,576 | 235,161 | (43,415) |
| Transfers out | <u>(84,004)</u> | <u>(84,004)</u> | <u>(84,004)</u> | <u>-</u> |
| Total other financing sources(uses) | <u>194,572</u> | <u>194,572</u> | <u>151,157</u> | <u>(43,415)</u> |
| Net change in fund balances | - | - | - | - |
| Fund balance, July 1 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF CARPINTERIA
Gas Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | <u>Budgeted Amounts</u> | | | <u>Variance With Final Budget- Positive(Negative)</u> |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental: | | | | |
| State gas taxes | \$ 324,504 | \$ 324,504 | \$ 290,210 | \$ (34,294) |
| Interest | 496 | 496 | 1,229 | 733 |
| Total revenues | <u>325,000</u> | <u>325,000</u> | <u>291,439</u> | <u>(33,561)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Streets: | | | | |
| Street sweeping | 40,000 | 40,000 | 39,823 | 177 |
| Thermoplast striping | 60,000 | 60,000 | 59,204 | 796 |
| Engineering | 20,000 | 10,000 | 7,670 | 2,330 |
| Salaries and benefits | 289,031 | 235,354 | 246,432 | (11,078) |
| Supplies and materials | 73,783 | 67,984 | 78,512 | (10,528) |
| Capital outlay | 22,000 | 20,000 | 2,964 | 17,036 |
| Total expenditures | <u>504,814</u> | <u>433,338</u> | <u>434,605</u> | <u>(1,267)</u> |
| Excess (deficiency) of revenues over(under) expenditures | <u>(179,814)</u> | <u>(108,338)</u> | <u>(143,166)</u> | <u>(34,828)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 225,433 | 225,433 | 225,433 | - |
| Transfers out | <u>(129,734)</u> | <u>(129,734)</u> | <u>(129,734)</u> | <u>-</u> |
| Total other financing sources(uses) | <u>95,699</u> | <u>95,699</u> | <u>95,699</u> | <u>-</u> |
| Net change in fund balances | (84,115) | (12,639) | (47,467) | (34,828) |
| Fund balance, July 1 | <u>104,876</u> | <u>185,994</u> | <u>185,994</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ 20,761</u> | <u>\$ 173,355</u> | <u>\$ 138,527</u> | <u>\$ (34,828)</u> |

CITY OF CARPINTERIA
Local Transportation Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | | Variance With Final Budget- Positive(Negative) |
|--|-------------------------|------------------|------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Intergovernmental: | | | | |
| Transportation Development Act | \$ 10,456 | \$ 10,456 | \$ 10,495 | \$ 39 |
| Interest | 315 | 315 | 438 | 123 |
| Total revenues | <u>10,771</u> | <u>10,771</u> | <u>10,933</u> | <u>162</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Streets: | | | | |
| Bikeway - Carpinteria Avenue | <u>10,000</u> | <u>10,000</u> | <u>-</u> | <u>10,000</u> |
| Total expenditures | <u>10,000</u> | <u>10,000</u> | <u>-</u> | <u>10,000</u> |
| Excess(deficiency) of revenues over(under) expenditures | <u>771</u> | <u>771</u> | <u>10,933</u> | <u>10,162</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(402)</u> | <u>(402)</u> | <u>(402)</u> | <u>-</u> |
| Total other financing sources | <u>(402)</u> | <u>(402)</u> | <u>(402)</u> | <u>-</u> |
| Net change in fund balances | 369 | 369 | 10,531 | 10,162 |
| Fund balance, July 1 | <u>50,705</u> | <u>48,655</u> | <u>48,655</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ 51,074</u> | <u>\$ 49,024</u> | <u>\$ 59,186</u> | <u>\$ 10,162</u> |

CITY OF CARPINTERIA
Tidelands Trust Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variance With Final Budget- Positive(Negative) |
|---|-------------------------|-------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services: | | | | |
| Beach recreation fees | \$ - | \$ - | \$ - | \$ - |
| Interest | 2,020 | 2,020 | 1,860 | (160) |
| Miscellaneous: | | | | |
| Rents and leases | 271,471 | 271,471 | 284,809 | 13,338 |
| Contributions | 388 | 388 | - | (388) |
| Total revenues | 273,879 | 273,879 | 286,669 | 12,790 |
| Expenditures: | | | | |
| Current: | | | | |
| Parks and recreation: | | | | |
| Dune maintenance | 10,000 | 21,000 | 16,365 | 4,635 |
| Marsh/Bluffs maintenance | 25,000 | 20,000 | 21,490 | (1,490) |
| Salaries and benefits | 69,630 | 67,950 | 66,974 | 976 |
| Services and supplies | 42,000 | 42,500 | 38,150 | 4,350 |
| Capital outlay | 33,000 | 13,500 | 67,374 | (53,874) |
| Total expenditures | 179,630 | 164,950 | 210,353 | (45,403) |
| Excess(deficiency) of revenues over under expenditures | 94,249 | 108,929 | 76,316 | (32,613) |
| Other financing uses: | | | | |
| Transfers out | (114,994) | (114,994) | (114,994) | - |
| Total other financing uses | (114,994) | (114,994) | (114,994) | - |
| Net change in fund balances | (20,745) | (6,065) | (38,678) | (32,613) |
| Fund balance, July 1 | 249,205 | 118,200 | 118,200 | - |
| Fund balance, June 30 | <u>\$ 228,460</u> | <u>\$ 112,135</u> | <u>\$ 79,522</u> | <u>\$ (32,613)</u> |

CITY OF CARPINTERIA
Street Lighting Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget- Positive(Negative)</u> |
|---|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes and assessments: | | | | |
| Street lighting ad valorem assessments | \$ 288,267 | \$ 288,267 | \$ 325,703 | \$ 37,436 |
| HOPTR | 1,133 | 1,133 | 1,727 | 594 |
| Interest | 7,446 | 7,446 | 8,861 | 1,415 |
| Miscellaneous | 1,030 | 1,030 | - | (1,030) |
| Total revenues | <u>297,876</u> | <u>297,876</u> | <u>336,291</u> | <u>38,415</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Streets: | | | | |
| Street lighting | 100,000 | 100,000 | 100,549 | (549) |
| Traffic signals and other | 60,000 | 10,000 | 1,201 | 8,799 |
| Supplies services | 8,500 | 3,000 | 1,970 | 1,030 |
| Capital outlay | <u>250,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>418,500</u> | <u>113,000</u> | <u>103,720</u> | <u>9,280</u> |
| Excess(deficiency) of revenues over expenditures | <u>(120,624)</u> | <u>184,876</u> | <u>232,571</u> | <u>47,695</u> |
| Other financing uses: | | | | |
| Transfers in | - | - | - | - |
| Transfers out | <u>(192,611)</u> | <u>(111,615)</u> | <u>(192,611)</u> | <u>(80,996)</u> |
| Total other financing sources (uses) | <u>(192,611)</u> | <u>(111,615)</u> | <u>(192,611)</u> | <u>(80,996)</u> |
| Net change in fund balances | (313,235) | 73,261 | 39,960 | (33,301) |
| Fund balance, July 1 | <u>1,058,565</u> | <u>1,077,731</u> | <u>1,077,831</u> | <u>(100)</u> |
| Fund balance, June 30 | <u>\$ 745,330</u> | <u>\$ 1,150,992</u> | <u>\$ 1,117,791</u> | <u>\$ (33,401)</u> |

CITY OF CARPINTERIA
Right of Way Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | <u>Budgeted Amounts</u> | | | <u>Variance With Final Budget- Positive(Negative)</u> |
|---|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Taxes and assessments: | | | | |
| Street right of way special assessments | \$ 192,800 | \$ 192,800 | \$ 195,427 | \$ 2,627 |
| Interest | - | - | - | - |
| Miscellaneous | 1,100 | 1,100 | 193 | (907) |
| Total revenues | 193,900 | 193,900 | 195,620 | 1,720 |
| Expenditures: | | | | |
| Current: | | | | |
| Streets: | | | | |
| Salaries and benefits | 166,182 | 234,703 | 225,095 | 9,608 |
| Services and supplies | 187,000 | 158,369 | 158,245 | 124 |
| Total expenditures | 353,182 | 393,072 | 383,340 | 9,732 |
| Excess(deficiency of revenues over expenditures) | (159,282) | (199,172) | (187,720) | 11,452 |
| Other financing sources (uses): | | | | |
| Transfers in | 213,629 | 213,629 | 242,067 | 28,438 |
| Transfers out | (54,347) | (54,347) | (54,347) | - |
| Total other financing sources (uses) | 159,282 | 159,282 | 187,720 | 28,438 |
| Net change in fund balances | - | (39,890) | - | 39,890 |
| Fund balance, July 1 | - | - | - | - |
| Fund balance, June 30 | \$ - | \$ (39,890) | \$ - | \$ 39,890 |

CITY OF CARPINTERIA
Parking and Business Improvement Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget- Positive(Negative)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes and assessments: | | | | |
| Parking lot special assessments | \$ 30,192 | \$ 30,192 | \$ 27,873 | \$ (2,319) |
| Interest | 204 | 204 | 433 | 229 |
| Total revenues | <u>30,396</u> | <u>30,396</u> | <u>28,306</u> | <u>(2,090)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Parking and business improvement | 10,726 | 6,682 | 6,164 | 518 |
| Total expenditures | <u>10,726</u> | <u>6,682</u> | <u>6,164</u> | <u>518</u> |
| Excess(deficiency) of revenues over expenditures | <u>19,670</u> | <u>23,714</u> | <u>22,142</u> | <u>(1,572)</u> |
| Other financing sources (uses): | | | | |
| Transfer in | - | - | - | - |
| Transfer out | (17,249) | (17,249) | (17,249) | - |
| Total other financing uses | <u>(17,249)</u> | <u>(17,249)</u> | <u>(17,249)</u> | <u>-</u> |
| Net change in fund balances | 2,421 | 6,465 | 4,893 | (1,572) |
| Fund balance, July 1 | <u>45,047</u> | <u>45,450</u> | <u>45,450</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ 47,468</u> | <u>\$ 51,915</u> | <u>\$ 50,343</u> | <u>\$ (1,572)</u> |

CITY OF CARPINTERIA
AB 939 Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget- Positive(Negative)</u> |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Interest | \$ 2,268 | \$ 2,268 | \$ 2,583 | \$ 315 |
| Charges for services: | | | | |
| Solid waste management fees | 180,857 | 180,857 | 182,662 | 1,805 |
| Total revenues | 183,125 | 183,125 | 185,245 | 2,120 |
| Expenditures: | | | | |
| Current: | | | | |
| Public works: | | | | |
| Waste oil collection | 66,500 | 49,065 | 37,996 | 11,069 |
| Total expenditures | 66,500 | 49,065 | 37,996 | 11,069 |
| Excess(deficiency) of revenues over expenditures | 116,625 | 134,060 | 147,249 | 13,189 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (191,564) | (191,564) | (191,564) | - |
| Total other financing uses | (191,564) | (191,564) | (191,564) | - |
| Net change in fund balances | (74,939) | (57,504) | (44,315) | 13,189 |
| Fund balance, July 1 | 310,555 | 315,893 | 315,893 | - |
| Fund balance, June 30 | <u>\$235,616</u> | <u>\$ 258,389</u> | <u>\$ 271,578</u> | <u>\$ 13,189</u> |

CITY OF CARPINTERIA
Measure D Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variance With Final Budget- Positive(Negative) |
|--|-------------------------|--------------|---------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental: | | | | |
| Measure D allocations | \$ - | \$ - | \$ - | \$ - |
| Interest | - | - | 7,512 | 7,512 |
| Total revenues | - | - | 7,512 | 7,512 |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| Ninth street bridge | - | - | - | - |
| Street maintenance | 50,000 | - | - | - |
| Bike path maintenance | 50,000 | 1,714 | 1,714 | - |
| Beach drainage | 525,000 | - | - | - |
| Total expenditures | 625,000 | 1,714 | 1,714 | - |
| Excess(dediciency) of reevenues over expenditures | (625,000) | (1,714) | 5,798 | 7,512 |
| Other financing sources (uses): | | | | |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | (625,000) | (1,714) | 5,798 | 7,512 |
| Fund balance, July 1 | 724,978 | 678,285 | 678,285 | - |
| Fund balance, June 30 | \$ 99,978 | \$ 676,571 | \$ 684,083 | \$ 7,512 |

CITY OF CARPINTERIA
Recreation Programs Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | <u>Budgeted Amounts</u> | | | <u>Variance With Final Budget- Positive(Negative)</u> |
|---|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Charges for services: | | | | |
| Pool and Recreation programs | \$ 446,150 | \$ 445,150 | \$ 459,034 | \$ 13,884 |
| Total revenues | 446,150 | 445,150 | 459,034 | 13,884 |
| Expenditures: | | | | |
| Current: | | | | |
| Wages and benefits | 320,636 | 374,795 | 391,381 | (16,586) |
| Utilities | 53,500 | 53,800 | 53,549 | 251 |
| Supplies and services | 208,272 | 204,172 | 221,502 | (17,330) |
| Capital outlay | - | - | - | - |
| Total expenditures | 582,408 | 632,767 | 666,432 | (33,665) |
| Excess(deficiency) of revenues over expenditures | (136,258) | (187,617) | (207,398) | (19,781) |
| Other financing sources (uses): | | | | |
| Transfers in | 205,003 | 205,003 | 280,634 | 75,631 |
| Transfers out | (68,745) | (68,745) | (68,745) | - |
| Total other financing sources(uses) | 136,258 | 136,258 | 211,889 | 75,631 |
| Net change in fund balances | - | (51,359) | 4,491 | 55,850 |
| Fund balance, July 1 | - | (4,491) | (4,491) | - |
| Fund balance, June 30 | \$ - | \$ (55,850) | \$ - | \$ 55,850 |

Supplementary Information
CITY OF CARPINTERIA
Budgetary Comparison Schedule - Development Impact Fee Fund
Major Capital Projects Fund
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|-----------------------|---|
| | Original | Final | Actual Amounts | |
| Revenues: | | | | |
| Charges for services: | | | | |
| Impact fees | \$ 105,000 | \$ 133,210 | \$ 89,125 | \$ (44,085) |
| Intergovernmental grants | 75,000 | 30,000 | - | (30,000) |
| Interest | - | - | 23,515 | 23,515 |
| Total revenues | 180,000 | 163,210 | 112,640 | (50,570) |
| Expenditures: | | | | |
| Capital Projects | | | | |
| FHWA Bridge replacement | 75,000 | 30,000 | 40,881 | (10,881) |
| Storm drains | 100,000 | 3,210 | 3,210 | - |
| Park land, parks and pool | - | - | 43,170 | (43,170) |
| City hall | - | 130,000 | 14,341 | 115,659 |
| All other projects | 5,000 | - | 12,557 | (12,557) |
| Total expenditures | 180,000 | 163,210 | 114,159 | 49,051 |
| Excess(deficiency) of revenues over expenditures | - | - | (1,519) | (1,519) |
| Transfers out | - | - | (7,242) | (7,242) |
| Net change in fund balance | - | - | (8,761) | (8,761) |
| Fund balance ,July 1 | 2,971,202 | 2,971,202 | 2,971,202 | - |
| Fund balance, June 30 | <u>\$ 2,971,202</u> | <u>\$ 2,971,202</u> | <u>\$ 2,962,441</u> | <u>\$ (8,761)</u> |

CITY OF CARPINTERIA
Revolving Fund
Major Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

| | <u>Budgeted Amounts</u> | | | <u>Variance With Final Budget- Positive(Negative)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental: | | | | |
| Beach erosion study | \$ - | \$ - | \$ - | \$ - |
| Measure A grants | - | - | 105,682 | 105,682 |
| FHWA HBR grant | 750,000 | 750,000 | 159,337 | (590,663) |
| Beverage container grant | 5,000 | 5,000 | - | (5,000) |
| CALGRIP grant | - | - | 116,026 | 116,026 |
| Public works grant | 385,000 | 385,000 | 136,361 | (248,639) |
| Other grants | - | - | - | - |
| Total revenues | <u>1,140,000</u> | <u>1,140,000</u> | <u>517,406</u> | <u>(622,594)</u> |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| Community garden | - | - | 62,669 | (62,669) |
| Measure A projects | 385,000 | 385,000 | 105,682 | 279,318 |
| FHWA HBR grant | 750,000 | 750,000 | 159,339 | 590,661 |
| Beverage container program | 5,000 | 5,000 | 5,692 | (692) |
| CALGRIP | - | - | 116,026 | (116,026) |
| Other projects | - | - | 67,998 | (67,998) |
| Total expenditures | <u>1,140,000</u> | <u>1,140,000</u> | <u>517,406</u> | <u>622,594</u> |
| Excess(deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources(uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | - | - | - | - |
| Fund balance, July 1 | <u>42,915</u> | <u>42,915</u> | <u>42,915</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ 42,915</u> | <u>\$ 42,915</u> | <u>\$ 42,915</u> | <u>\$ -</u> |



Capital Assets Used in Governmental Operations



CITY OF CARPINTERIA
Comparative Schedule of Capital Assets Used In Operation of Governmental Funds
Comparative Schedules By Source

| | June 30 | |
|--|----------------------|----------------------|
| | 2016 | 2015 |
| Governmental funds capital assets | | |
| Land | \$ 9,674,134 | \$ 9,674,134 |
| Buildings | 2,109,396 | 2,109,396 |
| Pool facilities | 1,486,834 | 1,455,189 |
| Vehicles | 664,937 | 583,159 |
| Equipment | 1,058,229 | 1,034,124 |
| Street and other improvements | 4,823,761 | 4,751,843 |
| Park improvements | 3,170,897 | 3,170,897 |
| Construction in progress | 1,205,887 | 1,048,600 |
| Total governmental funds capital assets | <u>\$ 24,194,075</u> | <u>\$ 23,827,342</u> |
| Investment in governmental funds capital assets by source | | |
| General fund | \$ 9,942,283 | \$ 9,942,283 |
| Special revenue funds | 14,251,792 | 13,885,059 |
| Total governmental funds capital assets | <u>\$ 24,194,075</u> | <u>\$ 23,827,342</u> |

CITY OF CARPINTERIA
Schedule of Changes in Capital Assets Used In Operation of Governmental Funds
By Source
For the Fiscal Year Ended June 30, 2016

| | <u>Land and Improvements</u> | <u>Buildings and Pool Facilities</u> | <u>Vehicles and Equipment</u> | <u>CIP</u> | <u>Total Cost</u> |
|--|----------------------------------|--|-----------------------------------|---------------------|----------------------|
| Governmental funds capital assets, July 1, 2015 | \$ 17,596,874 | \$ 3,564,585 | \$ 1,617,283 | \$ 1,048,600 | \$ 23,827,342 |
| Add: | | | | | |
| Expenditures from: | | | | | |
| General fund | - | - | - | - | - |
| Special revenue funds | 71,918 | 31,675 | 105,853 | 157,287 | 366,733 |
| Contributions | - | - | - | - | - |
| Deduct: | | | | | |
| Retirements | - | - | - | - | - |
| Governmental funds capital assets June 30, 2016 | <u>\$ 17,668,792</u> | <u>\$ 3,596,260</u> | <u>\$ 1,723,136</u> | <u>\$ 1,205,887</u> | <u>\$ 24,194,075</u> |

CITY OF CARPINTERIA
Schedule of Capital Assets Used In Operation of Governmental Funds
By Function and Activity
June 30, 2016

| <u>Function and Activity</u> | <u>Construction in Progress</u> | <u>Land and Improvements</u> | <u>Buildings and Pool Facilities</u> | <u>Vehicles and Equipment</u> | <u>Total Cost</u> |
|---------------------------------|---------------------------------|------------------------------|--------------------------------------|-------------------------------|-------------------|
| General government: | | | | | |
| General government buildings | \$ - | \$ 1,336,855 | \$ 418,797 | \$ 550,819 | \$ 2,306,471 |
| Public safety | - | 500,000 | 317,740 | 109,963 | 927,703 |
| Parks and recreation | 203,598 | 9,982,310 | 2,749,263 | 638,848 | 13,574,019 |
| Public works | - | 521,810 | 110,480 | 423,506 | 1,055,796 |
| Infrastructure: | | | | | |
| Pedestrian bridges and walkways | - | 2,387,811 | - | - | 2,387,811 |
| Street systems | 1,002,269 | 2,727,845 | - | - | 3,730,114 |
| Sidewalk systems | - | 212,161 | - | - | 212,161 |
| Total general fixed assets | \$ 1,205,867 | \$ 17,668,792 | \$ 3,596,280 | \$ 1,723,136 | \$ 24,194,075 |

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Statistical Section



STATISTICAL SECTION

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

| | |
|-------------------------|-----------------------|
| Financial Trends | Schedules 1 -4 |
|-------------------------|-----------------------|

These schedules contain trend information to help understand how the city's financial performance and well-being have changed over time.

| | |
|-------------------------|-----------------------|
| Revenue Capacity | Schedules 5-13 |
|-------------------------|-----------------------|

These schedules contain information to help assess the city's most significant local revenue sources, which for the City is property taxes, sales taxes, and transient occupancy taxes.

| | |
|----------------------|------------------------|
| Debt Capacity | Schedules 14-18 |
|----------------------|------------------------|

These schedules present information to help assess the afford ability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

| | |
|---|------------------------|
| Demographic and Economic Information | Schedules 19-21 |
|---|------------------------|

These schedules offer demographic and economic indicators to help understand the environment within which the city's financial activities take place.

| | |
|------------------------------|------------------------|
| Operating Information | Schedules 22-23 |
|------------------------------|------------------------|

These schedules contain service and infrastructure data to help understand how the information in the city's financial report relates to services the city provides and the activities it performs.

Schedule 1
City of Carpinteria
Net Position by Category
Last Ten Fiscal Years
(Accrual basis of accounting)

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities: | | | | | |
| Net investment in capital assets | \$ 15,750,059 | \$ 16,864,680 | \$ 17,943,073 | \$ 18,752,543 | \$ 19,256,641 |
| Restricted | 5,509,149 | 11,693,563 | 6,848,132 | 6,635,977 | 5,949,721 |
| Unrestricted | 6,194,379 | 1,405,742 | 6,065,642 | 826,607 | 1,373,207 |
| Total governmental activities net position | <u>\$ 27,453,587</u> | <u>\$ 29,963,985</u> | <u>\$ 30,856,847</u> | <u>\$ 26,215,127</u> | <u>\$ 26,579,569</u> |

| | | | | | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Primary government (City wide totals) | | | | | |
| Net investment in capital assets | \$ 15,750,059 | \$ 16,864,680 | \$ 17,943,073 | \$ 18,752,543 | \$ 19,256,641 |
| Restricted | 5,509,149 | 11,693,563 | 6,848,132 | 6,635,977 | 5,949,721 |
| Unrestricted | 6,194,379 | 1,405,742 | 6,065,642 | 826,607 | 1,373,207 |
| Total primary government net position | <u>\$ 27,453,587</u> | <u>\$ 29,963,985</u> | <u>\$ 30,856,847</u> | <u>\$ 26,215,127</u> | <u>\$ 26,579,569</u> |

| | 2007 | 2008 | 2009 | 2010 | 2011 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities: | | | | | |
| Net investment in capital assets | \$ 9,224,163 | \$ 9,645,343 | \$ 10,403,137 | \$ 12,764,362 | \$ 14,278,785 |
| Restricted | 6,265,203 | 6,328,293 | 6,498,990 | 6,387,940 | 8,621,089 |
| Unrestricted | 6,361,102 | 7,408,559 | 9,333,445 | 7,380,527 | 6,948,205 |
| Total governmental activities net position | <u>\$ 21,850,468</u> | <u>\$ 23,382,195</u> | <u>\$ 26,235,572</u> | <u>\$ 26,532,829</u> | <u>\$ 29,848,079</u> |

| | | | | | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Primary government (City wide totals) | | | | | |
| Net investment in capital assets | \$ 9,224,163 | \$ 9,645,343 | \$ 10,403,137 | \$ 12,764,362 | \$ 14,278,785 |
| Restricted | 6,265,203 | 6,328,293 | 6,498,990 | 6,387,940 | 8,621,089 |
| Unrestricted | 6,361,102 | 7,408,559 | 9,333,445 | 7,380,527 | 6,948,205 |
| Total primary government net position | <u>\$ 21,850,468</u> | <u>\$ 23,382,195</u> | <u>\$ 26,235,572</u> | <u>\$ 26,532,829</u> | <u>\$ 29,848,079</u> |

Schedule 2
City of Carpinteria
Changes in Net Position, Last Ten Fiscal Years
(Accrual Basis of Accounting)

For the Fiscal Years Ended June 30

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 3,397,245 | \$ 3,771,421 | \$ 3,643,689 | \$ 3,392,625 | \$ 3,945,980 |
| Police | 3,307,293 | 3,578,492 | 2,863,491 | 3,805,193 | 3,623,748 |
| Public works | 1,992,042 | 2,571,301 | 3,072,449 | 2,516,574 | 3,173,896 |
| Recreation | 1,283,076 | 1,691,338 | 1,653,131 | 1,556,728 | 1,618,317 |
| Interest on long-term debt | 48,031 | 42,115 | 35,681 | 28,842 | 21,665 |
| Total governmental activities expenses | 10,027,687 | 11,654,667 | 11,268,441 | 11,299,962 | 12,383,606 |
| Total City government expenses | <u>\$ 10,027,687</u> | <u>\$ 11,654,667</u> | <u>\$ 11,268,441</u> | <u>\$ 11,299,962</u> | <u>\$ 12,383,606</u> |
| Program Revenues: | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | \$ 1,026,840 | \$ 591,751 | \$ 407,630 | \$ 373,398 | \$ 473,436 |
| Police protection | 140,338 | 116,220 | 116,927 | 88,528 | 118,930 |
| Public works | 533,027 | 414,111 | 615,098 | 780,293 | 596,135 |
| Parks and recreation | 1,817,641 | 1,246,140 | 1,188,270 | 987,432 | 848,388 |
| Operating grants and contributions | 1,444,513 | 1,537,842 | 1,858,200 | 2,006,552 | 1,255,382 |
| Capital grants and contributions | 575,694 | 8,856 | - | - | 333,563 |
| Total governmental activities program revenues | 5,538,053 | 3,914,920 | 4,186,125 | 4,236,203 | 3,625,834 |
| Total City government program revenues | <u>\$ 5,538,053</u> | <u>\$ 3,914,920</u> | <u>\$ 4,186,125</u> | <u>\$ 4,236,203</u> | <u>\$ 3,625,834</u> |
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| Expenses: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 2,683,965 | \$ 2,986,529 | \$ 3,241,203 | \$ 3,723,162 | \$ 3,519,612 |
| Police | 2,777,336 | 2,854,942 | 2,981,952 | 3,163,145 | 3,340,770 |
| Public works | 2,244,942 | 2,313,229 | 2,637,041 | 2,308,955 | 1,983,199 |
| Recreation | 1,783,154 | 1,481,315 | 2,216,869 | 1,588,448 | 1,548,443 |
| Interest on long-term debt | 73,751 | 66,664 | 63,568 | 60,517 | 51,822 |
| Total governmental activities expenses | 9,563,148 | 9,702,679 | 11,140,633 | 10,844,227 | 10,443,846 |
| Total City government expenses | <u>\$ 9,563,148</u> | <u>\$ 9,702,679</u> | <u>\$ 11,140,633</u> | <u>\$ 10,844,227</u> | <u>\$ 10,443,846</u> |
| Program Revenues: | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | \$ 341,078 | \$ 402,927 | \$ 276,799 | \$ 319,336 | \$ 399,380 |
| Police protection | 165,528 | 194,942 | 177,020 | 138,701 | 106,548 |
| Public works | 446,955 | 532,412 | 333,186 | 892,015 | 312,544 |
| Parks and recreation | 958,650 | 1,122,420 | 770,409 | 922,533 | 738,189 |
| Operating grants and contributions | 1,356,595 | 2,233,483 | 1,220,609 | 1,125,588 | 1,194,191 |
| Capital grants and contributions | 476,255 | 451,735 | 1,123,850 | 557,555 | 1,278,619 |
| Total governmental activities program revenues | 3,745,061 | 4,937,919 | 3,901,873 | 3,955,728 | 4,029,471 |
| Total City government program revenues | <u>\$ 3,745,061</u> | <u>\$ 4,937,919</u> | <u>\$ 3,901,873</u> | <u>\$ 3,955,728</u> | <u>\$ 4,029,471</u> |

Schedule 2 -Continued
City of Carpinteria
Changes in Net Position, Last Ten Fiscal Years
(Accrual Basis of Accounting)

For the Fiscal Years Ended June 30

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Net(Expense)Revenue: | | | | | |
| Governmental activities | \$ (4,489,634) | \$ (7,739,747) | \$ (7,082,316) | \$ (7,063,759) | \$ (8,757,772) |
| Total City government | <u>\$ (4,489,634)</u> | <u>\$ (7,739,747)</u> | <u>\$ (7,082,316)</u> | <u>\$ (7,063,759)</u> | <u>\$ (8,757,772)</u> |
| General Revenues and Other Changes in in Net Position: | | | | | |
| Governmental activities: | | | | | |
| Taxes: | | | | | |
| Property taxes | \$ 2,581,797 | \$ 2,619,423 | \$ 2,875,344 | \$ 2,962,918 | \$ 3,142,567 |
| Sales taxes | 1,610,860 | 1,860,725 | 1,739,414 | 2,054,033 | 2,090,019 |
| Other taxes | 2,415,064 | 2,620,476 | 2,742,122 | 3,593,823 | 3,681,124 |
| Motor vehicle in lieu fees not restricted to a specific | 50,588 | 61,261 | 33,299 | - | - |
| Other general revenues | 14,889 | 14,039 | 7,907 | 53,208 | 25,242 |
| Investment earnings | 172,236 | 108,605 | 57,164 | (88,082) | 183,262 |
| Total governmental activities | <u>6,845,434</u> | <u>7,284,529</u> | <u>7,455,250</u> | <u>8,575,900</u> | <u>9,122,214</u> |
| Total City government | <u>\$ 6,845,434</u> | <u>\$ 7,284,529</u> | <u>\$ 7,455,250</u> | <u>\$ 8,575,900</u> | <u>\$ 9,122,214</u> |
| Change in net position: | | | | | |
| Governmental activities | \$ 2,355,800 | \$ (455,218) | \$ 372,934 | \$ 1,512,141 | \$ 364,442 |
| Total City government | <u>\$ 2,355,800</u> | <u>\$ (455,218)</u> | <u>\$ 372,934</u> | <u>\$ 1,512,141</u> | <u>\$ 364,442</u> |
| | | | | | |
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| Net(Expense)Revenue: | | | | | |
| Governmental activities | \$ (5,818,087) | \$ (4,764,760) | \$ (7,238,760) | \$ (6,888,499) | \$ (6,414,375) |
| Total City government | <u>\$ (5,818,087)</u> | <u>\$ (4,764,760)</u> | <u>\$ (7,238,760)</u> | <u>\$ (6,888,499)</u> | <u>\$ (6,414,375)</u> |
| General Revenues and Other Changes in in Net Position: | | | | | |
| Governmental activities: | | | | | |
| Taxes: | | | | | |
| Property taxes | \$ 2,260,191 | \$ 2,400,098 | \$ 2,553,681 | \$ 2,598,405 | \$ 2,617,817 |
| Sales taxes | 1,309,958 | 1,492,933 | 1,700,449 | 1,951,187 | 1,886,345 |
| Other taxes | 2,242,098 | 2,514,825 | 2,470,860 | 2,345,848 | 2,319,130 |
| Motor vehicle in lieu fees not restricted to a specific | 98,194 | 112,933 | 86,361 | 68,611 | 81,180 |
| Other general revenues | - | 202,825 | 21,182 | 23,031 | 182,229 |
| Investment earnings | 247,743 | 565,497 | 781,441 | 548,935 | 291,497 |
| Total governmental activities | <u>6,158,184</u> | <u>7,289,111</u> | <u>7,613,974</u> | <u>7,536,017</u> | <u>7,378,198</u> |
| Total City government | <u>\$ 6,158,184</u> | <u>\$ 7,289,111</u> | <u>\$ 7,613,974</u> | <u>\$ 7,536,017</u> | <u>\$ 7,378,198</u> |
| Change in net position: | | | | | |
| Governmental activities | \$ 340,097 | \$ 2,524,351 | \$ 375,214 | \$ 647,518 | \$ 963,823 |
| Total City government | <u>\$ 340,097</u> | <u>\$ 2,524,351</u> | <u>\$ 375,214</u> | <u>\$ 647,518</u> | <u>\$ 963,823</u> |

Schedule 3
City of Carpinteria
Fund Balances, Governmental Funds
Last Ten Fiscal Years

| Fiscal Year | General Fund | | | | | All Other Governmental Funds | | | | |
|-------------------------|--------------|--------------|--------------------------|--------------|--------------|------------------------------|--------------|-----------|--------------------|---------------------|
| | Nonspendable | Restricted | Committed | Unassigned | Total | Nonspendable | Restricted | Committed | Unassigned | Total |
| 2016 | \$ 216,537 | \$ 191,981 | \$6,528,226 | \$ 1,734,662 | \$ 8,671,406 | \$ 26,439 | \$ 6,757,800 | \$ 34,151 | \$ - | \$ 6,818,390 |
| 2015 | \$ 4,167 | \$ 217,091 | \$6,233,213 | \$ 1,972,371 | \$ 8,426,842 | \$ 26,439 | \$ 6,418,886 | \$ - | \$ 42,912 | \$ 6,488,237 |
| 2014 | \$ 4,167 | \$ 324,734 | \$6,091,164 | \$ 1,538,606 | \$ 7,958,671 | \$ 15,887 | \$ 7,198,891 | \$ - | \$ 42,915 | \$ 7,257,693 |
| 2013 | \$ 205,646 | \$ 324,734 | \$5,737,366 | \$ 1,362,455 | \$ 7,630,201 | \$ 19,766 | \$ 7,609,684 | \$ - | \$ 43,287 | \$ 7,672,737 |
| 2012 | \$ 4,167 | \$ 324,734 | \$1,924,447 | \$ 5,596,686 | \$ 7,850,034 | \$ 13,212 | \$ 7,549,043 | \$ - | \$ - | \$ 7,562,255 |
| 2011 | \$ 173,152 | \$ 324,734 | \$1,856,800 | \$ 4,805,990 | \$ 7,160,676 | \$ 9,978 | \$ 5,184,415 | \$ - | \$ - | \$ 5,194,393 |
| Unreserved, reported in | | | | | | | | | | |
| Fiscal Year | Reserved | Unreserved | Total General Fund | | | | | Reserved | Special Revenue | Capital Projects |
| 2010 | \$ 2,379 | \$ 7,604,958 | \$7,607,337 | | | | | \$ 23,937 | \$ 3,143,733 | \$ 2,276,455 |
| 2009 | \$ 4,758 | \$ 7,726,393 | \$7,731,151 | | | | | \$ 25,353 | \$ 2,764,316 | \$ 3,237,142 |
| 2008 | \$ 173,792 | \$ 8,841,682 | \$9,015,474 | | | | | \$ 25,353 | \$ 3,081,517 | \$ 3,534,857 |
| 2007 | \$ 406,524 | \$ 7,468,271 | \$7,874,795 | | | | | \$ 25,447 | \$ 2,483,455 | \$ 3,166,885 |

Note: The City implemented GASB statement Number 34 in the 2003 fiscal year. The information in this schedule is therefore set forth prospectively from the year of implementation.

Schedule 4
City of Carpinteria
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

(Modified accrual basis of accounting)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|-------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|-------------------|
| Revenues: | | | | | | | | | | |
| Taxes | \$ 6,382,499 | \$ 6,724,990 | \$ 6,895,440 | \$ 6,823,292 | \$ 6,607,721 | \$ 7,100,657 | \$ 7,348,781 | \$ 7,862,769 | \$ 8,610,774 | \$ 8,913,710 |
| Licenses and permits | 102,283 | 97,519 | 81,981 | 72,302 | 123,567 | 157,988 | 157,406 | 109,909 | 106,271 | 115,914 |
| Fines and forfeits | 163,913 | 193,528 | 175,732 | 137,910 | 106,243 | 105,079 | 116,099 | 116,705 | 88,431 | 119,233 |
| Charges for services | 1,162,487 | 1,461,187 | 705,059 | 1,425,239 | 804,591 | 2,741,309 | 1,558,431 | 1,600,991 | 1,384,306 | 1,255,899 |
| Special assessments | 220,472 | 221,372 | 222,177 | 224,681 | 222,168 | 222,636 | 227,055 | 221,724 | 226,954 | 223,300 |
| Intergovernmental | 1,703,480 | 2,549,370 | 2,256,250 | 1,725,304 | 2,253,103 | 2,053,664 | 1,521,800 | 2,274,809 | 1,377,172 | 1,600,265 |
| Investment earnings | 737,683 | 942,019 | 674,935 | 373,368 | 242,615 | 158,746 | 101,954 | 96,005 | 595,462 | 232,183 |
| Other revenues | 387,245 | 333,408 | 348,815 | 551,830 | 514,897 | 282,503 | 338,644 | 279,974 | 422,733 | 287,544 |
| Total revenues | 10,860,062 | 12,523,393 | 11,360,389 | 11,333,926 | 10,874,905 | 12,822,582 | 11,370,170 | 12,562,886 | 12,812,103 | 12,748,048 |
| Expenditures: | | | | | | | | | | |
| General government | 2,635,513 | 2,825,720 | 3,057,446 | 3,381,989 | 3,149,117 | 2,987,938 | 3,288,772 | 3,244,566 | 3,388,728 | 3,656,340 |
| Public safety | 2,717,000 | 2,812,193 | 2,970,475 | 3,151,668 | 3,263,648 | 3,222,610 | 3,415,221 | 3,445,409 | 3,792,309 | 3,608,378 |
| Parks | 1,316,353 | 1,269,500 | 1,342,264 | 1,481,804 | 1,376,443 | 1,230,178 | 1,326,966 | 1,153,380 | 1,256,754 | 1,380,332 |
| Planning and public works | 2,684,899 | 2,884,514 | 2,810,131 | 2,432,332 | 1,357,768 | 1,434,091 | 1,878,396 | 1,904,318 | 2,152,697 | 2,114,983 |
| Recreation | | | | | | | | | | |
| Capital outlay | 479,009 | 450,296 | 2,276,037 | 1,417,116 | 2,248,976 | 715,597 | 1,390,970 | 2,718,834 | 2,121,720 | 1,234,048 |
| Intergovernmental | | | 633,185 | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | | | |
| Payment to escrow agent | | | | | | | | | | |
| Costs of issuance | | | | | | | | | | |
| Principal | 100,000 | 105,000 | 105,000 | 115,000 | 120,000 | 125,000 | 135,000 | 145,000 | 145,000 | 155,000 |
| Interest | 73,751 | 69,551 | 65,090 | 60,517 | 55,346 | 49,948 | 44,196 | 37,953 | 31,138 | 24,250 |
| Total expenditures | 10,006,525 | 10,416,774 | 13,259,628 | 12,040,426 | 11,571,298 | 9,765,362 | 11,479,521 | 12,649,460 | 12,888,346 | 12,173,331 |
| Excess of revenues over (under) expenditures | 853,537 | 2,106,619 | (1,899,239) | (706,500) | (696,393) | 3,057,220 | (109,351) | (86,574) | (76,243) | 574,717 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from borrowing | | | | | | | | | | |
| Payments to escrow agent | | | | | | | | | | |
| Transfers in | 1,341,265 | 1,261,917 | 1,547,951 | 1,939,510 | 2,891,794 | 1,482,586 | 1,591,130 | 1,699,086 | 1,703,420 | 2,451,170 |
| Transfers out | (1,341,265) | (1,261,917) | (1,547,951) | (1,939,510) | (2,891,794) | (1,482,586) | (1,591,130) | (1,699,086) | (1,703,420) | (2,451,170) |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - | - |
| Net change in fund balances | \$ 853,537 | \$ 2,106,619 | \$ (1,899,239) | \$ (706,500) | \$ (696,393) | \$ 3,057,220 | \$ (109,351) | \$ (86,574) | \$ (76,243) | \$ 574,717 |
| Debt service as a percentage of noncapital expenditures | 1.86% | 1.78% | 1.67% | 1.68% | 1.92% | 1.97% | 1.81% | 1.88% | 1.66% | 1.52% |

Schedule 5
City of Carpinteria
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year | Assessed Taxable Values | | | Total Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value |
|-------------|-------------------------|-------------|---------------|-----------------------|--------------------------------|--|
| | Secured | Unsecured | Totals | | | |
| 2006-2007 | 1,446,021,352 | 87,596,534 | 1,533,617,886 | 1.00% | 3,740,191,286 | 41.00% |
| 2007-2008 | 1,525,486,287 | 84,044,973 | 1,609,531,260 | 1.00% | 3,933,779,965 | 40.92% |
| 2008-2009 | 1,595,744,659 | 92,047,309 | 1,687,791,968 | 1.00% | 4,120,857,803 | 40.96% |
| 2009-2010 | 1,624,592,897 | 96,402,743 | 1,720,995,640 | 1.00% | 4,199,200,447 | 40.98% |
| 2010-2011 | 1,611,435,112 | 98,273,571 | 1,709,708,683 | 1.00% | 4,168,978,596 | 41.01% |
| 2011-2012 | 1,648,224,902 | 102,081,036 | 1,750,305,938 | 1.00% | 4,266,392,306 | 41.03% |
| 2012-2013 | 1,649,207,464 | 106,715,505 | 1,755,922,969 | 1.00% | 4,275,469,381 | 41.07% |
| 2013-2014 | 1,726,261,900 | 112,576,204 | 1,838,838,104 | 1.00% | 4,476,477,899 | 41.08% |
| 2014-2015 | 1,828,344,041 | 124,049,385 | 1,952,393,426 | 1.00% | 4,748,073,510 | 41.12% |
| 2015-2016 | 1,919,853,476 | 124,041,961 | 2,043,895,437 | 1.00% | 4,976,836,491 | 41.07% |

Notes:

- 1 Property in Santa Barbara County is assessed at market value in the year in which the property is exchanged pursuant to a sale. In years thereafter, the assessed value is increased by one percent as required by state law. Based upon the frequency of property exchanges, assessed value is estimated to be about 40 percent of actual value for real property and about 70 percent for personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$100 of assessed values.

Source: Santa Barbara County Assessors Office

Schedule 6
City of Carpinteria
Direct and Overlapping Property Tax Rates
For The Last Ten Fiscal Years
(Rates per \$100 of assessed value)

| Fiscal Year | City Direct Rate | | | Overlapping Rates | |
|----------------|------------------|------------------------------------|-------|---------------------|----------------------|
| | Basic Rate | General Obligation Debt Rate | Total | School Districts | Special Districts |
| 2006-2007 | 1.00% | 0.00% | 1.00% | 0.00645% | 0.00% |
| 2007-2008 | 1.00% | 0.00% | 1.00% | 0.00635% | 0.00% |
| 2008-2009 | 1.00% | 0.00% | 1.00% | 0.00642% | 0.00% |
| 2009-2010 | 1.00% | 0.00% | 1.00% | 0.00642% | 0.00% |
| 2010-2011 | 1.00% | 0.00% | 1.00% | 0.00653% | 0.00% |
| 2011-2012 | 1.00% | 0.00% | 1.00% | 0.00635% | 0.00% |
| 2012-2013 | 1.00% | 0.00% | 1.00% | 0.00635% | 0.00% |
| 2013-2014 | 1.00% | 0.00% | 1.00% | 0.00635% | 0.00% |
| 2014-2015 | 1.00% | 0.00% | 1.00% | 0.00635% | 0.00% |
| 2015-2016 | 1.00% | 0.00% | 1.00% | 0.00635% | 0.00% |

Note: The City's direct property tax rates can only be changed with specific voter approval

Schedule 7
City of Carpinteria
Principal Property Tax Payers - Top Ten Payers
Last Ten Fiscal Years

| 2016 | | | |
|------------------------------|------------------------|------|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| 6303 CARPINTERIA AVENUE, LLC | \$30,075,353 | 1 | 1.47% |
| G6 HOSPITALITY PROPERTY LLC | \$22,651,489 | 2 | 1.11% |
| VENOCO, INC | \$20,951,987 | 3 | 1.03% |
| LAVENDER BLUE, LP | \$16,957,148 | 4 | 0.83% |
| 6267 CARP AVE LLC | \$16,163,232 | 5 | 0.79% |
| BEGAUS, INC | \$15,750,331 | 6 | 0.77% |
| SCHAFF, VICTOR WILLIAM | \$14,880,029 | 7 | 0.73% |
| BBH HOLDINGS, LLC (CA) | \$13,510,670 | 8 | 0.66% |
| HMBL, LLC | \$12,090,552 | 9 | 0.59% |
| SHEPARD PLACE LTD | \$11,868,521 | 10 | 0.58% |
| Total | \$ 174,899,312 | | 8.56% |

| 2014 | | | |
|---------------------------------------|------------------------|------|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| VENOCO, INC | \$20,303,866 | 1 | 1.10% |
| G6 HOSPITALITY PROPERTY | \$17,310,817 | 2 | 0.94% |
| 6267 CARP AVE LLC | \$15,775,000 | 3 | 0.86% |
| BEGAUS, INC | \$15,267,826 | 4 | 0.83% |
| CARP ONE LLC | \$14,995,187 | 5 | 0.82% |
| SCHAFF, VICTOR WILLIAM & CARP TWO LLC | \$14,632,973 | 6 | 0.80% |
| PORTER, ALAN R | \$14,357,775 | 7 | 0.78% |
| BBH HOLDINGS, LLC (CA) | \$14,041,953 | 8 | 0.76% |
| SCHAFF, VICTOR WILLIAM | \$13,186,152 | 9 | 0.72% |
| | \$11,990,150 | 10 | 0.65% |
| Total | \$ 151,861,699 | | 8.26% |

| 2012 | | | |
|--|------------------------|------|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| VENOCO, INC | \$19,830,590 | 1 | 1.16% |
| 6267 CARPINTERIA AVENUE, LLC | \$16,090,823 | 2 | 0.94% |
| BEGAUS, INC | \$14,968,459 | 3 | 0.88% |
| CARP ONE LLC | \$14,701,164 | 4 | 0.86% |
| RESCAL LAGUNITAS 73, LLC | \$14,438,834 | 5 | 0.84% |
| CARP TWO LLC | \$14,076,249 | 6 | 0.82% |
| SCHAFF, VICTOR WILLIAM & SUSAN MARIE REV | \$13,711,894 | 7 | 0.80% |
| CARPI, LLC | \$12,302,936 | 8 | 0.72% |
| HMBL, LLC | \$11,615,379 | 9 | 0.68% |
| SHEPARD PLACE LTD | \$11,359,975 | 10 | 0.66% |
| Total | \$ 143,096,303 | | 8.37% |

| 2010 | | | |
|--------------------------------|------------------------|------|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| VENOCO, INC | \$19,157,770 | 1 | 1.11% |
| 4646 CARPAV, LLC (CA) | \$16,372,756 | 2 | 0.95% |
| 6267 CARPINTERIA AVENUE, LLC | \$15,694,616 | 3 | 0.91% |
| CARP ONE LLC | \$14,339,174 | 4 | 0.83% |
| CARP TWO LLC | \$13,725,838 | 5 | 0.80% |
| SCHAFF, VICTOR WILLIAM & SUSAN | \$13,211,851 | 6 | 0.77% |
| CARPI, LLC | \$12,000,000 | 7 | 0.70% |
| HMBL, LLC | \$11,347,948 | 8 | 0.66% |
| SHEPARD PLACE LTD | \$11,072,881 | 9 | 0.64% |
| GANTENBRINK-ROUTH PARTNERS | \$9,824,454 | 10 | 0.57% |
| Total | \$ 136,747,088 | | 7.95% |

| 2008 | | | |
|--------------------------------|------------------------|------|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| CARPINTERIA BLUFFS, LLC | \$ 17,483,815 | 1 | 1.14% |
| 6267 CARPINTERIA AVENUE, LLC | 14,680,044 | 2 | 0.96% |
| CARP ONE LLC | 13,782,368 | 3 | 0.90% |
| CARP TWO LLC | 13,192,657 | 4 | 0.86% |
| SCHAFF, VICTOR WILLIAM & SUSAN | 12,666,870 | 5 | 0.83% |
| CALDWELL CHILD'S TRUST 8/24/92 | 12,646,060 | 6 | 0.82% |
| POINT CENTER FINANCIAL INC ET/ | 11,964,600 | 7 | 0.78% |
| PORTER, ALAN R | 11,184,300 | 8 | 0.73% |
| HMBL, LLC | 10,949,233 | 9 | 0.71% |
| SHEPARD PLACE LTD | 10,645,827 | 10 | 0.69% |
| Total | \$ 129,195,774 | | 8.42% |

| 2015 | | | |
|---------------------------------------|------------------------|------|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| G6 HOSPITALITY PROPERTY | \$22,229,096 | 1 | 1.14% |
| VENOCO, INC | \$20,622,292 | 2 | 1.06% |
| LAVENDER BLUE, LP | \$16,625,000 | 3 | 0.85% |
| 6267 CARP AVE LLC | \$15,846,618 | 4 | 0.81% |
| BEGAUS, INC | \$15,337,140 | 5 | 0.79% |
| CARP ONE LLC | \$15,063,264 | 6 | 0.77% |
| SCHAFF, VICTOR WILLIAM & CARP TWO LLC | \$14,699,403 | 7 | 0.75% |
| BBH HOLDINGS, LLC (CA) | \$14,422,956 | 8 | 0.74% |
| CARPI, LLC | \$13,246,016 | 9 | 0.68% |
| | \$12,605,965 | 10 | 0.65% |
| Total | \$ 160,697,750 | | 8.23% |

| 2013 | | | |
|--|------------------------|------|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| VENOCO, INC | \$19,830,590 | 1 | 1.13% |
| G6 HOSPITALITY PROPERTY LLC | \$16,871,922 | 2 | 0.96% |
| 6267 CARP AVE LLC | \$16,090,823 | 3 | 0.92% |
| BEGAUS, INC | \$14,968,459 | 4 | 0.85% |
| CARP ONE LLC | \$14,701,164 | 5 | 0.84% |
| CARP TWO LLC | \$14,076,249 | 6 | 0.80% |
| SCHAFF, VICTOR WILLIAM & SUSAN MARIE REV | \$13,711,894 | 7 | 0.78% |
| CARPI, LLC | \$12,302,936 | 8 | 0.70% |
| HMBL, LLC | \$11,615,379 | 9 | 0.68% |
| SHEPARD PLACE LTD | \$11,359,975 | 10 | 0.65% |
| Total | \$ 145,529,391 | | 8.29% |

| 2011 | | | |
|----------------------------|------------------------|------|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| VENOCO, INC | \$18,928,984 | 1 | 1.11% |
| 6267 CARPINTERIA AVENUE, L | \$15,657,419 | 2 | 0.92% |
| CARP ONE LLC | \$14,305,189 | 3 | 0.84% |
| CARP TWO LLC | \$13,697,107 | 4 | 0.80% |
| SCHAFF, VICTOR WILLIAM & S | \$13,180,532 | 5 | 0.77% |
| 4646 CARPAV, LLC (CA) | \$12,550,002 | 6 | 0.73% |
| CARPI, LLC | \$11,971,558 | 7 | 0.70% |
| HMBL, LLC | \$11,331,611 | 8 | 0.68% |
| SHEPARD PLACE LTD | \$11,046,812 | 9 | 0.65% |
| GANTENBRINK-ROUTH PARTI | \$9,801,167 | 10 | 0.57% |
| Total | \$ 132,470,381 | | 7.75% |

| 2009 | | | |
|----------------------------|------------------------|------|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| VENOCO, INC | \$ 17,636,306 | 1 | 1.04% |
| 6267 CARPINTERIA AVENUE, L | 15,343,644 | 2 | 0.91% |
| CARP ONE LLC | 14,058,015 | 3 | 0.83% |
| NARANG HOLDING GROUP LL | 13,567,564 | 4 | 0.80% |
| CARP TWO LLC | 13,456,509 | 5 | 0.80% |
| SCHAFF, VICTOR WILLIAM & S | 12,920,202 | 6 | 0.77% |
| CARPINTERIA PARTNERS LIMIT | 12,000,000 | 7 | 0.71% |
| HMBL, LLC | 11,146,616 | 8 | 0.66% |
| CARPI, LLC | 10,866,769 | 9 | 0.64% |
| SHEPARD PLACE LTD | 10,857,240 | 10 | 0.64% |
| Total | \$ 131,852,865 | | 7.81% |

| 2007 | | | |
|----------------------------|------------------------|------|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| CARPINTERIA BLUFFS, LLC | \$ 17,333,262 | 1 | 1.13% |
| 6267 CARPINTERIA AVENUE, L | 14,392,200 | 2 | 0.94% |
| CARP ONE LLC | 13,496,326 | 3 | 0.88% |
| CARP TWO LLC | 12,933,978 | 4 | 0.84% |
| SCHAFF, VICTOR WILLIAM & S | 12,418,500 | 5 | 0.81% |
| SUMMERWIND AT THE BLUFF | 11,730,000 | 6 | 0.76% |
| PORTER, ALAN R | 10,965,000 | 7 | 0.71% |
| INTERNATIONAL AIRPORT HO | 10,755,720 | 8 | 0.70% |
| SHEPARD PLACE LTD | 10,435,619 | 9 | 0.68% |
| GANTENBRINK-ROUTH PARTI | 9,187,606 | 10 | 0.60% |
| Total | \$ 123,648,211 | | 8.06% |

Schedule 8
City of Carpinteria
Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year | Total Tax Levy for Fiscal Year | Collections within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections To Date | |
|-------------|-----------------------------------|---|-----------------------|---------------------------------------|------------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount Collected | Percentage of Levy |
| 2006-07 | 1,347,338 | 1,319,038 | 97.9% | 27,915 | 1,346,956 | 100.0% |
| 2007-08 | 1,409,468 | 1,375,359 | 97.6% | 33,584 | 1,408,943 | 100.0% |
| 2008-09 | 1,474,151 | 1,432,437 | 97.2% | 40,497 | 1,472,933 | 99.9% |
| 2009-10 | 1,501,727 | 1,464,993 | 97.6% | 34,764 | 1,499,756 | 99.9% |
| 2010-11 | 1,488,310 | 1,462,922 | 98.3% | 22,907 | 1,485,829 | 99.8% |
| 2011-12 | 1,501,364 | 1,482,088 | 98.7% | 16,983 | 1,499,070 | 99.8% |
| 2012-13 | 1,536,286 | 1,520,728 | 99.0% | 13,064 | 1,533,792 | 99.8% |
| 2013-14 | 1,606,334 | 1,593,519 | 99.2% | 9,955 | 1,603,474 | 99.8% |
| 2014-15 | 1,702,720 | 1,688,463 | 99.2% | 9,102 | 1,697,565 | 99.7% |
| 2015-16 | 1,780,112 | 1,762,381 | 99.0% | #N/A | 1,762,381 | 99.0% |

Source: Santa Barbara County Auditor-Controller's Office

Schedule 9
City of Capinteria
Revenue Base Concentration Data - Principal Sales Tax Generators By Industry
Last Ten Fiscal Years

| 2016 | | | |
|---------------------------|------------------------|------|---|
| Industry | Retail Sales Generated | Rank | Percentage of Total City Retail Sales Dollars |
| Fuel and Service Stations | \$ 413,351 | 1 | 24.86% |
| Business & Industry | 412,991 | 2 | 24.84% |
| Restaurants and Hotels | 338,093 | 3 | 20.33% |
| Food and Drugs | 248,939 | 4 | 14.97% |
| Building and Construction | 119,849 | 5 | 7.21% |
| General Consumer Goods | 104,486 | 6 | 6.28% |
| Autos and Transportation | 25,228 | 7 | 1.52% |

| | | | |
|-------|--------------|--|---------|
| Total | \$ 1,862,937 | | 100.00% |
|-------|--------------|--|---------|

| 2014 | | | |
|---------------------------|------------------------|------|---|
| Industry | Retail Sales Generated | Rank | Percentage of Total City Retail Sales Dollars |
| Business & Industry | 466,512 | 1 | 28.05% |
| Fuel and Service Stations | \$ 465,935 | 2 | 28.02% |
| Restaurants and Hotels | 310,102 | 3 | 18.65% |
| Food and Drugs | 257,239 | 4 | 15.47% |
| Building and Construction | 118,994 | 5 | 7.04% |
| General Consumer Goods | 115,988 | 6 | 6.97% |
| Autos and Transportation | 24,372 | 7 | 1.47% |

| | | | |
|-------|--------------|--|---------|
| Total | \$ 1,757,140 | | 105.86% |
|-------|--------------|--|---------|

| 2012 | | | |
|---------------------------|------------------------|------|---|
| Industry | Retail Sales Generated | Rank | Percentage of Total City Retail Sales Dollars |
| Fuel and Service Stations | \$ 532,140 | 1 | 32.00% |
| Business & Industry | 349,217 | 2 | 21.00% |
| Restaurants and Hotels | 299,329 | 3 | 18.00% |
| Food and Drugs | 286,070 | 4 | 16.00% |
| General Consumer Goods | 99,778 | 5 | 6.00% |
| Building and Construction | 83,147 | 6 | 5.00% |
| Autos and Transportation | 33,259 | 7 | 2.00% |

| | | | |
|-------|--------------|--|---------|
| Total | \$ 1,880,725 | | 100.00% |
|-------|--------------|--|---------|

| 2010 | | | |
|---------------------------|------------------------|------|---|
| Industry | Retail Sales Generated | Rank | Percentage of Total City Retail Sales Dollars |
| Business and Industry | \$ 546,412 | 1 | 28.96% |
| Fuel and Service Stations | 389,280 | 2 | 20.64% |
| Restaurants and Hotels | 350,225 | 3 | 18.56% |
| Food and Drugs | 289,723 | 4 | 14.30% |
| Building and Construction | 156,977 | 5 | 8.32% |
| General Consumer Goods | 142,833 | 6 | 7.57% |
| Autos and Transportation | 31,085 | 7 | 1.65% |

| | | | |
|-------|--------------|--|---------|
| Total | \$ 1,886,545 | | 100.00% |
|-------|--------------|--|---------|

| 2008 | | | |
|---------------------------|------------------------|------|---|
| Industry | Retail Sales Generated | Rank | Percentage of Total City Retail Sales Dollars |
| Business and Industry | \$ 611,920 | 1 | 35.99% |
| Fuel and Service Stations | 271,260 | 2 | 15.95% |
| Food and Drugs | 285,740 | 3 | 15.63% |
| Restaurants and Hotels | 260,670 | 4 | 15.33% |
| General Consumer Goods | 137,530 | 5 | 8.09% |
| Building and Construction | 109,850 | 6 | 6.45% |
| Autos and Transportation | 43,680 | 7 | 2.57% |

| | | | |
|-------|--------------|--|---------|
| Total | \$ 1,700,450 | | 100.00% |
|-------|--------------|--|---------|

| 2015 | | | |
|---------------------------|------------------------|------|---|
| Industry | Retail Sales Generated | Rank | Percentage of Total City Retail Sales Dollars |
| Fuel and Service Stations | \$ 413,351 | 1 | 24.86% |
| Business & Industry | 412,991 | 2 | 24.84% |
| Restaurants and Hotels | 338,093 | 3 | 20.33% |
| Food and Drugs | 248,939 | 4 | 14.97% |
| Building and Construction | 119,849 | 5 | 7.21% |
| General Consumer Goods | 104,486 | 6 | 6.28% |
| Autos and Transportation | 25,228 | 7 | 1.52% |

| | | | |
|-------|--------------|--|---------|
| Total | \$ 1,662,937 | | 100.00% |
|-------|--------------|--|---------|

| 2013 | | | |
|---------------------------|------------------------|------|---|
| Industry | Retail Sales Generated | Rank | Percentage of Total City Retail Sales Dollars |
| Fuel and Service Stations | \$ 584,598 | 1 | 35.15% |
| Business & Industry | 358,997 | 2 | 21.59% |
| Restaurants and Hotels | 312,811 | 3 | 18.81% |
| Food and Drugs | 250,783 | 4 | 15.08% |
| General Consumer Goods | 122,179 | 5 | 7.35% |
| Building and Construction | 88,215 | 6 | 5.30% |
| Autos and Transportation | 21,832 | 7 | 1.31% |

| | | | |
|-------|--------------|--|---------|
| Total | \$ 1,739,414 | | 104.60% |
|-------|--------------|--|---------|

| 2011 | | | |
|---------------------------|------------------------|------|---|
| Industry | Retail Sales Generated | Rank | Percentage of Total City Retail Sales Dollars |
| Fuel and Service Stations | \$ 439,945 | 1 | 27.31% |
| General Consumer Goods | 321,411 | 2 | 19.95% |
| Restaurants and Hotels | 293,273 | 3 | 18.21% |
| Food and Drugs | 241,850 | 4 | 15.01% |
| Business & Industry | 190,333 | 5 | 11.82% |
| Building and Construction | 97,190 | 6 | 6.03% |
| Autos and Transportation | 26,858 | 7 | 1.67% |

| | | | |
|-------|--------------|--|---------|
| Total | \$ 1,810,860 | | 100.00% |
|-------|--------------|--|---------|

| 2009 | | | |
|---------------------------|------------------------|------|---|
| Industry | Retail Sales Generated | Rank | Percentage of Total City Retail Sales Dollars |
| Business and Industry | \$ 803,784 | 1 | 44.78% |
| Fuel and Service Stations | 290,359 | 2 | 16.18% |
| Food and Drugs | 232,686 | 3 | 12.96% |
| Restaurants and Hotels | 238,907 | 4 | 13.37% |
| General Consumer Goods | 122,819 | 5 | 6.83% |
| Building and Construction | 59,846 | 6 | 3.32% |
| Autos and Transportation | 45,900 | 7 | 2.56% |

| | | | |
|-------|--------------|--|---------|
| Total | \$ 1,794,901 | | 100.00% |
|-------|--------------|--|---------|

| 2007 | | | |
|----------------------------|------------------------|------|---|
| Industry | Retail Sales Generated | Rank | Percentage of Total City Retail Sales Dollars |
| All Other Outlets | \$ 523,000 | 1 | 34.67% |
| Other Retail Stores | 237,000 | 2 | 15.71% |
| Eating and Drinking Places | 227,000 | 3 | 15.05% |
| Service Stations | 241,000 | 4 | 15.98% |
| Building Materials | 137,000 | 5 | 9.08% |
| Food Stores | 84,000 | 6 | 5.57% |
| Auto Dealers and Supplies | 44,000 | 7 | 2.92% |
| Apparel Stores | 12,390 | 8 | 0.82% |
| General Merchandise | 2,910 | 9 | 0.19% |

| | | | |
|-------|--------------|--|---------|
| Total | \$ 1,508,300 | | 100.00% |
|-------|--------------|--|---------|

Schedule 10
City of Carpinteria
Sales Tax Revenue Base Data
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Revenue Base City-Wide Retail Sales Subject to Tax</u> | <u>Total Retail Sales Tax Rate</u> | <u>City Direct Tax Rate</u> | <u>Revenue Recognized By the City</u> |
|------------------------|---|--|-------------------------------------|---|
| 2007 | 149,293,300 | 7.75% | 1.00% | 1,492,933 |
| 2008 | 170,045,000 | 7.75% | 1.00% | 1,700,450 |
| 2009 | 195,118,700 | 8.25% | 1.00% | 1,951,187 |
| 2010 | 188,634,500 | 8.75% | 1.00% | 1,886,345 |
| 2011 | 161,086,000 | 7.75% | 1.00% | 1,610,860 |
| 2012 | 186,072,500 | 8.00% | 1.00% | 1,860,725 |
| 2013 | 173,941,400 | 8.00% | 1.00% | 1,739,414 |
| 2014 | 190,097,100 | 8.00% | 1.00% | 1,900,971 |
| 2015 | 198,502,600 | 8.00% | 1.00% | 1,985,026 |
| 2016 | 209,001,900 | 8.00% | 1.00% | 2,090,019 |

Note: The City's direct retail sales tax rate is established pursuant to the City's Municipal Code.
Any increase in the City's direct tax rate requires voter approval

Schedule 11
City of Carpinteria
Transient Occupancy Tax Revenue Base Data
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Revenue Base Room Revenues Subject to Tax</u> | <u>City Direct Tax Rate</u> | <u>Revenue Recognized By the City</u> |
|------------------------|--|-------------------------------------|---|
| 2007 | 14,527,090 | 10.00% | 1,452,709 |
| 2008 | 14,150,310 | 10.00% | 1,415,031 |
| 2009 | 13,269,290 | 10.00% | 1,326,929 |
| 2010 | 12,624,320 | 10.00% | 1,262,432 |
| 2011 | 13,060,330 | 10.00% | 1,306,033 |
| 2012 | 15,552,570 | 10.00% | 1,555,257 |
| 2013 | 13,595,233 | 12.00% | 1,631,428 |
| 2014 | 16,029,483 | 12.00% | 1,923,538 |
| 2015 | 19,748,017 | 12.00% | 2,369,762 |
| 2016 | 19,831,258 | 12.00% | 2,379,751 |

Schedule 12
City Of carpinteria
Transient Occupancy Tax- Principal Payers and Other Data
Last Ten Fiscal Years

| Fiscal Year | City-Wide Occupany Rate | Average Daily Room Rates | Transient Occupancy Tax Revenues In Dollars | |
|----------------|-------------------------------|--------------------------------|---|---------------------------------|
| | | | Concentration By Hotel Size Based on Number of Rooms | |
| | | | Number Hotels 50 or More Rooms | Number Hotels under 50 Rooms |
| | | | | |
| | | | 4 | 15 |
| 2007 | N/A | N/A | \$ 1,172,699.00 | \$ 280,010.00 |
| | | | 4 | 15 |
| 2008 | N/A | N/A | \$ 1,096,090.00 | \$ 318,941.00 |
| | | | 4 | 15 |
| 2009 | N/A | N/A | \$ 1,126,937.94 | \$ 213,125.73 |
| | | | 4 | 15 |
| 2010 | N/A | N/A | \$ 1,069,209.00 | \$ 193,223.00 |
| | | | 4 | 15 |
| 2011 | N/A | N/A | \$ 1,075,964.00 | \$ 230,069.00 |
| | | | 4 | 15 |
| 2012 | N/A | N/A | \$ 1,152,472.00 | \$ 269,365.00 |
| | | | 4 | 15 |
| 2013 | N/A | N/A | \$ 1,234,420.21 | \$ 397,007.79 |
| | | | 4 | 15 |
| 2014 | N/A | N/A | \$ 1,322,195.48 | \$ 578,775.52 |
| | | | | 15 |
| 2015 | N/A | N/A | \$ 1,416,212.13 | \$ 953,549.87 |
| | | | | 15 |
| 2016 | N/A | N/A | \$ 1,516,913.97 | \$ 862,837.03 |

Schedule 13
City of Carpinteria
Principal Transient Occupancy Tax Payers - Top Ten
Last Ten Fiscal Years
(In Alphabetical Order)

Fiscal Years Ended June 30

| 2016 | 2015 | 2014 | 2013 |
|---|---|--|---|
| BEST WESTERN CARPINTERIA INN | BEST WESTERN CARPINTERIA INN | BEST WESTERN CARPINTERIA INN | ACCOR NORTH AMERICA |
| G6 HOSPITALITY, LLC | HMBL, LLC DBA HOLIDAY INN EXPRESS HOTEL | CARPINTERIA REAL ESTATE INC. | BEST WESTERN CARPINTERIA INN 332 |
| HMBL, LLC DBA HOLIDAY INN EXPRESS HOTEL | SOLIMAR-SANDS | G6 HOSPITALITY LLC | HMBL, LLC (DBA HOLIDAY INN EXPRESS |
| VENTURA LODGE LLC / SANDYLAND REEF INN | CAREY, LISA, DABNEY, LEAH, & MANURAS, G. | HMBL, LLC DBA HOLIDAY INN EXPRESS HOTEL | VENTURA LODGE LLC / SANDYLAND REEF INN |
| WATERMARK CARP, LLC | SUNSET SHORES CONDOMINIUM | MURPHYKING REAL ESTATE | CARPINTERIA SHORES |
| SANDYLAND RD ASSOC DBA CARPINTERIA | PLAYA BEACH LODGING | PLAYA BEACH LODGING SANDYLAND RD ASSOC | SOLIMAR SANDS |
| PARADISE RETREATS | MURPHYKING REAL ESTATE | DBA CARPINTERIA SHORES | CARPINTERIA REAL ESTATE, INC. |
| SOLIMAR-SANDS | CARPINTERIA REAL EST./SEASCAPE REALTY | SOLIMAR-SANDS | SUNSET SHORES CONDOMINIUM |
| CAREY, LISA, DABNEY, LEAH, & MANURAS, G. | SEASHELL APARTMENTS/ADREA CAREY | SUNSET SHORES CONDOMINIUM | MURPHYKING REAL ESTATE |
| PLAYA BEACH LODGING | BRIGHTON STREET R. E. SERVICES PROP MGMT | VENTURA LODGE LLC / SANDYLAND REEF INN | SANDYLAND REEF INN |

Fiscal Years Ended June 30

| 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|
| ACCOR NORTH AMERICA | ACCOR NORTH AMERICA | ACCOR NORTH AMERICA | ACCOR NORTH AMERICA |
| BEST WESTERN | BEST WESTERN | BEST WESTERN | BEST WESTERN |
| CARPINTERIA INN 332 | CARPINTERIA INN 332 | CARPINTERIA INN 332 | CARPINTERIA INN 332 |
| HMBL, LLC (DBA HOLIDAY INN EXPRESS | HMBL, LLC (DBA HOLIDAY INN EXPRESS | HMBL, LLC | BEST WESTERN INN 332 |
| VENTURA LODGE LLC / SANDYLAND REEF INN | VENTURA LODGE LLC / SANDYLAND REEF INN | 4975 SANDYLAND ROAD ASSOCIATION INC DBA CARPINTERIA SHORES RENTAL ACCOUNT #1 | CARPINTERIA SHORES |
| CARPINTERIA SHORES | CARPINTERIA SHORES | BEST WESTERN INN 332 | HMBL, LLC |
| SOLIMAR SANDS | SOLIMAR SANDS | BEST WESTERN INN | MURPHYKING REAL ESTATE |
| CARPINTERIA REAL ESTATE, INC. | CARPINTERIA REAL ESTATE, INC. | VENTURA LODGE LLC / SANDYLAND REEF INN | PRUFROCK'S GARDEN INN |
| SUNSET SHORES CONDOMINIUM | SUNSET SHORES CONDOMINIUM | SOLIMAR SANDS | SOLIMAR SANDS |
| MURPHYKING REAL ESTATE | MURPHYKING REAL ESTATE | CARPINTERIA REAL ESTATE, INC. | SUNSET SHORES CONDOMINIUM |
| SANDYLAND REEF INN | SANDYLAND REEF INN | SANDYLAND REEF INN | VENTURA LODGE LLC / SANDYLAND REEF INN |

Fiscal Year Ended June 30

| 2008 | 2007 |
|----------------------------------|------------------------------|
| ACCOR NORTH AMERICA | ACCOR NORTH AMERICA |
| BEST WESTERN | BEST WESTERN |
| CARPINTERIA INN | |
| CARPINTERIA REAL ESTATE, INC. | HOLIDAY INN EXPRESS |
| CARPINTERIA SHORES | VENTURA LODGE LLC |
| HMBL, LLC | SUNSET SHORES CONDOMINIUM |
| MURPHY KING REAL ESTATE | CARPINTERIA SHORES |
| PRUFROCK'S GARDEN INN | SOLIMAR SANDS |
| SOLIMAR SANDS | PRUFROCK'S GARDEN INN B&B |
| SUNSET SHORES CONDO | MURPHY-KING REAL ESTATE |
| VENTURA LODGE LLC | CASA DEL SOL |

Schedule 14
City of Carpinteria
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | | Business-type Activities | | |
|----------------|--------------------------------|---------------------------|--------------------------------|----------------------------------|-------------------------------------|---------------------------------|---------------------------------|---|
| | General Obligation Bonds | Lease Revenue Bonds | Special Assessment Bonds | Reassessment Revenue Bonds | Certificates of Participation | Capital Lease Obligations | Capital Lease Obligations | State of California and Other Loans |
| 2007 | - | - | - | - | 1,480,000 | - | - | - |
| 2008 | - | - | - | - | 1,375,000 | - | - | - |
| 2009 | - | - | - | - | 1,270,000 | - | - | - |
| 2010 | - | - | - | - | 1,155,000 | - | - | - |
| 2011 | - | - | - | - | 1,035,000 | - | - | - |
| 2012 | - | - | - | - | 910,000 | - | - | - |
| 2013 | - | - | - | - | 775,000 | - | - | - |
| 2014 | - | - | - | - | 630,000 | - | - | - |
| 2015 | - | - | - | - | 485,000 | - | - | - |
| 2016 | - | - | - | - | 330,000 | - | - | - |

Schedule 15
City of Carpinteria
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year | General Bonded Debt Outstanding | | | Percentage of Actual Taxable Value of Property | Per Capita |
|----------------|---------------------------------|---------------------------|-------|---|---------------|
| | General Obligation Bonds | Lease Revenue Bonds | Total | | |
| 2007 | - | | - | | - |
| 2008 | - | | - | | - |
| 2009 | - | | - | | - |
| 2010 | - | | - | | - |
| 2011 | - | | - | | - |
| 2012 | - | | - | | - |
| 2013 | - | | - | | - |
| 2014 | - | | - | | - |
| 2015 | - | | - | | - |
| 2016 | - | | - | | - |

The City did not have any General Bonded Debt during this period.

Schedule 16
City of Carpinteria
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-----------------------------|--|--|
| Overlapping Debt: | | | |
| Carpinteria Unified School District | \$ 18,725,000 | 40.589% | \$ 7,600,290 |
| Santa Barbara County Certificates of Participation | 65,355,000 | 3.099% | 2,025,351 |
| Carpinteria Sanitary District General Fund Obligations | 12,395,000 | 81.762% | 10,134,400 |
| TOTAL GROSS OVERLAPPING GENERAL FUND DEBT | | | <u>\$ 19,760,042</u> |
| Less: Carpinteria Sanitary District General Fund Obligations (100% Self-supporting) | | | <u>10,134,400</u> |
| Total Net General Fund Overlapping Debt | | | <u>\$9,625,642</u> |
| Direct Debt: | | | |
| City of Carpinteria Certificates of Participation | 330,000 | 100.000% | <u>330,000</u> |
| Total Direct Debt | | | <u>330,000</u> |
| Total Overlapping and Direct Debt | | | <u><u>\$ 9,955,642</u></u> |

Assessed values used to estimate the applicable percentage provided by Santa Barbara County Auditor Controller and assessment debt outstanding provided by Carpinteria Unified School District and Carpinteria Sanitary District.

Schedule 17
City of Carpinteria
Legal Debt Margin Information
Last Ten Fiscal Years

| Fiscal Year | Debt Limit | Total Debt Applicable To Limit | Total Debt Applicable To Limit as Percentage of Debt Limit |
|-------------|------------|--------------------------------|--|
| 2007 | 57,517,209 | - | 0% |
| 2008 | 60,357,422 | - | 0% |
| 2009 | 63,292,199 | - | 0% |
| 2010 | 64,537,337 | - | 0% |
| 2011 | 64,114,076 | - | 0% |
| 2012 | 64,755,216 | - | 0% |
| 2013 | 65,847,111 | - | 0% |
| 2014 | 68,956,429 | - | 0% |
| 2015 | 73,214,247 | - | 0% |
| 2016 | 76,646,079 | - | 0% |

Legal Debt Margin Calculation for Fiscal Year 2015

| | |
|--------------------------------------|------------------|
| Assessed value | \$ 2,043,895,437 |
| Debt limit (3.75% of assessed value) | 76,646,079 |
| Less debt applicable to limit: | |
| General obligation bonds | - |
| Total debt applicable to limit | - |
| Legal debt margin | \$ 76,646,079 |

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.

Schedule 18
City of Carpinteria
Pledged Revenue Coverage
Last Ten Fiscal Years

| Special Assessment Bonds | | | | | |
|---------------------------------|---|------------------------------------|---------------------|-----------------|-----------------|
| Fiscal Year | Special Assessment Collections | Capital Impact Fees | Debt Service | | Coverage |
| | | | Principal | Interest | |
| 2007 | - | - | - | - | - |
| 2008 | - | - | - | - | - |
| 2009 | - | - | - | - | - |
| 2010 | - | - | - | - | - |
| 2011 | - | - | - | - | - |
| 2012 | - | - | - | - | - |
| 2013 | - | - | - | - | - |
| 2014 | - | - | - | - | - |
| 2015 | - | - | - | - | - |
| 2016 | - | - | - | - | - |

The City had no Pledged Revenues during this period.

Schedule 19
City of Carpinteria
Demographic and Economic Statistics
For The Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Population</u> | <u>Personal Income</u> | <u>Per Capita Personal Income</u> | <u>Unemployment Rate</u> |
|------------------------|-------------------|----------------------------|---|------------------------------|
| 2007 | 14,123 | 543,735,500 | 38,500 | 3.80% |
| 2008 | 14,271 | 589,392,300 | 41,300 | 5.20% |
| 2009 | 14,409 | 595,091,700 | 41,300 | 5.20% |
| 2010 | 14,528 | 600,006,400 | 41,300 | 5.20% |
| 2011 | 14,103 | 442,650,861 | 31,387 | 5.80% |
| 2012 | 13,076 | 422,376,600 | 32,302 | 8.20% |
| 2013 | 13,099 | 589,455,000 | 45,000 | 6.30% |
| 2014 | 13,442 | 639,839,200 | 47,600 | 5.40% |
| 2015 | 13,547 | 673,285,900 | 49,700 | 4.70% |
| 2016 | 13,928 | 699,005,421 | 50,187 | 4.90% |

Schedule 20
City of Carpinteria
Principal Employers (Ten Largest)
Last Ten Fiscal Years

| Fiscal Year Ended June 30, 2016 | | | | Fiscal Year Ended June 30, 2015 | | | |
|-------------------------------------|------------------|------|-------------------------------------|-------------------------------------|------------------|------|-------------------------------------|
| Employer | Number Employees | Rank | Percentage of Total City Employment | Employer | Number Employees | Rank | Percentage of Total City Employment |
| Procore | 455 | 1 | 2.92% | Nusil Technology | 403 | 1 | 2.58% |
| Nusil Technology | 403 | 2 | 2.56% | Carpinteria Unified School District | 339 | 2 | 1.92% |
| Linkedin | 400 | 3 | 2.58% | Lynda.com | 300 | 3 | 2.17% |
| Carpinteria Unified School District | 349 | 4 | 2.24% | DAKO Corporation | 250 | 4 | 1.60% |
| DAKO Corporation | 250 | 5 | 1.36% | AGIA Inc. | 210 | 5 | 0.83% |
| AGIA Inc. | 212 | 6 | 1.60% | Bega Lighting | 130 | 6 | 1.35% |
| Albertson's | 120 | 7 | 0.71% | Gigavac | 119 | 7 | 0.71% |
| Gigavac | 119 | 8 | 0.76% | Albertson's | 110 | 8 | 0.71% |
| Bega Lighting | 110 | 9 | 0.00% | CKE (Carl Karcher Enterprises) | 110 | 9 | 0.00% |
| Helix Medical Inc. | 90 | 10 | 0.58% | Helix Medical Inc. | 90 | 10 | 0.58% |
| Totals | 2508 | | 16.08% | Totals | 2061 | | 13.21% |

| Fiscal Year Ended June 30, 2014 | | | | Fiscal Year Ended June 30, 2013 | | | |
|-------------------------------------|------------------|------|-------------------------------------|-------------------------------------|------------------|------|-------------------------------------|
| Employer | Number Employees | Rank | Percentage of Total City Employment | Employer | Number Employees | Rank | Percentage of Total City Employment |
| Nusil Technology | 415 | 1 | 2.66% | Nusil Technology | 391 | 1 | 2.51% |
| Carpinteria Unified School District | 272 | 2 | 1.15% | Carpinteria Unified School District | 350 | 2 | 2.20% |
| DAKO Corporation | 180 | 3 | 1.74% | DAKO Corporation | 343 | 3 | 2.24% |
| Lynda.com | 410 | 4 | 2.63% | Lynda.com | 303 | 4 | 1.94% |
| AGIA Inc. | 129 | 5 | 0.92% | AGIA Inc. | 161 | 5 | 0.96% |
| Helix Medical Inc. | 143 | 6 | 0.83% | Helix Medical Inc. | 150 | 6 | 1.03% |
| TE Connectivity | 130 | 7 | 0.63% | TE Connectivity | 130 | 7 | 0.65% |
| CKE (Carl Karcher Enterprises) | 103 | 8 | 0.66% | CKE (Carl Karcher Enterprises) | 110 | 8 | 0.71% |
| Albertson's | 99 | 9 | 0.00% | Albertson's | 101 | 9 | 0.00% |
| Plan Member Services | 110 | 10 | 0.71% | Plan Member Services | 90 | 10 | 0.58% |
| Totals | 1991 | | 12.76% | Totals | 2129 | | 13.65% |

Schedule 21
City of Carpinteria
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

| Function/Program | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| General government: | | | | | | | | | |
| City council | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| City clerk | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| City manager | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| Finance | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public safety: | | | | | | | | | |
| Police Contract | - | - | - | - | - | - | - | - | - |
| Planning: | | | | | | | | | |
| Planning | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Building and safety | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public works: | | | | | | | | | |
| Roads and streets | 7 | 7 | 7 | 7 | 7 | 9 | 9 | 9 | 9 |
| Parks: | | | | | | | | | |
| Parks and recreation | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Totals | <u>39</u> | <u>39</u> | <u>39</u> | <u>41</u> | <u>41</u> | <u>43</u> | <u>43</u> | <u>43</u> | <u>43</u> |

Note: No full-time equivalent employees are shown for police because the City contracts with Santa Barbara County Sheriff's Department for such services.

Schedule 22
City of Carpinteria
Operating Indicators by Function/Program
Last Ten Fiscal years

| Function/Program | Fiscal Year | | | | | | | | | |
|----------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Police: | | | | | | | | | | |
| Traffic violations | 617 | 758 | 690 | 724 | 724 | 724 | 750 | 760 | 735 | 735 |
| Planning | | | | | | | | | | |
| Building permits issued | 301 | 248 | 205 | 206 | 207 | 262 | 276 | 237 | 246 | 285 |
| Public works: | | | | | | | | | | |
| Miles streets resurfaced | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.07 | 0.67 | 0.67 |
| Parks: | | | | | | | | | | |
| Jr. Lifeguard Participants | 165 | 160 | 185 | 185 | 120 | 120 | 190 | 213 | 190 | 190 |
| Swimming pool admissions | 35,500 | 33,696 | 31,984 | 31,000 | 31,000 | 31,000 | 32,883 | 33,091 | 32,005 | 32,005 |

Schedule 23
City of Carpinteria
Capital Asset Statistics by Function/Program
Last Ten Fiscal years

| Function/Program | Fiscal Year | | | | | | | | | |
|----------------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public works: | | | | | | | | | | |
| Miles of streets | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 |
| Streetlights | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 631 | 631 | 631 |
| Traffic signals | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Parks: | | | | | | | | | | |
| Community centers | | | | | | | | | | |
| Parks | 11 | 11 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Park acreage | 98 | 98 | 100 | 100 | 100 | 100 | 100 | 103 | 103 | 103 |