



CITY OF CARPINTERIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

AL CLARK,
MAYOR
NATALIA ALARCON,
VICE MAYOR
ROY LEE,
COUNCILMEMBER
WADE NOMURA,
COUNCILMEMBER
MÓNICA SOLÓRZANO,
COUNCILMEMBER
DAVE DURFLINGER,
CITY MANAGER
LICETTE MALDONADO,
ADMINISTRATIVE
SERVICES DIRECTOR



***City of Carpinteria,
California***

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Prepared by the Administrative Services Department
Licette Maldonado, Administrative Services Director**

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City of Carpinteria

Administrative Services Department

5775 Carpinteria Avenue
Carpinteria, California 93013
805-684-5405

December 7, 2023

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

The City of Carpinteria (City) is pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. State law requires all general-purpose local governments, within seven months of the close of each fiscal year, to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Responsibility for the accuracy of the data and the fairness of presentation, including all notes and disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All material statements and disclosures necessary for the reader to obtain a reasonable understanding of the City's financial activities are included. City management has an established comprehensive internal control framework designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the anticipated benefits, the City's comprehensive framework of internal controls is designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements.

Rogers, Anderson, Malody & Scott, LLP, a Certified Public Accountant Firm selected by the City Council to perform the audit of the financial statements for the fiscal year ended June 30, 2023, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there is a reasonable basis for rendering an unmodified opinion that the City of Carpinteria's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

City of Carpinteria
Letter of Transmittal
For the Fiscal Year Ended June 30, 2023

CITY OF CARPINTERIA PROFILE

Carpinteria was incorporated on September 28, 1965, as a general law city. Located in Santa Barbara County, Carpinteria is about 16 miles north of the City of San Buenaventura and 10 miles south of the City of Santa Barbara. The City is a part of the greater Carpinteria Valley with its vital agricultural economy and a coastal region visited annually by substantial numbers of tourists seeking to enjoy the area's moderate climate, beaches, active recreational opportunities, fine restaurants, and relaxing atmosphere unique to coastal communities.

The City currently has an estimated population of 12,711 individuals, served by a quaint downtown and with an array of businesses from those positioned to take advantage of nearby universities to those supporting agriculture and tourism. New development occurs primarily through small infill projects as major commercial and industrial development is constrained by available land and policies and regulations intended to preserve and protect coastal resources.

The City operates under the Council-Manager form of government. The City Council, which is elected by the citizens of Carpinteria and consist of five members elected by district to four-year staggered terms. The Council is responsible, among other matters, for adopting policies, sets goals and objectives for the operation of the City government, passes ordinances, adopts budgets, appoints committees, and hiring the City Manager and City Attorney. The City Council also conducts the affairs of the City on behalf of the citizens, in accordance with the State Constitution and the General Laws of the State of California. The City Manager is responsible for carrying out the policies and regulations of the City, appointing other employees, and otherwise managing the daily operations of the City.

The City provides a range of municipal services that include municipal administration, law enforcement, solid waste disposal and recycling, planning and building, business licensing, code compliance and animal control, public works engineering and street maintenance, parks & recreation, public facilities maintenance and operations, and public library services.

The City Council is required to adopt an annual balanced budget no later than June 30 of each year per State legislation and City Council policy. Budgets are adopted annually by the Council by resolution and are prepared for each fund in accordance with its applicable basis of accounting. The annual budget serves as the foundation for the City to maintain sound and conservative financial practices to ensure the fiscal sustainability of the City. The City Council and staff hold various budget workshops to provide an opportunity for the public input. The proposed balanced budget is presented to the City Council for adoption prior to June 30th fiscal year end.

The City maintains budgetary controls to ensure compliance with provisions embodied in the annual budget approved by the City Council. The City Council approves operating and capital appropriations at the fund and program levels.

The City Manager has the authority to transfer between expenditure accounts and between funds of the City as long as no funding source incompatibility exists, provided those changes do not increase the overall appropriation.

City of Carpinteria
Letter of Transmittal
For the Fiscal Year Ended June 30, 2023

LOCAL ECONOMY

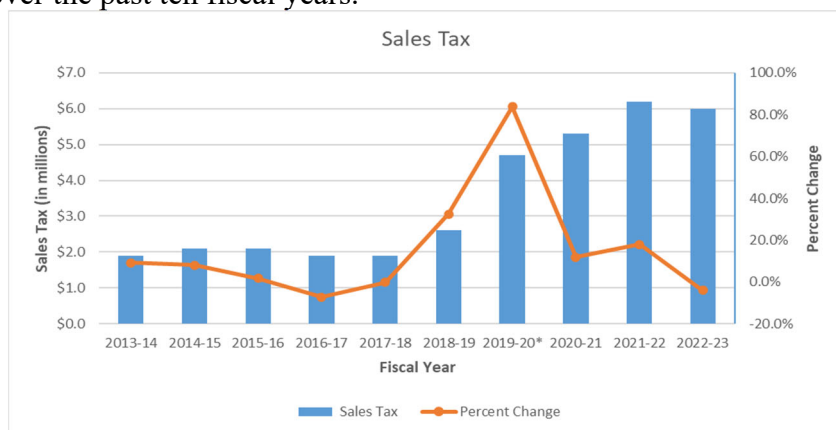
The City is located in a beautiful area of the Central Coast, and the City limits encompass beaches on the Pacific Ocean. Lodging establishments, fine restaurants, and downtown with shops reflecting an attractive and enjoyable small-town environment are all within walking distance of the City's beaches. The City attracts a large volume of visitors to its beaches including the State and City beaches, the Carpinteria Bluffs for hiking, the Salt Marsh Preserve for bird watching, and the annual Avocado Festival. The presence of visitors and their spending represents a significant contribution to the Carpinteria economy, contributing to the top three General Fund revenues. Sales tax was the largest revenue in FY 2022-23 along with property tax and bed tax.

Despite rising employment in the office sector, remote work-from-home and hybrid work schedules have reduced the need for office space. The 2023 Carpinteria Valley Economic Profile¹ states commercial real estate includes 1.57 million square feet in the Carpinteria Valley. The office market has approximately 467,000 square feet of space with a vacancy of 3.0 percent and industrial has approximately 1,100,000 square feet of space with a vacancy of 30.0 percent. With no significant industrial projects in the pipeline, vacancy rates will continue to remain tight along the South Coast for the indefinite future.

Residential real estate value in Santa Barbara County and Carpinteria is some of the highest in the state. Over the past three years, home sales and selling values soared throughout the state and local areas. The median selling value of a single-family home in Carpinteria during 2023 was \$2.3 million, an increase of 19 percent over the median selling value of all homes sold during 2022 calendar year.

The construction of new homes has been sparse over the last decade. The relative lack of new housing units has helped to ensure that the City remains small. The project pipeline has been expanding rapidly and includes 101 residential units, a 50-unit assisted living facility, 3 hotels, a skate park and a 60,000 square foot warehouse conversion per the Economic Profile Report.

Since the passing of Measure X sales tax measure in April 2018, it continues to be the largest General Fund revenue. In FY 2022-23, Sales tax decreased by 3.9% over prior year, primarily due to economic corrections of the pandemic and inflationary pressure. The following graph shows the historical growth in Sales Tax revenue over the past ten fiscal years.



Note: Fiscal Year 2019-20 was the first year of the Measure X Sales Tax accounting for the larger than normal increase year-over-year.

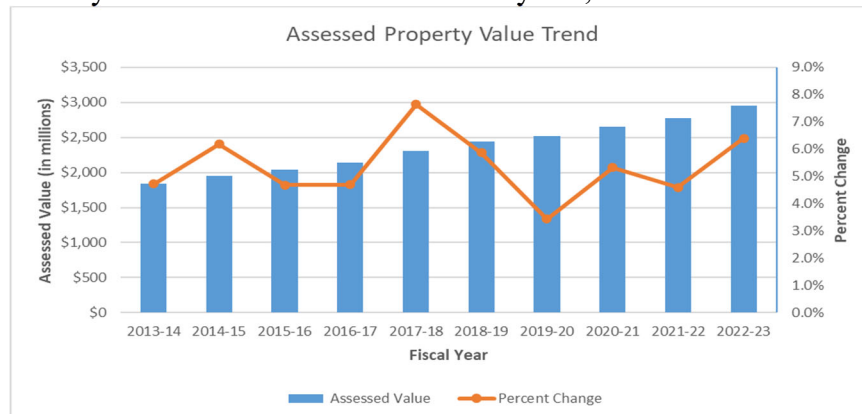
¹ The 2023 Carpinteria Valley Economic Profile, September 2023, <https://carpinteriaca.gov/business/economic-profile/>

City of Carpinteria

Letter of Transmittal

For the Fiscal Year Ended June 30, 2023

Property Tax was the second largest General Fund revenue in FY 2022-23. The City experienced an increase in net taxable assessed property value of \$177.6 million, or 6.4 percent over previous year. This increase is primarily due to growth in valuation for the residential category. The City has seen its net taxable assessed property value consistently increase over the last ten fiscal years, as shown in the following graph.



MAJOR INITIATIVES

General and Measure X Funds – Projected General and Measure X Funds budgeted expenditures and transfers out of \$19.6 million exceed budgeted revenues and transfers in of \$18.5 million for FY 2023-24 primarily due to one-time facility improvement projects as well as transfers out to the Capital Improvement Project fund for various City projects. Additionally, the General and Measure X Funds are expected to continue to provide subsidies to the Park Maintenance, Recreation Services, Right of Way Assessment District, and AB 939 to support on-going operations. Staff continues to pursue opportunities to minimize General and Measure X Fund subsidies and departments have worked conscientiously to identify cost reductions while maintaining service levels.

Cash Management Policies and Practices – When monies are deemed investable, they are placed in the State of California Local Agency Investment Fund (LAIF), U.S. Treasury, Money Market accounts, and Federal Agency securities that mature in five years or less. The City’s investment portfolio at June 30, 2023, included \$11.7 million invested in U.S. Treasury, \$6.6 million invested in Money Market, and \$3.5 invested in LAIF. Funds with LAIF and Money Market accounts can be withdrawn with the same-day notice, providing the City with daily liquidity, while investments in the U.S. Government securities provide portfolio diversification. All investment vehicles offer the City outstanding security and are in compliance with the City’s Investment Policy.

The City has a Budget/Finance Committee (Committee) consisting of two City Councilmembers. The Administrative Services Director/City Treasurer, City Manager, Assistant City Manager, and Finance Manager provide staff support. The Committee meets monthly to review the financial statements and cash and investment position of the City. The Investment Policy is reviewed annually by the Committee and City Council. Investment-related policy changes are recommended as necessary.

Long-term Financial Planning – The City’s Five-Year General Fund Fiscal Forecast is utilized in long-range budgeting and cash flow projection to ensure that funding for the City’s future needs are being met through prudent investments, conservative expenditures, and efficient operations. This multi-year strategy towards fiscal sustainability for the General Fund focuses on maintain a healthy fund balance. The adopted

City of Carpinteria
Letter of Transmittal
For the Fiscal Year Ended June 30, 2023

Five-Year Financial Plan (Plan) covers fiscal years 2022-23 through 2026-27. The Plan identified gaps between revenues and costs associated with meeting long-term capital maintenance, capital projects, and other critical service needs of the community. The Plan recommended two revenue options, updating the City's cost recovery and updating the City's Business License tax.

The City's Cost Recovery / Fee Study was last updated in 2017 and several of the City's fees do not represent a full cost recovery of performing the service. On January 2023, the City entered into an agreement with Revenue Cost Specialist, LLC to conduct the study and assist the City in updating the Master Fee Schedule and to be completed in fiscal year 2023-24.

Anyone doing business in the City is required to pay a business license tax, which is levied solely for general revenue purposes. While there are over 40 different business categories, the maximum business license tax is \$100, regardless of gross receipts or number of employees. The City is looking to update the business license tax in fiscal year 2023-24 to provide an additional ongoing income stream to help support the costs of services within the City.

In addition to prudent fiscal management and forward-looking budget projections, the City follows a fund reserve policy set by the Council that is in compliance with Government Accounting Standards Board (GASB) Statement No. 54. As of June 30, 2023, \$4.49 million of the General Fund total fund balance of \$16.70 million was committed as a financial and economic uncertainties reserve. This reserve balance meets the Council's reserve policy of 50% of the operating budget in the General Fund.

SIGNIFICANT ACCOMPLISHMENTS AND RECOGNITION

Awards - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Carpinteria for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACF. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. Staff is confident that this ACFR continues to meet the Certificate of Achievement Program's requirement and it will be submitted to GFOA to determine its eligibility for another certificate. A copy of the certificate for the fiscal year ended June 30, 2022, is included in the Introductory Section of this ACFR.

The California Society of Municipal Finance Officers (CSMFO) awarded the Certificate of Excellence in Budgeting to the City for its Operating Budget for fiscal year 2022-23 and anticipates receiving the award for fiscal year 2023-24. In order to be awarded a Certificate of Excellence, a government unit must receive a minimum of seventy points out of an eighty-point maximum based on guidelines established by CSMFO. The CSMFO Certificate of Excellence is valid for the budget's life cycle.

Acknowledgments – I wish to acknowledge the excellent participation and professional contributions of the finance staff in the preparation of this document, in particular Finance Manager Gilbert Punsalan, Accounting Technician Alexiss Martinez, and Accounting Specialist Brenda Robinson who are to be commended for their continue high level of performance. I would also like to express my appreciation to all department within the City who provided assistance and support.

City of Carpinteria
Letter of Transmittal
For the Fiscal Year Ended June 30, 2023

Sincere appreciation is also expressed to City Manager Dave Durflinger, Assistant City Manager Michael P. Ramirez, and members of the City Council, for their leadership and support in planning and conducting the financial operations of the City in a responsible and forward-looking manner.

Sincerely,

Licette Maldonado

Licette Maldonado
Administrative Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Carpinteria
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

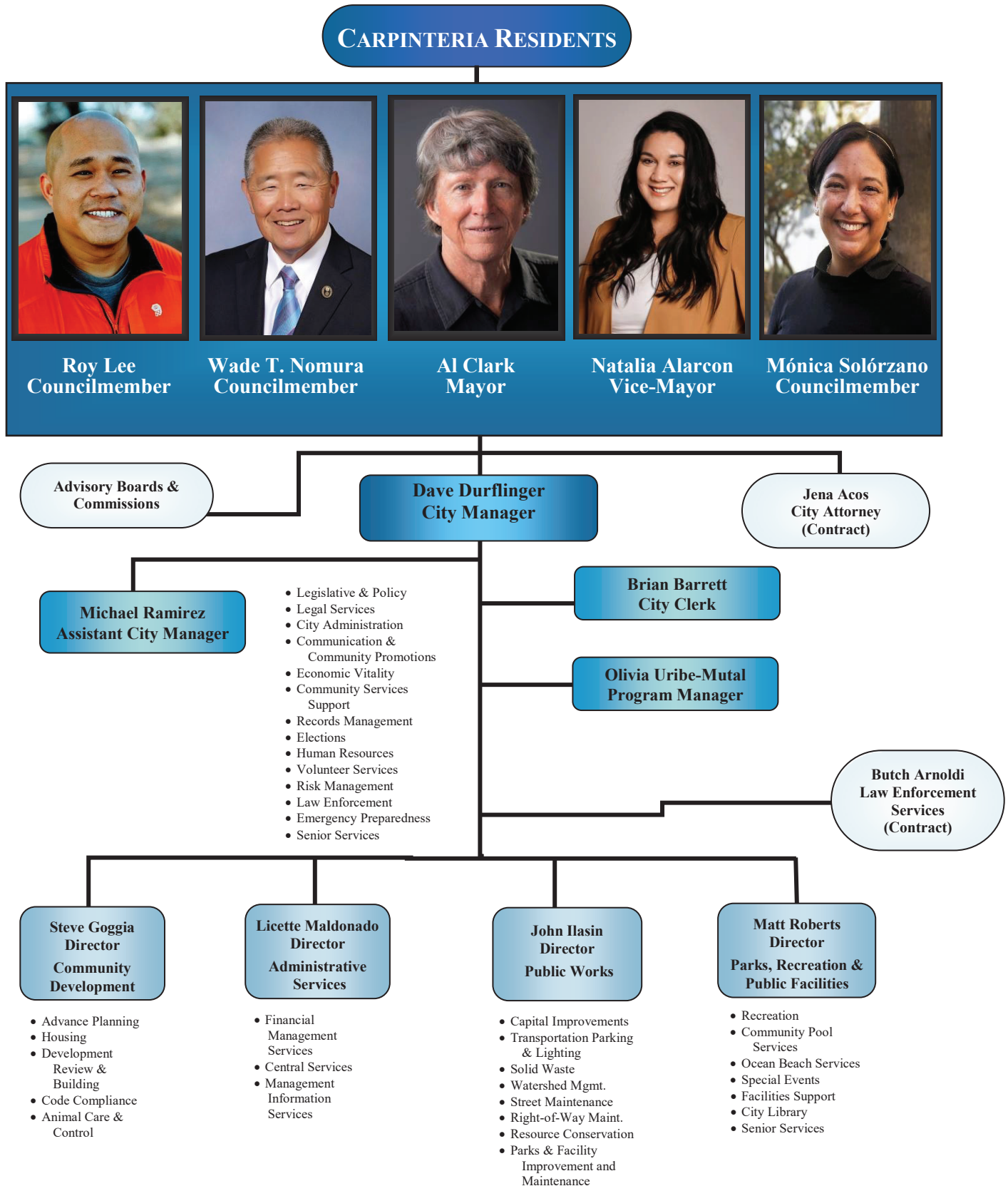
June 30, 2022

Christopher P. Morrell

Executive Director/CEO

CITY OF CARPINTERIA

ORGANIZATIONAL STRUCTURE AND DIRECTORY OF CITY OFFICIALS





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Independent Auditor's Report

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*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

To the Honorable Members of City Council
City of Carpinteria, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Carpinteria, California (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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



Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules and budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 7, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS



Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

As management of the City of Carpinteria (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on pages i-vi of this report. Comparative data on the government-wide financial statements are only presented in Management's Discussion and Analysis.

A. FINANCIAL HIGHLIGHTS

Government-Wide

- At June 30, 2023, the City's net position (assets and deferred outflows over liabilities and deferred inflows) was \$53.3 million. Of this amount, \$7.2 million (unrestricted net position) may be used to meet ongoing service demands of the City.
- City total net position increased \$6.4 million during the fiscal year. An increase of \$0.7 million, or 12.3 percent, over prior fiscal year's increase of \$5.7 million. This increase is primarily due to an increase in property tax of \$0.3 million, use of money and property of \$1.2 million, other general revenues \$0.3 million, offset by a decrease in Sales and Use Tax of \$0.2 million.

Fund Based

- At June 30, 2023, governmental funds reported a combined ending fund balance of \$22.6 million, an increase of \$1.1 million. The ending fund balance primarily consists of \$7.1 million restricted fund balance, \$6.8 million committed fund balance, and \$4.8 million assigned fund balance.
- At June 30, 2023, the City's General Fund reported a combined ending fund balance of \$16.7 million, an increase of \$1.3 million over the prior fiscal year's ending fund balance.
- General Fund revenues for fiscal year 2022-23 were \$17.9 million, an increase of \$0.4 million, or 2.3 percent, over prior fiscal year's General Fund revenues of \$17.5 million.
- General Fund expenditures and transfers out for fiscal year 2022-23 were \$16.6 million, an increase of \$2.2 million, or 15.3 percent, over the prior fiscal year's expenditures and transfers out uses of \$14.4 million.

B. OVERVIEW OF FINANCIAL STATEMENTS

Management's discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

Management's Discussion and Analysis **Fiscal Year Ended June 30, 2023**

The basic financial statements include the City (primary government) and all legally separate entities (component units) for which the government is financially accountable. The City's component unit consists of the following: Carpinteria Public Improvement Corporation. This component unit has been included in the basic financial statements as an integral part of the primary government using the blended method.

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all of the City's assets (including infrastructure) and deferred outflows, as well as all liabilities (including long-term debt) and deferred inflows, with the difference 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 is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position change during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus all the current fiscal year's revenues and expenses are considered regardless of when cash is received or paid (e.g., earned but unused vacation leave or uncollected taxes).

Government-wide financial statements distinguish City governmental activities that are principally supported by taxes and intergovernmental revenues from other business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include public safety, general administration, public works, and parks and recreation. Property, business license, transient occupancy and sales taxes, charges for services, interest income, franchise fees, and state and federal grants finance these activities. The government-wide financial statements can be found on pages 17-18 of this report.

Fund Financial Statements

Fund financial statements are designed to report information about groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City currently utilizes governmental funds. The government activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds organized by their type (i.e., general, special revenue, and capital projects funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, Capital Improvements Fund, Revolving Fund, Tidelands Trust Fund and Measure A Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation as other non-major governmental funds. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements show on pages 61-64. The General Fund includes monies reserved for general reserves and money received from the Measure X sales tax.

The City adopts an annual appropriated budget for all of its funds. Major funds include the General Fund, Measure A Fund, Capital Improvements Fund, Tidelands Trust Fund and Revolving Fund. Budgetary comparison statements for the City's major funds and special revenue funds are provided to demonstrate compliance with this budget on pages 51-54, 58 and 65-77.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

Notes to Basic Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 24-49 of this report.

Required Supplementary Information

In addition to the basic financial statements, this report also presents certain Required Supplementary Information (RSI), including the City's budgetary comparison schedules for the General Fund, Tidelands Trust, and Measure A, schedule of proportionate share of net pension liability, schedule of plan contributions, and schedule of changes in the City's total Other Post-Employment Benefits (OPEB) liability and related ratios. RSI can be found on pages 50-57 of this report.

Supplementary Information

Combining statements and budgetary comparison schedules for non-major governmental funds, are presented immediately following the RSI. Supplementary information can be found on pages 58-77 of this report.

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

Statistical Section

Statistical tables regarding financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information can be found on pages 78-100 of this report.

C. GOVERNMENT WIDE FINANCIAL ANALYSIS
STATEMENT OF NET POSITION

Net position is a useful indicator of the City's financial position over time. For the fiscal year ended June 30, 2023, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$53.3 million. The following is a condensed Statement of Net Position for the fiscal years ended June 30, 2023 and 2022.

	Governmental Activities	
	2023	2022
Assets:		
Current and noncurrent assets	\$ 29,016,040	\$ 28,348,776
Capital assets (net of depreciation)	39,099,744	35,884,728
Total assets	<u>68,115,784</u>	<u>64,233,504</u>
Deferred outflows of resources:		
Deferred pension items	4,022,295	1,772,437
Deferred OPEB items	261,867	334,209
Total deferred outflows of resources	<u>4,284,162</u>	<u>2,106,646</u>
Liabilities:		
Current liabilities	4,229,906	4,542,288
Noncurrent liabilities	11,388,931	7,519,837
Total Liabilities	<u>15,618,837</u>	<u>12,062,125</u>
Deferred inflows of resources:		
Deferred pension items	648,088	4,725,265
Deferred OPEB items	1,132,213	731,685
Deferred lease related items	1,656,468	2,096,926
Total deferred inflows of resources	<u>3,436,769</u>	<u>7,553,876</u>
Net Position:		
Net investment in capital assets	39,085,569	34,749,467
Restricted	7,102,592	6,806,924
Unrestricted	7,156,179	5,167,758
Total net position	<u>\$ 53,344,340</u>	<u>\$ 46,724,149</u>

The largest portion (73.3 percent) of the City's net position reflects its investment of \$39.1 million in capital assets (land, building and improvements, equipment, City pool and infrastructure, right-to-use assets and construction in progress, net of accumulated depreciation/amortization), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Carpinteria

Management's Discussion and Analysis **Fiscal Year Ended June 30, 2023**

Another portion of the City's net position, \$7.1 million (13.3 percent), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$7.2 million (13.4 percent), may be used at the City's discretion to meet the government's ongoing operations and imposed designations (e.g., reserves, endowments, pending litigation, contingencies, and capital projects).

Statement of Activities

The statement of activities show how the City's net position changed during fiscal year 2022-23. Overall, the City's net position increased by \$6.4 million during the fiscal year. These increases are explained in the governmental activities on the following pages. Provided below is a summary of changes in net position:

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,788,490	\$ 2,117,763
Operating grants and contributions	3,565,750	3,718,249
Capital grants and contributions	1,164,612	970,771
General revenues:		
Property taxes	5,512,042	5,188,273
Sales and use taxes	5,971,207	6,215,507
Transient occupancy taxes	3,485,465	3,487,613
Franchises	717,135	685,283
Business license taxes	62,076	63,574
Other general revenues	579,491	260,275
Use of money and property	639,453	(533,847)
Fines and forfeits	112,800	109,601
Total revenues	<u>23,598,521</u>	<u>22,283,062</u>
Expenses:		
General government	6,113,371	7,277,140
Public safety	4,421,423	4,848,534
Public works administration	2,314,271	718,114
Streets	1,491,099	1,504,012
Parks and recreation	2,826,648	2,228,902
Total expenses	<u>17,166,812</u>	<u>16,576,702</u>
Change in net position	6,431,709	5,706,360
Net position, beginning, as restated	46,912,631	41,017,789
Net position, ending	<u>\$ 53,344,340</u>	<u>\$ 46,724,149</u>

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

Governmental Activities increased the City's net position \$6.4 million compared to the prior fiscal year's increase of \$5.7 million. Key elements of the increase in net position are as follows:

Program revenues decreased \$0.3 million due to a decrease in operating grants and contributions of \$0.2 million, charges for services of \$0.3 million, and an increase in capital grants and contributions of \$0.2 million.

- Operating grants and contributions decreased \$0.2 million primarily due to the decrease of \$0.2 million from the COPS grants.
- Charges for services decreased \$0.3 million primarily due to a decrease of \$0.2 million in building plan checks and \$0.3 million in Development Impact Fees, offset by an increase in Park and Recreation fees of \$0.1 million.
- Capital grants and contributions increased \$0.2 million primarily due to increase in grant revenue recognition for capital projects.

General revenues increased \$1.6 million primarily due to decreases in transient occupancy taxes of \$2 thousand and sales and use taxes of \$0.2 million, offset by increases in property taxes of \$0.3 million, use of money and property of \$1.2 million and other general revenues of \$0.3 million. The major changes are highlighted below:

- Sales and use taxes decreased \$0.2 million primarily due to an overpayment in the prior fiscal year and various economic adjustment corrections in fiscal year 2022-23.
- Property taxes increased \$0.3 million, or 6.2 percent, in line with the City's increase in assessed valuation over the prior fiscal year.
- Use of money and property increased \$1.2 million reflecting increases in interest received in the City's investments.
- Other general revenues increased \$0.3 million primarily due to a reimbursement of \$0.2 million related to the 2021 Pavement Rehabilitation Project.

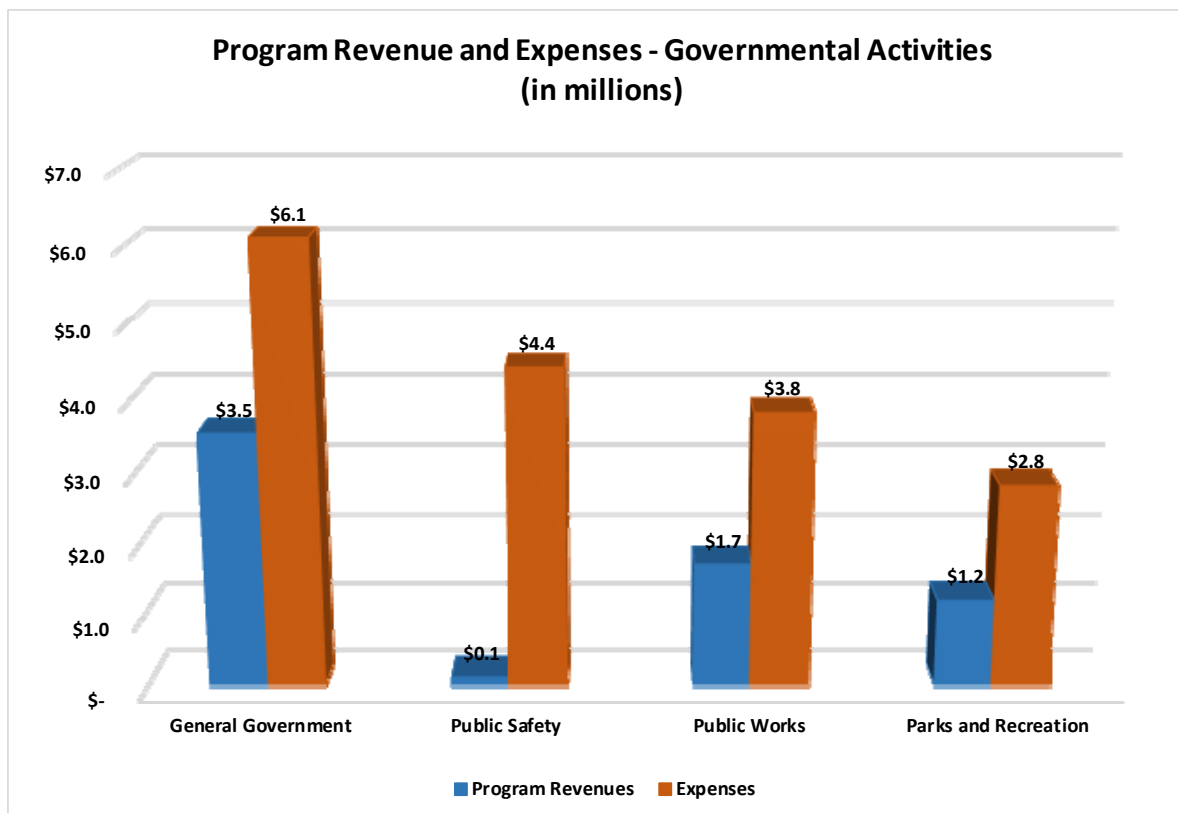
Expenses increased \$0.6 million primarily due to decreases in general government expenses of \$1.2 million, public safety expenses of \$0.4 million, offset by an increase in parks and recreation expenses of \$0.6 million and in public works expenses of \$1.6 million.

- General government expenses decreased \$1.2 million primarily due to a \$1.6 million decrease in pension and OPEB costs offset by an increase in personnel costs of \$0.2 million due to filling of vacant positions and \$0.2 million in housing loans.
- Public safety expenses decreased \$0.4 million primarily due to a \$1.0 million decrease in pension and OPEB costs offset by a \$0.6 million increase in costs for the County of Santa Barbara law enforcement services contract.
- Park and recreation expenses increased \$0.6 million primarily due to \$0.4 million in Library costs associated with the City operating the Carpinteria Library for the full fiscal year and \$0.2 million in recreation services primarily related to the operation of the Community Pool.
- Public works expenses increased \$1.6 million primarily due to increased street related expenses.

City of Carpinteria

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

As shown in the following charts, general government is the largest program expense (\$6.1 million), followed by public safety (\$4.4 million), parks and recreation (\$2.8 million) and public works (\$3.8 million). General revenues, such as property and sales tax, are not shown by program, but are effectively used to support governmental activities citywide.



D. FUND FINANCIAL STATEMENT ANALYSIS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-regulated legal requirements.

Governmental Funds

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

At the end of fiscal year 2022-23, the City's governmental funds reported a combined fund balance of \$22.6 million, an increase of \$1.1 million in comparison with the prior fiscal year's fund balance of \$21.6 million. The increase in fund balance is primarily due to the increase of \$1.3 million in the General Fund. The ending fund balance consists of \$7.1 million in restricted fund balance, \$6.8 million in committed fund balance, \$4.8 million in assigned fund balance, \$3.9 million in unassigned fund balance, and \$35.5 thousand in nonspendable fund balance.

City of Carpinteria

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

General Fund – Fund Balance Analysis

The General Fund is the chief operating fund of the City. As of June 30, 2023, ending fund balance increased \$1.3 million to \$16.7 million.

General Fund's fund balance consist of \$1.2 million restricted for Pension Stabilization; \$6.8 million committed to capital projects, special projects, and economic uncertainties; and \$4.8 million assigned for improvements and services. The remaining \$3.9 million fund balance is unassigned. Refer to page 20 for more detail of the fund balance.

Below is a five-year trend on the General Fund:

Changes to General Fund - Fund Balance by Fiscal Year

	2022-23	2021-22	2020-21	2019-20	2018-19
Revenue	\$ 17,942,042	\$ 17,517,158	\$ 13,711,990	\$ 13,814,008	\$ 11,270,950
Expenditures	(12,567,085)	(11,418,816)	(10,333,320)	(11,117,608)	(10,411,737)
Other financing sources (uses)	(4,067,553)	(2,994,597)	(2,148,297)	(1,031,666)	(702,637)
Operating surplus/(deficit)	1,307,404	3,103,745	1,230,373	1,664,734	156,576
Fund balance - beginning	15,396,348	12,274,965	11,044,592 *	9,122,590	8,966,014
Fund balance - ending	<u>\$ 16,703,752</u>	<u>\$ 15,378,710</u>	<u>\$ 12,274,965</u>	<u>\$ 10,787,324</u>	<u>\$ 9,122,590</u>
Fund balance categories:					
Nonspendable	\$ 7,715	\$ -	\$ 350	\$ -	\$ -
Restricted	1,172,172	1,116,923	1,438,613	4,168,410	1,721,343
Committed	6,798,287	5,958,673	5,757,473	6,074,608	6,132,441
Assigned	4,813,735	4,153,242	3,645,131	-	-
Unassigned	3,911,843	4,149,872	1,433,398	544,306	1,268,806
Fund balance	<u>\$ 16,703,752</u>	<u>\$ 15,378,710</u>	<u>\$ 12,274,965</u>	<u>\$ 10,787,324</u>	<u>\$ 9,122,590</u>

*FY 2022-23, 2021-22 and FY 2019-20 beginning fund balances restated

General Fund – Revenue and Expenditure Analysis

General Fund Revenues for fiscal year 2022-23 were \$17.9 million, an increase of \$0.4 million, or 2.4 percent, compared to prior fiscal year. The chart on the following page compares General Fund revenues for current and prior fiscal years followed by key information:

City of Carpinteria

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

Comparison of General Fund Revenues

	Fiscal Year 2022-23	Fiscal Year 2021-22	Variance Over/(Under) Prior Fiscal Year	% of Increase/ (Decrease) Over Prior Fiscal Year	% of Total
Property tax	\$ 4,932,538	\$ 4,620,765	\$ 311,773	6.7%	27.5%
Sales tax	5,971,207	6,215,507	(244,300)	-3.9%	33.3%
Transient occupancy tax	3,485,465	3,487,613	(2,148)	-0.1%	19.4%
Franchise tax	717,135	685,283	31,852	4.6%	4.0%
Business license	62,076	63,574	(1,498)	-2.4%	0.3%
Licenses and permits	289,804	278,926	10,878	3.9%	1.6%
Fines and forfeits	66,961	86,057	(19,096)	-22.2%	0.4%
Intergovernmental	1,826,490	1,981,045	(154,555)	-7.8%	10.2%
Interest	318,104	(438,154)	756,258	-172.6%	1.8%
Charges for service	251,908	448,798	(196,890)	-43.9%	1.4%
Miscellaneous	20,354	87,744	(67,390)	-76.8%	0.1%
Total revenues	<u>\$ 17,942,042</u>	<u>\$ 17,517,158</u>	<u>\$ 424,884</u>	2.4%	<u>100%</u>

- Intergovernmental revenue decreased \$0.2 million primarily due to the decrease of \$0.2 million from the COPS grants.
- Property tax increased \$0.3 million, which is in line with the City's increase in assessed valuation. Sales tax decreased \$0.2 million primarily due to an overpayment in the prior fiscal year and various economic adjustment corrections in fiscal year 2022-23.
- Interest increased \$0.7 million primarily due to a combination of an unrealized loss on the City's investments in the prior year and an unrealized gain on the City's investment in the current year.

General Fund Expenditures, including transfers out, for fiscal year 2022-23 increased \$2.2 million, or 15.4 percent compared to prior fiscal year. The chart below compares General Fund expenditures for the last two fiscal years followed by key information:

Comparison of General Fund Expenditures

	Fiscal Year 2022-23	Fiscal Year 2021-22	Variance Over/(Under) Prior Fiscal Year	% of Increase/ (Decrease) Over Prior Fiscal Year	% of Total
General government	\$ 5,704,640	\$ 5,514,472	\$ 190,168	3.4%	34.3%
Public safety	5,413,143	4,831,638	581,505	12.0%	32.5%
Public works and streets	879,098	557,423	321,675	57.7%	5.3%
Parks and recreation	507,606	469,676	37,930	8.1%	3.1%
Capital outlay	62,598	45,607	16,991	37.3%	0.4%
Other financing uses	4,067,553	2,994,597	1,072,956	35.8%	24.5%
Total expenditures	<u>\$ 16,634,638</u>	<u>\$ 14,413,413</u>	<u>\$ 2,221,225</u>	15.4%	<u>100.0%</u>

- Other financing sources increased \$1.1 million primarily due to increased funding of capital projects of \$0.3 million and supporting the City's library fund which the City started the transition to operating the Library full time in fiscal year 2022-23.
- Public safety expenditures increased \$0.6 million primarily due to increased cost for the County of Santa Barbara contract for law enforcement services.
- General government expenditures increased \$0.2 million primarily due to increased personnel costs.

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

Other Major Governmental Funds

Capital Improvements Fund

The Capital Improvement Fund accounts for development impact fee and grant revenues, which are used to finance various capital improvement projects within the City.

The Capital Improvement Fund balance decreased \$0.1 million, compared to prior year's decrease of \$0.3 million primarily due to increased capital outlay expenditures of \$0.5 million, offset by reimbursements of \$0.3 million.

Revolving Fund

The Revolving Fund accounts for most of the City's grants from public or private sources that have been award to the City for specific operating purposes.

The Revolving Fund carries a \$0 fund balance.

Measure A Fund

The Measure A Fund is used to account for Measure "A" funds, the county-wide sales tax on motor vehicle fuel. Funds must be used for local transit, street, and right-of-way maintenance and improvements, and street related capital improvements.

The Measure A Fund balance decreased \$0.2 million, compared to prior fiscal year's decrease of \$25 thousand. This decrease is primarily due to \$0.1 million increase in street maintenance cost and a \$0.1 million increase in funding of street projects.

Tidelands Trust Fund

The Tidelands Trust Fund is used to account for revenues received from the City's offshore tidelands which were granted in trust to the City by the State.

The Tidelands Trust Fund balance increased by \$0.1 million, comparable to prior fiscal year's increase of \$0.1 million.

E. 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 during budget review for unanticipated revenues and costs and increases in appropriations to prevent budget overruns.

General Fund revenues were \$0.2 million higher than budget. This was primarily due to Property Tax receipts \$0.1 million greater than adjusted budget offset by miscellaneous revenue \$0.1 million lower than budget.

General Fund expenditures were \$0.8 million lower than budget. This was primarily due to personnel costs \$0.1 million less than budget due to vacancies throughout the year and professional service costs being \$0.3 million less than budget.

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

F. CAPITAL ASSETS AND DEBT ADMINISTRATION
Capital Assets

Investments in capital assets as of June 30, 2023, totaled \$39.1 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, building and improvements, equipment, infrastructure, right-to-use-assets and construction in progress. The total increase in capital assets for fiscal year 2022-23 is \$3.2 million. Additional information on the City's capital assets can be found on page 33 in the notes to basic financial statements. Capital assets are summarized below:

Capital Assets (net of accumulated depreciation/amortization)		
	Governmental Activities	
	2023	2022
Land	\$ 10,492,125	\$ 10,176,390
Improvements	2,133,835	1,642,893
Buildings	6,280,725	6,480,809
Machinery and equipment	770,571	867,031
Vehicles	421,753	256,023
Infrastructure	10,603,458	7,920,334
City pool and facilities	92,822	96,748
Construction in progress	8,290,486	8,444,500
Right-to-use SBITA	13,969	-
Total capital assets, net	<u>\$ 39,099,744</u>	<u>\$ 35,884,728</u>

Major capital asset events during fiscal year 2022-23 included the following:

- The \$2.7 million increase in infrastructure is primarily due to the completion of the street rehabilitation project.
- The \$0.5 million increase in improvements is primarily due to the \$0.3 million completion of the Monte Vista Park Playground Renovations and the \$0.1 million completion of the El Carro Field Turf Renovations projects.
- The \$0.3 million increase in land was due to the Creekside Parcel Acquisition.

Long-Term Debt

The City had no long-term debt at June 30, 2023. The City's last outstanding debt issuance, the 1993 Certificate of Participation, was retired in fiscal year 2017-18.

G. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

On June 23, 2023, the City Council adopted a \$28.6 million annual budget for fiscal year 2023-24, which provides for services and projects essential to City of Carpinteria residents. In establishing annual goals and objectives, the City Council affirmed the City's commitment to maintain sound and conservative financial practices, with the objective of ensuring the City's ability to provide efficient, cost-effective services to the public, a safe and enriched environment, enhanced public communication, and a positive environment for new business and business retention.

Total budgeted revenues for fiscal year 2023-24 are \$22.3 million, a decrease of \$4.6 million, or 17.1 percent, over fiscal year 2022-23 budgeted revenues. Total budgeted expenses are \$28.6 million, a decrease of \$3.2 million, or 10.1 percent, from fiscal year 2022-23 budgeted expenditures. The City is projecting revenues to remain flat. Sales tax, representing 36 percent of all discretionary revenue, is projected to total \$6.0 million, in line with fiscal year 2022-23 actuals. Property tax is projected at \$5.2 million. Transient occupancy taxes, the third largest discretionary revenue source for the City, is projected to remain flat at \$3.5 million.

The City's budget for personnel services, which comprises 36.1 percent of all City operational spending, is projected to increase 18.1 percent to \$7.4 million due to new positions and salary adjustments in response to the recent Total Compensation study. The City's contract for law enforcement services with the Santa Barbara County Sheriff's Office is projected to increase \$0.9 million, or 15.0 percent, to \$6.0 million. Other expenditures are projected at \$15.2 million, which includes \$8.0 million for major capital projects including \$4.5 million for pavement maintenance and rehabilitation.

In summary, the City's financial position remains in good condition and the City reaffirms its commitment to sound and conservative financial practices to ensure the City's fiscal sustainability.

H. REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Carpinteria's Administrative Services Director at 5775 Carpinteria Avenue, Carpinteria, California 93013 or (805) 684-5405. This report is also available online at the City's website at www.carpinteriaca.gov.

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Carpinteria

Statement of Net Position June 30, 2023

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 22,389,496
Net receivables	4,247,004
Lease receivable-short term	264,822
Inventories	27,781
Prepaid expenses	7,715
Total current assets	<u>26,936,818</u>
Noncurrent assets:	
Notes receivable	541,828
Lease receivable	1,537,394
Capital assets not being depreciated	20,916,446
Net capital assets being depreciated	18,183,298
Total noncurrent assets	<u>41,178,966</u>
Total assets	<u>68,115,784</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred pension	4,022,295
Deferred OPEB	261,867
Total deferred outflows of resources	<u>4,284,162</u>
LIABILITIES	
Current liabilities:	
Accounts payable	2,152,379
Accrued liabilities	103,727
Compensated absences	15,435
Deposits	965,299
Unearned revenue	978,891
SBITA liability	14,175
Total current liabilities	<u>4,229,906</u>
Noncurrent liabilities:	
Compensated absences	138,917
Total other postemployment benefit liability	1,160,821
Net pension liability	10,089,193
Total noncurrent liabilities	<u>11,388,931</u>
Total liabilities	<u>15,618,837</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred pension	648,088
Deferred OPEB	1,132,213
Deferred lease revenue	1,656,468
Total deferred inflows of resources	<u>3,436,769</u>
NET POSITION	
Net investment in capital assets	39,085,569
Restricted for:	
Development	1,930,974
Recycling	48,396
Cable television access	72,673
Streets	2,809,087
Housing	1,069,290
Pension stabilization	1,172,172
Unrestricted	7,156,179
Total net position	<u>\$ 53,344,340</u>

The accompanying notes are an integral part of these financial statements.

City of Carpinteria

Statement of Activities For the Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
City government:					
Governmental activities:					
General government	\$ 6,113,371	\$ 523,136	\$ 1,811,991	\$ 1,164,612	\$ (2,613,632)
Public safety	4,421,423	-	100,000	-	(4,321,423)
Public works:					
Public works administration	2,314,271	42,173	-	-	(2,272,098)
Streets	1,491,099	-	1,653,759	-	162,660
Parks and recreation	2,826,648	1,223,181	-	-	(1,603,467)
Total governmental activities	17,166,812	1,788,490	3,565,750	1,164,612	(10,647,960)
Total City government	\$ 17,166,812	\$ 1,788,490	\$ 3,565,750	\$ 1,164,612	(10,647,960)
General revenues:					
Taxes:					
Property taxes					5,512,042
Sales and use taxes					5,971,207
Transient occupancy taxes					3,485,465
Franchises					717,135
Business license taxes					62,076
Other general revenues					579,491
Use of money and property					639,453
Fines and forfeits					112,800
Total general revenues					17,079,669
Change in net position					6,431,709
Net position, beginning of fiscal year, as restated					46,912,631
Net position, end of fiscal year					\$ 53,344,340

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

Governmental Funds Financial Statements



GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

General Fund - This fund is used to account for resources which are not required legally or by sound financial management to be accounted for in another fund.

Capital Improvements Fund - This fund is used to account for capital assets acquisition, construction and improvements of capital facilities, including infrastructure, from general government resources, designated developer fees (such as traffic mitigation fees, bridge fees, etc.), and intergovernmental grants. Funds collected under this program may be used only for the purpose collected.

Revolving Fund - The Revolving Fund is used to account for most grants from public or private sources which have been awarded to the City for specific purposes.

Measure A Fund - The Measure A Fund is used to account for Measure "A" funds, the county wide sales tax on motor vehicle fuel which was approved by the voters of the County. The program is administered by the Santa Barbara County Association of Governments. Funds under this program must be used for local transit, street and right-of-way maintenance and improvements and street related capital improvements pursuant to the City adopted Five Year Program of Projects which is updated and reviewed annually.

Tidelands Trust Fund - The Tidelands Trust Fund is used to account for revenues received from the City's offshore tidelands which were granted in trust to the City by the State. In addition to interest earnings, revenues are also derived from annual lease payments from oil company off-shore pipelines and the pier as well as a share of state royalty payments which are authorized to public agencies maintaining public recreational beaches fronting a producing oil field. These monies may only be used for beach related purposes.

Other Governmental Funds - This is the aggregate of all the non-major governmental funds.

City of Carpinteria
Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	Capital Improvements Fund	Revolving Fund	Measure A Fund	Tidelands Trust	Other Governmental Funds	Total Governmental Funds
ASSETS:							
Cash and investments	\$ 15,227,387	\$ 3,080,255	\$ 434,256	\$ 1,314,521	\$ 385,588	\$ 1,947,489	\$ 22,389,496
Accounts receivable	2,408,620	1,374,545	24,057	261,556	1,432	176,794	4,247,004
Lease receivable	-	-	-	-	1,802,216	-	1,802,216
Notes receivable	-	8,303	-	-	-	533,525	541,828
Inventory	-	-	-	-	-	27,781	27,781
Prepaid expenses	7,715	-	-	-	-	-	7,715
Total assets	<u>\$ 17,643,722</u>	<u>\$ 4,463,103</u>	<u>\$ 458,313</u>	<u>\$ 1,576,077</u>	<u>\$ 2,189,236</u>	<u>\$ 2,685,589</u>	<u>\$ 29,016,040</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:							
LIABILITIES							
Accounts payable	\$ 268,137	\$ 1,666,752	\$ 12,066	\$ 86,726	\$ 1,121	\$ 117,577	\$ 2,152,379
Accrued liabilities	54,106	-	-	976	6,958	41,687	103,727
Deposits	542,773	422,526	-	-	-	-	965,299
Unearned revenue	74,954	442,851	446,247	-	-	14,839	978,891
Total liabilities	<u>939,970</u>	<u>2,532,129</u>	<u>458,313</u>	<u>87,702</u>	<u>8,079</u>	<u>174,103</u>	<u>4,200,296</u>
DEFERRED INFLOWS OF RESOURCES:							
Deferred lease revenue	-	-	-	-	1,656,468	-	1,656,468
Unavailable revenue	-	-	-	-	-	533,525	533,525
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,656,468</u>	<u>533,525</u>	<u>2,189,993</u>
FUND BALANCES:							
Nonspendable	7,715	-	-	-	-	27,781	35,496
Restricted for:							
Development	-	1,930,974	-	-	-	-	1,930,974
Recycling	-	-	-	-	-	48,396	48,396
Cable television access	-	-	-	-	-	72,673	72,673
Recreation services	-	-	-	-	524,689	-	524,689
Streets	-	-	-	1,488,375	-	1,320,712	2,809,087
Housing	-	-	-	-	-	535,765	535,765
Pension stabilization	1,172,172	-	-	-	-	-	1,172,172
Committed for:							
Capital asset replacement	1,067,448	-	-	-	-	-	1,067,448
Economic uncertainties	4,933,100	-	-	-	-	-	4,933,100
Special projects	797,739	-	-	-	-	-	797,739
Assigned							
Improvements and services	4,813,735	-	-	-	-	-	4,813,735
Unassigned	3,911,843	-	-	-	-	(27,366)	3,884,477
Total fund balances	<u>16,703,752</u>	<u>1,930,974</u>	<u>-</u>	<u>1,488,375</u>	<u>524,689</u>	<u>1,977,961</u>	<u>22,625,751</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,643,722</u>	<u>\$ 4,463,103</u>	<u>\$ 458,313</u>	<u>\$ 1,576,077</u>	<u>\$ 2,189,236</u>	<u>\$ 2,685,589</u>	<u>\$ 29,016,040</u>

The accompanying notes are an integral part of these financial statements.

City of Carpinteria

Reconciliation of the Governmental Funds – Balance Sheet to the Statement of Net Position June 30, 2023

Total fund balances - governmental funds \$ 22,625,751

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

Capital assets at historical cost	\$ 46,447,316	
Accumulated depreciation	<u>(7,347,572)</u>	
Net		39,099,744

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

Long-term liabilities relating to governmental activities consist of:

Compensated absences payable	(154,352)	
SBITA liability	(14,175)	
Total OPEB liability	(1,160,821)	
Net pension liability	<u>(10,089,193)</u>	
Total		(11,418,541)

Some assets such as long-term notes receivable are not available for use and reported as deferred inflows of resources until collected in cash. 533,525

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

Deferred outflows of resources:

Pension related	4,022,295	
OPEB related	261,867	

Deferred inflows of resources:

Pension related	(648,088)	
OPEB related	<u>(1,132,213)</u>	
Total		<u>2,503,861</u>

Total net position - governmental activities \$ 53,344,340

The accompanying notes are an integral part of these financial statements.

City of Carpinteria

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Year Ended June 30, 2023

	General Fund	Capital Improvements Fund	Revolving Fund	Measure A Fund	Tidelands Trust	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Property taxes	\$ 4,932,538	\$ -	\$ -	\$ -	\$ -	\$ 383,999	\$ 5,316,537
Sales taxes	5,971,207	-	-	-	-	-	5,971,207
Transient occupancy taxes	3,485,465	-	-	-	-	-	3,485,465
Franchises	717,135	-	-	-	-	-	717,135
Business license taxes	62,076	-	-	-	-	-	62,076
Special assessments	-	-	-	-	-	259,706	259,706
Licenses and permits	289,804	-	-	-	-	-	289,804
Fines and forfeits	66,961	-	-	-	-	45,840	112,801
Intergovernmental	1,826,490	1,164,612	61,916	1,025,975	-	647,579	4,726,572
Use of money and property	318,104	37,963	-	31,019	27,262	38,559	452,907
Charges for services	251,908	42,173	-	-	280,807	942,373	1,517,261
Miscellaneous	20,354	317,408	122,490	2,369	74	63,390	526,085
Total revenues	17,942,042	1,562,156	184,406	1,059,363	308,143	2,381,446	23,437,556
EXPENDITURES:							
Current:							
General government	5,704,640	-	12,678	-	-	345,851	6,063,169
Public safety	5,413,143	-	-	-	-	-	5,413,143
Public works and streets	879,098	-	16,472	707,204	-	1,267,539	2,870,313
Parks and recreation	507,606	-	92,233	-	245,732	2,128,598	2,974,169
Capital outlay	62,598	4,596,278	39,703	200,880	-	182,965	5,082,424
Total expenditures	12,567,085	4,596,278	161,086	908,084	245,732	3,924,953	22,403,218
Excess (deficiency) of revenues over (under) expenditures	5,374,957	(3,034,122)	23,320	151,279	62,411	(1,543,507)	1,034,338
OTHER FINANCE SOURCES (USES):							
Subscription acquisition	5,734	-	-	-	-	22,203	27,937
Transfers in	-	2,939,443	-	38,000	24,000	1,602,627	4,604,070
Transfers out	(4,073,287)	-	(23,320)	(437,739)	(20,223)	(49,501)	(4,604,070)
Total other financing sources (uses)	(4,067,553)	2,939,443	(23,320)	(399,739)	3,777	1,575,329	27,937
Net change in fund balances	1,307,404	(94,679)	-	(248,460)	66,188	31,822	1,062,275
Fund balances, beginning of fiscal year, as restated	15,396,348	2,025,653	-	1,736,835	458,501	1,946,139	21,563,476
Fund balances, end of fiscal year	\$ 16,703,752	\$ 1,930,974	\$ -	\$ 1,488,375	\$ 524,689	\$ 1,977,961	\$ 22,625,751

The accompanying notes are an integral part of these financial statements.

City of Carpinteria

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities For the Fiscal Year Ended June 30, 2023

Total net change in fund balances - governmental funds \$ 1,062,275

Capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital assets exceeded depreciation expense. 3,215,016

In the statement of activities, compensated absences and long-term debt are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). Proceeds from debt issuances are reported as a revenue in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.

Change in compensated absences payable	\$ (31,036)	
Subscription payments	13,762	
Subscription issuances	<u>(27,937)</u>	
		(45,211)

In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis OPEB costs and actual employer contribution was: 159,171

Expenditures for long-term notes receivable are an outflow of resources in the funds but are reported as assets in the statement of net position 186,625

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: 1,853,833

Changes in net position - governmental activities \$ 6,431,709

The accompanying notes are an integral part of these financial statements.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Carpinteria conform to U.S. Generally Accepted Accounting Principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A) Reporting Entity

The City of 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. The Carpinteria Public Improvement Corporation last debt was paid off in fiscal year 2018.

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 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 Capital Improvements 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 projects.

The Tidelands Trust Fund is used to account for revenues received from the City's offshore tidelands which were granted in trust to the City by the State.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

As a general rule the effect of interfund activity has been eliminated from the governmentwide 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

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.

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 un-collectibles.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Liabilities, and Net Position (continued)

Receivables and Payables (continued)

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.

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.

Capital and Intangible 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 acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend 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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Liabilities, and Net Position (continued)

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused paid time off. All paid time off 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.

Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability (NPL), 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 the net pension liability.

For purposes of measuring the other postemployment benefit total liability (OPEB), deferred outflows of resources and deferred inflows of resources, and expense associated with the City's requirement to contribute to its OPEB Plan, the City obtains an actuarial valuation of its OPEB plan. The City recognizes benefit payments when due and payable in accordance with the Plan. The general fund is used to liquidate the OPEB liability.

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.

Leases

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Liabilities, and Net Position (continued)

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) non-spendable, (2) restricted, (3) committed, (4) assigned and (5) unassigned amounts. Non-spendable 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 Administrative Services Director 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 Administrative Services Director 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 would be 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.

E) New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 96

For the fiscal year ended June 30, 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement, *Subscription Based IT Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

City of Carpinteria

Notes to the Basic Financial Statements June 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A) Budgetary Information

Annual budgets are adopted on a basis 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 require approval of the City Manager. 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) exceeded the final budget in the following funds:

	<u>Final Balance</u>	<u>Final Budget</u>	<u>Excess</u>
Major Funds:			
Revolving Fund	\$ 161,086	\$ 148,450	\$ (12,636)
Non-major Governmental Funds:			
Right-of-Way	353,663	347,600	(6,063)
AB 939 Solid Waste	515,169	473,000	(42,169)
PEG Fee	118,527	110,050	(8,477)

NOTE 3 - DETAIL NOTES ON ALL FUNDS

A) Deposits and Investments

Deposits and investments on June 30, 2023 consisted of the following:

Cash on hand	\$ 1,000
Deposits with financial institutions	2,907,626
Investments	19,480,870
Total cash and investments	<u>\$ 22,389,496</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.

Investment Type	Carrying Amount	Remaining Maturity (in Months)		
		12 Months or Less	13-24 Months	25-60 Months
LAIF	\$ 3,423,653	\$ 3,423,653	\$ -	\$ -
Money Market Funds	3,783,790	3,783,790	-	-
Pension Stabilization	1,172,172	1,172,172	-	-
U.S. Agency Securities	11,101,255	3,154,655	2,850,586	5,096,014
Total	<u>\$ 19,480,870</u>	<u>\$ 11,534,270</u>	<u>\$ 2,850,586</u>	<u>\$ 5,096,014</u>

City of Carpinteria

Notes to the Basic Financial Statements June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

A) Deposits and Investments (continued)

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.

Investment Type		Minimum Legal Rating	Unrated
LAIF	\$ 3,423,653	N/A	\$ 3,423,653
Money Market Funds	3,783,790		3,783,790
Pension Stabilization	1,172,172		1,172,172
U.S. Agency Securities	11,101,255		11,101,255
Total	<u>\$ 19,480,870</u>		<u>\$ 19,480,870</u>

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, 2023:

Investments by Fair Value Level	Total	Level 1	Level 2	Level 3
U.S. Agency Securities	\$ 11,101,255	<u>\$ 11,101,255</u>	<u>\$ -</u>	<u>\$ -</u>
Investments Measured at Amortized Cost				
Local Agency Investment Fund	3,423,653			
Money Market Funds	3,783,790			
Pension Stabilization	1,172,172			
Total	<u>\$ 19,480,870</u>			

City of Carpinteria

Notes to the Basic Financial Statements June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

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	Capital Improvements Fund	Revolving Fund	Measure A Fund	Tidelands Trust Fund	Nonmajor Funds	Total
Accounts	\$ 2,408,620	\$ 1,374,545	\$ 24,057	\$ 261,556	\$ 1,432	\$ 176,794	\$ 4,247,004
Long-term note	-	8,303	-	-	-	533,525	541,828
	<u>\$ 2,408,620</u>	<u>\$ 1,382,848</u>	<u>\$ 24,057</u>	<u>\$ 261,556</u>	<u>\$ 1,432</u>	<u>\$ 710,319</u>	<u>\$ 4,788,832</u>

C) Lease Receivable

On May 10, 1982, the City entered into a lease agreement with DCOR for the use of the Platform Habitat. This lease was extended on April 13, 2022 for an additional five years through 2027. Under the lease, DCOR will pay the City \$35,671 yearly.

On September 4, 2018, the City entered into a lease agreement with Chevron for the use of the Casitas Pier. The current lease expired in September 2023, and an expected extension would go through October 31, 2030. Under the lease, Chevron will pay the City \$247,173 yearly.

On June 7, 2016, the City entered into a lease agreement with the Friends of the Library for the use of the Library. The contract is extended annually for 1 year. The most current extension runs through June 30, 2023. Under the lease, Friends of the Library will pay the City \$1,217.83 per month.

The following is a schedule of future payments of principal and interest of the lease receivable as of June 30, 2023:

Year Ending June 30,	Principal	Interest
2024	\$ 264,822	\$ 18,022
2025	267,470	15,374
2026	270,145	12,699
2027	272,846	9,998
2028	239,904	7,269
Thereafter	487,029	7,318
	<u>\$ 1,802,216</u>	<u>\$ 70,680</u>

In the fiscal year ended June 30, 2023, the City recognized \$21,628 in interest revenue and \$251,976 in lease revenue.

City of Carpinteria

Notes to the Basic Financial Statements June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

D) Interfund Transfers

The composition of interfund transfers as of June 30, 2023, is as follows:

Transfer Out	Transfer In				Total
	Capital Improvements	Measure A	Tidelands Trust	Non-major Funds	
General Fund	\$ 2,431,980	\$ 38,000	\$ 24,000	\$ 1,579,307	\$4,073,287
Measure A	437,739	-	-	-	437,739
Revolving Fund	-	-	-	23,320	23,320
Tidelands Trust	20,223	-	-	-	20,223
Non-major Funds	49,501	-	-	-	49,501
	<u>\$ 2,939,443</u>	<u>\$ 38,000</u>	<u>\$ 24,000</u>	<u>\$ 1,602,627</u>	<u>\$4,604,070</u>

The transfers were made from the General Fund to the non-major funds for a total of \$1,382,307 for subsidies, the remaining transfers were related to ARPA grant funding for \$197,000. Transfers from the General Fund to Measure A were related the ARPA grant funding. Transfers from the General Fund, Measure A and the non-major funds to the Capital Improvements Fund were for several capital project expenditures. Transfer from the Revolving Fund to the Non-major Funds were for the repayment of a Garden Coordinator.

E) Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023
Governmental Activities				
Nondepreciable capital assets:				
Land	\$ 10,176,390	\$ 315,735	\$ -	\$ 10,492,125
Park land site improvements	1,642,893	490,942	-	2,133,835
Construction in progress	8,444,500	3,963,886	4,117,900	8,290,486
Total nondepreciable capital assets	<u>20,263,783</u>	<u>4,770,563</u>	<u>4,117,900</u>	<u>20,916,446</u>
Depreciable capital assets:				
Buildings	7,959,963	44,795	-	8,004,758
Machinery and equipment	2,019,465	113,780	443,190	1,690,055
Vehicles	639,088	236,213	91,134	784,167
Infrastructure	10,508,061	3,045,274	-	13,553,335
City pool and facilities	1,500,303	-	29,685	1,470,618
Right-to-use subscription asset	-	27,937	-	27,937
Total depreciable capital assets	<u>22,626,880</u>	<u>3,467,999</u>	<u>564,009</u>	<u>25,530,870</u>
Less accumulated depreciation/amortization				
Buildings	1,479,154	244,879	-	1,724,033
Machinery and equipment	1,152,434	201,322	434,272	919,484
Vehicles	383,065	53,741	74,392	362,414
Infrastructure	2,587,727	362,150	-	2,949,877
City pool and facilities	1,403,555	3,926	29,685	1,377,796
Right-to-use subscription asset	-	13,968	-	13,968
Total accumulated depreciation/amortization	<u>7,005,935</u>	<u>879,986</u>	<u>538,349</u>	<u>7,347,572</u>
Net depreciable/amortizable capital assets	<u>15,620,945</u>	<u>2,588,013</u>	<u>25,660</u>	<u>18,183,298</u>
Governmental Activities Capital Assets, Net	<u>\$ 35,884,728</u>	<u>\$ 7,358,576</u>	<u>\$ 4,143,560</u>	<u>\$ 39,099,744</u>

City of Carpinteria

Notes to the Basic Financial Statements June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

E) Capital Assets (continued)

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

Governmental Activities

General government	\$ 589,629
Parks and recreation programs	133,033
Public works and streets	157,324
Total depreciation/amortization expense	<u>\$ 879,986</u>

F) Long-Term Liabilities

Changes in Long-term Liabilities

Long-term liability activity for the 2023 fiscal year was as follows:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023	Due Within One Year
Compensated absences	\$ 123,316	\$ 349,131	\$ (318,095)	\$ 154,352	\$ 15,435
SBITA liabilities	-	27,937	(13,762)	14,175	14,175
	<u>\$ 123,316</u>	<u>\$ 377,068</u>	<u>\$ (331,857)</u>	<u>\$ 168,527</u>	<u>\$ 29,610</u>

The City's General Fund is normally used to liquidate the liability for compensated absences.

During fiscal year 2023, the City entered into various subscription based IT arrangements (SBITA) for \$27,937. The arrangements are for 12-60 months with interest rates at 3%. The City is required to make payments ranging between \$2,800-\$11,266. As of June 30, 2023, the City had \$14,175 outstanding for the SBITA liability. The City recognized a right-to-use asset for the SBITA of \$27,937, which will be amortized over the lives of the respective agreements.

G) Restricted Net Position and Non-spendable Fund Balances

The \$7,102,592 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 \$1,930,974 restricted for streets, \$2,809,087 in the Capital Projects Fund, \$1,172,172 for pension stabilization, \$1,069,290 restricted for housing, \$48,396 for solid waste recycling program and \$72,673 for cable television access. The pension stabilization arrangement was established by the City Council formally adopting an enabling resolution and entering into a third-party agreement for the pooled investment of the stabilization funds (an IRS section 115 irrevocable trust). The stabilization funds can only be spent for any pension related purpose. The City may, but is not required to do so, make addition deposits to the stabilization fund.

Non-spendable fund balances consisted of \$35,496 for inventory and prepaid expense balances.

NOTE 4 - OTHER INFORMATION

A) Risk Management

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Carpinteria is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Primary Self-Insurance Programs of the Authority

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

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

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

NOTE 4 - OTHER INFORMATION (continued)

A) Risk Management (continued)

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2022-23 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

Pollution Legal Liability Insurance

The City of Carpinteria participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Carpinteria. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City of Carpinteria participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Carpinteria property is currently insured according to a schedule of covered property submitted by the City of Carpinteria to the Authority. City of Carpinteria property currently has all-risk property insurance protection in the amount of \$24,156,084. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

NOTE 4 - OTHER INFORMATION (continued)

A) Risk Management (continued)

Earthquake and Flood Insurance

The City of Carpinteria purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Carpinteria property currently has earthquake protection in the amount of \$9,842,366. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance

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

Special Event Tenant User Liability Insurance

The City of Carpinteria further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Carpinteria according to a schedule. The City of Carpinteria then pays for the insurance. The insurance is facilitated by the Authority.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2022-23.

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 \$ 2.6 million and the City is required to fund 50 percent of the cost. The City's share may be funded with matching state grants and by the City providing in-kind staff services.

NOTE 4 - 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 – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City participates in three rate plans (two miscellaneous and one safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

Notes to the Basic Financial Statements
June 30, 2023

NOTE 4 - OTHER INFORMATION (continued)

D) Public Employee Pension Plans, (continued)

The Plan's provisions and benefits in effect at June 30, 2023 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employer contribution rates	11.65%	7.65%
	Safety	
	Prior to January 1, 2013	
Hire date		
Benefit formula	2.0% @ 50	
Benefit vesting schedule	5 years service	
Benefit payments	monthly for life	
Retirement age	50	
Monthly benefits, as a % of eligible compensation	3.0%	
Required employer contribution rates	0.00%	

Contributions: Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' 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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2023 were \$995,935. The actual employer payments of \$892,662 made to CalPERS by the City during the measurement period ended June 30, 2022 differed from the City's proportionate share of the employer's contributions of \$1,252,909 by \$360,247, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

Notes to the Basic Financial Statements
June 30, 2023

NOTE 4 - OTHER INFORMATION (continued)

D) Public Employee Pension Plans, (continued)

Net Pension Liability: The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability: The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

Notes to the Basic Financial Statements
June 30, 2023

NOTE 4 - OTHER INFORMATION (continued)

D) Public Employee Pension Plans, (continued)

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

Asset Class	Assumed Asset	
	Allocation	Real Return ^{1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Change of Assumptions: Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate: The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Notes to the Basic Financial Statements
June 30, 2023

NOTE 4 - OTHER INFORMATION (continued)

D) Public Employee Pension Plans, (continued)

Subsequent Events: On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Pension Plan Fiduciary Net Position: Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Proportionate Share of Net Pension Liability: The following table shows the City's proportionate share of the Plan's net pension liability over the measurement period.

		Increase (Decrease)	
	Proportionate Share of Total Pension Liability	Proportionate Share of Fiduciary Net Position	Proportionate Share of Net Pension Liability
Balance at: 6/30/2021 (VD)	\$ 31,683,063	\$ 26,067,072	\$ 5,615,991
Balance at: 6/30/2022 (MD)	32,569,312	22,480,119	10,089,193
Net changes during 2021-22	<u>\$ 886,249</u>	<u>\$ (3,586,953)</u>	<u>\$ 4,473,202</u>

VD: valuation date, MD: measurement date

Notes to the Basic Financial Statements
June 30, 2023

NOTE 4 - OTHER INFORMATION (continued)

D) Public Employee Pension Plans, (continued)

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The City's proportionate share of the net pension liability for the total Plan as of the June 30, 2021 and 2022 measurement dates was as follows:

Proportionate share - June 30, 2021	0.10384%
Proportionate share - June 30, 2022	0.08735%
Change - Increase (Decrease)	-0.01649%

Sensitivity of the 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 of the Plan as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
City's proportionate share of net pension plan liability	\$ 14,546,193	\$ 10,089,193	\$ 6,429,503

Amortization of Deferred Outflows and Deferred Inflows of Resources: Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

Notes to the Basic Financial Statements
June 30, 2023

NOTE 4 - OTHER INFORMATION (continued)

D) Public Employee Pension Plans, (continued)

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions: As of the start of the measurement period (July 1, 2021), the City's net pension liability was \$5,615,991. For the measurement period ending June 30, 2022 (the measurement date), the Local Government incurred a pension (income) of \$(857,897).

As of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 1,027,583	\$ -
Differences between expected and actual experience	158,169	-
Net difference between projected and annual earnings on retirement plan investments	1,751,604	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	488,603
Changes in employer's proportion	89,004	159,485
City contributions subsequent to the measurement date	995,935	-
	<u>\$ 4,022,295</u>	<u>\$ 648,088</u>

The amounts above are net of outflows and inflows recognized in the 2021-22 measurement period expense. Contributions subsequent to the measurement date of \$995,935 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ending June 30,	Amount
2024	\$ 541,491
2025	479,513
2026	286,905
2027	1,070,363

NOTE 4 - OTHER INFORMATION (continued)

D) Public Employee Pension Plans, (continued)

Payable to the Pension Plan: At June 30, 2023, the Local Government reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year then ended.

E) 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement Number 75.

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 \$151 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.

Benefits Provided: The City's OPEB plan provides healthcare benefits to eligible retirees and their dependents. Benefits are provided through third party insurers, and the full cost of the benefits is provided by the Plan.

Notes to the Basic Financial Statements
June 30, 2023

NOTE 4 - OTHER INFORMATION (continued)

E) Other Post-Employment Benefits (continued)

Employees Covered by the Benefit Terms: At June 30, 2023, the following employees were covered by the benefit terms:

Active plan members	39
Inactive plan members or beneficiaries currently receiving benefits	11
Inactive plan members entitled to but not yet receiving benefits	10
Total	<u>60</u>

The City's OPEB Plan is closed to new entrants.

Contributions: City regulations grant authority to the City Council to establish and amend contribution requirements. Employees are not required to contribute to the plan. For the fiscal year ending June 30, 2023, the City's average contribution rate was 2.5 percent of covered employee payroll. The amount contributed for fiscal year 2023 was \$50,156.

Total OPEB Liability: The City's Total OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023.

Actuarial Assumptions: The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

<u>Actuarial Assumptions</u>	<u>June 30, 2022 Measurement Date</u>
Valuation date	June 30, 2022
Inflation	2.5% annually
Salary increases	Aggregate - 2.75% annually Merit - CalPERS 2000-2019 Experience Study
Discount rate	3.54% at June 30, 2022 (Bond Buyer 20-Bond Index) 2.16% at June 30, 2021 (Bond Buyer 20-Bond Index)
Healthcare cost trend rate	Non-Medicare - 8.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076
Mortality improvements	Mortality projected fully generational with Scale MP-2021

Mortality rates were based on the MP-2021 Health Annuitant Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on Scale AA. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of CalPERS experience study for the period 1997-2015.

City of Carpinteria

Notes to the Basic Financial Statements June 30, 2023

NOTE 4 - OTHER INFORMATION (continued)

E) Other Post-Employment Benefits (continued)

Change of Assumptions: The discount increased from 2.16% to 3.54% in 2023 based on municipal bond rate as of the measurement date. PEMHCA minimum trend decreased from 4% to 3.5% annually. New medical trends were adopted along with active spouse participation changing from 100% to 50% participation. Demographic assumptions were updated to CalPERS 2000-2019 Experience Study and mortality improvement scale was updated to Scale MP-2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022 (Valuation Date June 30, 2021)	<u>\$ 1,792,862</u>
Changes recognized for the measurement period:	
Service cost	109,790
Interest	40,400
Actual vs. expected experience	(370,463)
Assumption changes	(347,214)
Benefit payments	<u>(64,554)</u>
Net Changes	<u>(632,041)</u>
Balance at June 30, 2023 (Measurement Date June 30, 2022)	<u><u>\$ 1,160,821</u></u>

Sensitivity of the Total OPEB Liability to changes in the discount rate and health-care cost trend rates: The following presents the Total OPEB liability of the City, as well as what the City's Total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54 percent) or 1 percentage point higher (4.54 percent) than the current discount rate:

	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
OPEB liability	<u>\$ 1,316,537</u>	<u>\$ 1,160,821</u>	<u>\$ 1,031,770</u>

Sensitivity of the Total OPEB liability to changes in healthcare cost trend rates:

	1% Decrease	Healthcare Trend Rate	1% Increase
OPEB liability	<u>\$ 1,029,000</u>	<u>\$ 1,160,821</u>	<u>\$ 1,322,225</u>

City of Carpinteria

Notes to the Basic Financial Statements June 30, 2023

NOTE 4 - OTHER INFORMATION (continued)

E) Other Post-Employment Benefits (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the fiscal year ended June 30, 2023, the City recognized OPEB (income) of \$(109,015). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the total OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 652,694
Changes in assumptions	211,711	479,519
Employer contributions subsequent to the measurement date	50,156	-
	<u>\$ 261,867</u>	<u>\$ 1,132,213</u>

The \$50,156 reported as deferred outflows of resources related to OPEB from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the plan measurement period ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
2024	\$ (247,666)
2025	(220,260)
2026	(130,844)
2027	(97,542)
2028	(96,562)
Thereafter	(127,628)

Payable to the OPEB Plan: None

City of Carpinteria

Notes to the Basic Financial Statements June 30, 2023

NOTE 4 - OTHER INFORMATION (continued)

F) Prior Period Adjustments

Due to the implementation of GASB 87, the following prior period adjustments were necessary due to the original lease receivables being recorded in the incorrect funds.

Changes to the governmental fund balances were as follows:

	General Fund	Tidelands Trust	Recreation Services
Fund balance, as previously stated	\$ 15,378,710	\$ 289,551	\$ 27,453
Prior period adjustment	17,638	168,950	1,894
Fund balance, as restated	<u>\$ 15,396,348</u>	<u>\$ 458,501</u>	<u>\$ 29,347</u>

Changes to the governmental net position was as follows:

Net position, as previously stated	\$ 46,724,149
Prior period adjustment	188,482
Net position, as restated	<u>\$ 46,912,631</u>

REQUIRED SUPPLEMENTARY INFORMATION



Note to Required Supplementary Information
June 30, 2023

(1) Budgetary Data

On or before June 30 of each year, the City Council adopts a budget for the ensuing fiscal year. The City Manager is responsible for the preparation and administration of the annual budget.

Budgets are reported on the same basis as the fund types and are adopted on a basis consistent with generally accepted accounting principles. The legal level of control or the level at which expenditures may not legally exceed appropriations is at the program level. The program level includes general government, public safety, public works, community services, public health and capital outlay. Unexpended budgetary appropriations lapse at year-end.

Management may amend budgets within the program level. Budgetary revisions that alter the total appropriations of a program must be approved by City Council.

City of Carpinteria

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Property taxes	\$ 4,769,600	\$ 4,800,700	\$ 4,932,538	\$ 131,838
Sales taxes	6,135,800	5,992,400	5,971,207	(21,193)
Transient occupancy taxes	3,062,200	3,400,000	3,485,465	85,465
Franchises	685,100	695,000	717,135	22,135
Business license taxes	62,000	62,000	62,076	76
Licenses and permits	235,700	253,100	289,804	36,704
Intergovernmental	60,650	59,500	66,961	7,461
Fines and forfeits	2,139,000	1,919,000	1,826,490	(92,510)
Charges for services	27,500	190,000	318,104	128,104
Interest	280,800	249,500	251,908	2,408
Miscellaneous	41,200	128,600	20,354	(108,246)
Total revenues	17,499,550	17,749,800	17,942,042	192,242
EXPENDITURES				
Current:				
General government	6,988,150	6,371,800	5,704,640	667,160
Public safety	5,646,900	5,425,900	5,413,143	12,757
Public works	1,067,800	867,300	879,098	(11,798)
Parks and recreation	603,400	521,500	507,606	13,894
Capital outlay	228,950	156,800	62,598	94,202
Total expenditures	14,535,200	13,343,300	12,567,085	776,215
Excess (deficiency) of revenues over (under) expenditures	2,964,350	4,406,500	5,374,957	968,457
OTHER FINANCING SOURCES (USES)				
Subscription acquisition	-	5,734	5,734	-
Transfers out	(5,386,650)	(4,401,400)	(4,073,287)	328,113
Total other financing sources (uses)	(5,386,650)	(4,395,666)	(4,067,553)	328,113
Net change in fund balance	(2,422,300)	10,834	1,307,404	1,296,570
Fund balance, beginning of fiscal year, as restated	15,396,348	15,396,348	15,396,348	-
Fund balance, end of fiscal year	\$ 12,974,048	\$ 15,407,182	\$ 16,703,752	\$ 1,296,570

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Fines and forfeits	\$ 964,800	\$ 1,000,000	\$ 1,025,975	\$ 25,975
Charges for services	3,500	20,000	31,019	11,019
Miscellaneous	-	2,400	2,369	(31)
Total revenues	968,300	1,022,400	1,059,363	36,963
EXPENDITURES				
Current:				
Public works	1,118,350	1,009,200	707,204	301,996
Capital outlay	233,850	201,000	200,880	120
Total expenditures	1,352,200	1,210,200	908,084	302,116
Excess (deficiency) of revenues over (under) expenditures	(383,900)	(187,800)	151,279	339,079
OTHER FINANCING SOURCES (USES)				
Transfers in	38,000	38,000	38,000	-
Transfers out	(1,005,250)	(711,450)	(437,739)	273,711
Total other financing sources (uses)	(967,250)	(673,450)	(399,739)	273,711
Net change in fund balance	(1,351,150)	(861,250)	(248,460)	612,790
Fund balance, beginning of fiscal year	1,736,835	1,736,835	1,736,835	-
Fund balance, end of fiscal year	\$ 385,685	\$ 875,585	\$ 1,488,375	\$ 612,790

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Charges for services	\$ 500	\$ 5,000	\$ 27,262	\$ 22,262
Interest	325,000	325,000	280,807	(44,193)
Miscellaneous	-	-	74	74
Total revenues	325,500	330,000	308,143	(21,857)
EXPENDITURES				
Current:				
Parks and recreation	274,500	276,400	245,732	30,668
Total expenditures	274,500	276,400	245,732	30,668
Excess (deficiency) of revenues over (under) expenditures	51,000	53,600	62,411	8,811
OTHER FINANCING SOURCES (USES)				
Transfers in	24,000	24,000	24,000	-
Transfers out	(101,350)	(12,200)	(20,223)	(8,023)
Total other financing sources (uses)	(77,350)	11,800	3,777	(8,023)
Net change in fund balance	(26,350)	65,400	66,188	788
Fund balance, beginning of fiscal year	458,501	458,501	458,501	-
Fund balance, end of fiscal year	\$ 432,151	\$ 523,901	\$ 524,689	\$ 788

City of Carpinteria

Revolving Fund Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Fines and forfeits	\$ 105,400	\$ 61,750	\$ 61,916	\$ 166
Miscellaneous	100,800	112,800	122,490	9,690
Total revenues	206,200	174,550	184,406	9,856
EXPENDITURES				
Current:				
General government	20,000	11,000	12,678	(1,678)
Public works	21,300	23,350	16,472	6,878
Parks and recreation	15,800	47,100	92,233	(45,133)
Capital outlay	85,000	67,000	39,703	27,297
Total expenditures	142,100	148,450	161,086	(12,636)
Excess (deficiency) of revenues over (under) expenditures	64,100	26,100	23,320	(2,780)
OTHER FINANCING SOURCES (USES)				
Transfers out	(64,100)	(26,100)	(23,320)	2,780
Total other financing sources (uses)	(64,100)	(26,100)	(23,320)	2,780
Net change in fund balance	-	-	-	-
Fund balance, beginning of fiscal year	-	-	-	-
Fund balance, end of fiscal year	\$ -	\$ -	\$ -	\$ -

City of Carpinteria

Schedule of Proportionate Share of Net Pension Liability and Related Ratios Last 10 Years* As of June 30, 2023

Measurement Date	Proportion of net pension liability	Proportionate share of the net pension liability	Covered payroll	Proportionate share of the net pension liability as percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2014	0.07490%	\$ 4,660,841	\$ 2,306,493	202.07%	79.82%
June 30, 2015	0.07480%	5,134,179	2,435,091	210.84%	78.40%
June 30, 2016	0.07647%	6,617,331	2,472,058	267.69%	74.06%
June 30, 2017	0.07659%	7,595,683	2,669,641	284.52%	73.31%
June 30, 2018	0.07794%	7,510,128	2,495,201	300.98%	75.26%
June 30, 2019	0.07906%	8,100,834	2,586,349	313.22%	75.26%
June 30, 2020	0.08041%	8,749,282	2,703,377	323.64%	75.10%
June 30, 2021	0.10384%	5,615,991	2,800,679	200.52%	88.29%
June 30, 2022	0.08735%	10,089,193	3,009,791	335.21%	69.02%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

City of Carpinteria

Schedule of Pension Contributions Last 10 Years* As of June 30, 2023

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

Fiscal year	Contractually required contribution (actuarially determined)	Contribution in relation to the actuarially determined contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2015	\$ 328,288	\$ (328,288)	\$ -	\$ 2,435,091	13.48%
June 30, 2016	685,896	(685,896)	-	2,472,058	27.75%
June 30, 2017	447,362	(447,362)	-	2,669,641	16.76%
June 30, 2018	510,893	(510,893)	-	2,495,201	20.48%
June 30, 2019	554,356	(554,356)	-	2,586,349	21.43%
June 30, 2020	695,301	(695,301)	-	2,703,377	25.72%
June 30, 2021	783,279	(783,279)	-	2,800,679	27.97%
June 30, 2022	892,662	(892,662)	-	3,009,791	29.66%
June 30, 2023	995,935	(995,935)	-	3,174,874	31.37%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

Notes to Schedule

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Carpinteria

Schedule of Changes in OPEB Liability and Related Ratios Last 10 Years* As of June 30, 2023

Measurement Period	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 109,790	\$ 105,667	\$ 74,852	\$ 66,976	\$ 193,627	\$ 217,554
Interest on the total OPEB liability	40,400	39,206	58,908	59,388	87,075	71,293
Difference between expected and actual experience	(370,463)	-	-	-	(498,532)	-
Changes in assumptions	(347,214)	12,427	(7,514)	79,004	(483,898)	(262,330)
Changes in benefit terms	-	-	-	-	-	-
Benefit payments	(64,554)	(65,667)	(66,500)	(62,984)	(75,620)	(68,028)
Net change in total OPEB Liability	(632,041)	91,633	59,746	142,384	(777,348)	(41,511)
Total OPEB liability, beginning	1,792,862	1,701,229	1,641,483	1,499,099	2,276,447	2,317,958
Total OPEB liability, ending (a)	\$ 1,160,821	\$ 1,792,862	\$ 1,701,229	\$ 1,641,483	\$ 1,499,099	\$ 2,276,447
Covered employee payroll	\$ 2,937,987	\$ 2,708,835	\$ 2,660,837	\$ 2,638,133	\$ 2,733,208	\$ 2,763,313
Total OPEB liability as a percentage of covered payroll	39.51%	66.19%	63.94%	62.22%	54.85%	82.38%

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

Contributions are fixed and not based on a measure of pay, therefore, covered employee payroll is used.
There are no assets accumulated in a trust to pay related benefits that qualify for GASB 75.

SUPPLEMENTARY INFORMATION



City of Carpinteria

Capital Improvements Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Fines and forfeits	\$ 5,582,850	\$ 1,753,900	\$ 1,164,612	\$ (589,288)
Charges for services	250	20,000	37,963	17,963
Interest	67,000	44,700	42,173	(2,527)
Miscellaneous	-	43,000	317,408	274,408
Total revenues	5,650,100	1,861,600	1,562,156	(299,444)
EXPENDITURES				
Capital outlay	11,589,400	5,853,900	4,596,278	1,257,622
Total expenditures	11,589,400	5,853,900	4,596,278	1,257,622
Excess (deficiency) of revenues over (under) expenditures	(5,939,300)	(3,992,300)	(3,034,122)	958,178
OTHER FINANCING SOURCES (USES)				
Transfers in	4,941,250	3,800,700	2,939,443	(861,257)
Total other financing sources (uses)	4,941,250	3,800,700	2,939,443	(861,257)
Net change in fund balance	(998,050)	(191,600)	(94,679)	96,921
Fund balance, beginning of fiscal year	2,025,653	2,025,653	2,025,653	-
Fund balance, end of fiscal year	\$ 1,027,603	\$ 1,834,053	\$ 1,930,974	\$ 96,921

Non-major Governmental Funds

The City has established the following governmental funds in order to account for the proceeds from revenue sources that are restricted to expenditures for specified purposes, debt service, and capital projects. Budgets are prepared using the modified accrual basis of accounting consistent with U.S. generally accepted accounting principles.

Special Revenue Funds:

Traffic Safety Fund - The Traffic Safety Fund is used to account for the receipt of fines assessed to violators of the California Vehicle Code within the City limits. Monies from this fund must be used for traffic safety purposes such as traffic signs and markings and related traffic safety enforcement activities.

Road Maintenance Rehab Fund - The Road Maintenance Fund is used to account for road maintenance and rehabilitation, safety projects, railroad grade separations, traffic control devices, and complete street components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm water capture projects in conjunction with any other allowable project. Funds made available by the program may also be used to satisfy a match requirement in order to obtain State or Federal funds for projects authorized by this subdivision.

Park Maintenance Fund - The Park Maintenance Fund is used to account for the receipt of special tax to be levied. The revenue from this fund are collected based upon authority of a public vote held on June 3, 1997 whereby over two-thirds of the voters approved. Expenditures from this fund are for parks maintenance needs including equipment replacement, water, grounds keeping and other enhancements.

Gas Tax Fund - The Gas Tax Fund is used to account for State Gas Tax Funds received as the City's share of the state-wide tax on gasoline and other motor vehicle fuels. Gas Tax Funds may only be used for construction, reconstruction and maintenance of public streets, drains and other right of way expenses, including labor costs.

Local Transportation Fund - The Local Transportation Fund is used to account for the City's share of the State Sales Tax on motor vehicle fuels. Revenues from this source must be used for maintenance of bikeways and are administered by the Santa Barbara County Association of Governments.

Street Lighting Fund - The Street Lighting Fund is used to account for the Street Lighting District #1 that is officially an independent special district governed by the City Council and is included within the City's overall budget for convenience. District revenues are derived from the district's share of the advalorem tax pursuant to Proposition 13 in addition to interest earnings and state assistance. Monies from this fund may be expended on street lighting, parking lot lighting and other public lighting operations, maintenance and capital improvements.

Non- Major Governmental Funds

Special Revenue Funds, (continued):

Right-of-Way Assessment District Fund - The R-O-W Assessment District Fund is used to account for the special right-of-way assessment placed on all eligible properties throughout the City. Revenues for this fund are the individual assessments plus interest earned. Expenditures from this fund must be used only for repairs and improvements to curves, gutters, sidewalks and other right-of-way improvements plus operation and maintenance of the City's street tree program.

Parking and Business Improvement Area Fund - The Parking and Business Improvement Area Fund is used to account funds collected and expended pursuant to the California Parking and Business Improvement Area Law of 1989. Businesses are assessed for business improvement and promotion activities. Certain businesses are assessed an additional amount to assist in payment of annual obligations to finance the construction of these parking lots.

AB 939 Fund - The AB 939 Fund is used to account for fees paid by the solid waste collection franchisee for implementation of the City's integrated solid waste management program. The authority for the collection of such fees is the Integrated Waste Management Act of 1989 (State Assembly Bill 939). In addition to the general administration of the City's solid waste program, funds are also used to finance special hazardous waste collection day.

Recreation Services Fund - The Recreation Services Fund is used to account for the Community Pool, The City's recreational programming, and the revenues and expenses of the Veteran's Memorial Building. Revenues into this fund include user fees from the various programming as well as a general fund subsidy. Expenses are all associated with facilities and programming incorporated in this fund.

Housing Fund - The Housing Fund is used to account for the Workforce Homebuyers Down Payment Loan Program to expand homeownership opportunities in the City.

PEG Fee Fund - The Public, Education, Government (PEG) Fund is used to account for fees to be used for cable television programming.

Library Fund - The Library Fund is used to account for the operations of the City of Carpinteria Library.

City of Carpinteria

Non-major Governmental Funds Combining Balance Sheet June 30, 2023

	Special Revenue Funds						
	Traffic Safety	Road Maintenance Rehabilitation	Park Maintenance	Gas Tax	Local Transportation	Street Lighting	Right of Way
ASSETS:							
Cash and investments	\$ 40,624	\$ 244,723	\$ 20,494	\$ 461,445	\$ 4,475	\$ 477,429	\$ 13,148
Accounts receivable	4,052	52,354	-	30,500	3,146	1,774	-
Notes receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total assets	<u>\$ 44,676</u>	<u>\$ 297,077</u>	<u>\$ 20,494</u>	<u>\$ 491,945</u>	<u>\$ 7,621</u>	<u>\$ 479,203</u>	<u>\$ 13,148</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 18,143	\$ 3,124	\$ -	\$ 10,910	\$ 10,665
Accrued liabilities	-	-	2,351	3,383	164	844	2,483
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>20,494</u>	<u>6,507</u>	<u>164</u>	<u>11,754</u>	<u>13,148</u>
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted for recycling	-	-	-	-	-	-	-
Restricted for cable television access	-	-	-	-	-	-	-
Restricted for streets	44,676	297,077	-	485,438	7,457	467,449	-
Restricted for housing	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>44,676</u>	<u>297,077</u>	<u>-</u>	<u>485,438</u>	<u>7,457</u>	<u>467,449</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 44,676</u>	<u>\$ 297,077</u>	<u>\$ 20,494</u>	<u>\$ 491,945</u>	<u>\$ 7,621</u>	<u>\$ 479,203</u>	<u>\$ 13,148</u>

City of Carpinteria

Non-major Governmental Funds Combining Balance Sheet (concluded) June 30, 2023

Special Revenue Funds						
Parking and Business Improvement	AB 939 Solid Waste	Recreation Services	Housing	PEG Fee	Library	Totals
\$ 33,338	\$ 21,057	\$ 14,254	\$ 535,070	\$ 64,288	\$ 17,144	\$ 1,947,489
124	70,521	-	4,988	9,335	-	176,794
-	-	-	533,525	-	-	533,525
-	-	27,781	-	-	-	27,781
<u>\$ 33,462</u>	<u>\$ 91,578</u>	<u>\$ 42,035</u>	<u>\$ 1,073,583</u>	<u>\$ 73,623</u>	<u>\$ 17,144</u>	<u>\$ 2,685,589</u>
\$ 8	\$ 40,273	\$ 20,365	\$ 4,293	\$ 890	\$ 8,906	\$ 117,577
-	2,909	21,255	-	60	8,238	41,687
14,839	-	-	-	-	-	14,839
<u>14,847</u>	<u>43,182</u>	<u>41,620</u>	<u>4,293</u>	<u>950</u>	<u>17,144</u>	<u>174,103</u>
-	-	-	533,525	-	-	533,525
-	-	-	533,525	-	-	533,525
-	-	27,781	-	-	-	27,781
-	48,396	-	-	-	-	48,396
-	-	-	-	72,673	-	72,673
18,615	-	-	-	-	-	1,320,712
-	-	-	535,765	-	-	535,765
-	-	(27,366)	-	-	-	(27,366)
<u>18,615</u>	<u>48,396</u>	<u>415</u>	<u>535,765</u>	<u>72,673</u>	<u>-</u>	<u>1,977,961</u>
<u>\$ 33,462</u>	<u>\$ 91,578</u>	<u>\$ 42,035</u>	<u>\$ 1,073,583</u>	<u>\$ 73,623</u>	<u>\$ 17,144</u>	<u>\$ 2,685,589</u>

City of Carpinteria

Non-major Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Year Ended June 30, 2023

	Special Revenue Funds						
	Traffic Safety	Road Maintenance Rehabilitation	Park Maintenance	Gas Tax	Local Transportation	Street Lighting	Right of Way
REVENUES:							
Property taxes	\$ -	\$ -	\$ 151,325	\$ -	\$ -	\$ 232,470	\$ 204
Special assessments	-	-	49,318	-	-	-	195,505
Fines and forfeits	45,840	-	-	-	-	-	-
Intergovernmental	-	293,587	-	330,407	14,835	-	-
Use of money and property	563	3,636	129	7,380	155	7,328	136
Charges for services	-	-	14,852	-	-	-	-
Miscellaneous	2,414	-	4,273	1,421	474	474	2,421
Total revenues	48,817	297,223	219,897	339,208	15,464	240,272	198,266
EXPENDITURES:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works and streets	-	-	-	189,143	33,829	171,069	353,663
Parks and recreation	19,085	-	459,227	-	-	-	-
Capital outlay	-	-	80,385	19,518	-	-	-
Total expenditures	19,085	-	539,612	208,661	33,829	171,069	353,663
Excess (deficiency) of revenues over (under) expenditures	29,732	297,223	(319,715)	130,547	(18,365)	69,203	(155,397)
OTHER FINANCING SOURCES (USES)							
Subscription acquisition	-	-	-	-	-	-	-
Transfers in	2,000	-	330,022	27,000	7,000	2,500	155,811
Transfers out	-	(49,501)	-	-	-	-	-
Total other financing sources (uses)	2,000	(49,501)	330,022	27,000	7,000	2,500	155,811
Net change in fund balances	31,732	247,722	10,307	157,547	(11,365)	71,703	414
Fund balance, beginning of fiscal year, as restated	12,944	49,355	(10,307)	327,891	18,822	395,746	(414)
Fund balance, end of fiscal year	\$ 44,676	\$ 297,077	\$ -	\$ 485,438	\$ 7,457	\$ 467,449	\$ -

City of Carpinteria

Non-major Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balance (concluded) For the Fiscal Year Ended June 30, 2023

Special Revenue Funds						
Parking and Business Improvement	AB 939 Solid Waste	Recreation Services	Housing	PEG Fee	Library	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 383,999
14,883	-	-	-	-	-	259,706
-	-	-	-	-	-	45,840
-	-	8,750	-	-	-	647,579
494	1,368	956	15,248	1,166	-	38,559
-	265,890	474,203	-	38,035	149,393	942,373
-	12,684	20,542	30	3,105	15,552	63,390
<u>15,377</u>	<u>279,942</u>	<u>504,451</u>	<u>15,278</u>	<u>42,306</u>	<u>164,945</u>	<u>2,381,446</u>
8,222	-	-	205,717	96,324	35,588	345,851
-	-	-	-	-	-	-
4,666	515,169	-	-	-	-	1,267,539
-	-	1,065,270	-	-	585,016	2,128,598
-	-	60,859	-	22,203	-	182,965
<u>12,888</u>	<u>515,169</u>	<u>1,126,129</u>	<u>205,717</u>	<u>118,527</u>	<u>620,604</u>	<u>3,924,953</u>
<u>2,489</u>	<u>(235,227)</u>	<u>(621,678)</u>	<u>(190,439)</u>	<u>(76,221)</u>	<u>(455,659)</u>	<u>(1,543,507)</u>
-	-	-	-	22,203	-	22,203
2,000	23,000	592,746	-	5,500	455,048	1,602,627
-	-	-	-	-	-	(49,501)
<u>2,000</u>	<u>23,000</u>	<u>592,746</u>	<u>-</u>	<u>27,703</u>	<u>455,048</u>	<u>1,575,329</u>
4,489	(212,227)	(28,932)	(190,439)	(48,518)	(611)	31,822
<u>14,126</u>	<u>260,623</u>	<u>29,347</u>	<u>726,204</u>	<u>121,191</u>	<u>611</u>	<u>1,946,139</u>
<u>\$ 18,615</u>	<u>\$ 48,396</u>	<u>\$ 415</u>	<u>\$ 535,765</u>	<u>\$ 72,673</u>	<u>\$ -</u>	<u>\$ 1,977,961</u>

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance Non-major Governmental Funds Traffic Safety Fund – Special Revenue Fund Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 15,000	\$ 30,000	\$ 45,840	\$ 15,840
Charges for services	50	300	563	263
Miscellaneous	2,500	2,500	2,414	(86)
Total revenues	17,550	32,800	48,817	16,017
EXPENDITURES				
Current:				
Parks and recreation	20,850	20,850	19,085	1,765
Total expenditures	20,850	20,850	19,085	1,765
Excess (deficiency) of revenues over (under) expenditures	(3,300)	11,950	29,732	17,782
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000	2,000	2,000	-
Total other financing sources (uses)	2,000	2,000	2,000	-
Net change in fund balance	(1,300)	13,950	31,732	17,782
Fund balance, beginning of fiscal year	12,944	12,944	12,944	-
Fund balance, end of fiscal year	\$ 11,644	\$ 26,894	\$ 44,676	\$ 17,782

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance Non-major Governmental Funds Road Maintenance Rehabilitation Fund – Special Revenue Fund Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Fines and forfeits	\$ 292,200	\$ 285,000	\$ 293,587	\$ 8,587
Charges for services	500	2,500	3,636	1,136
Total revenues	292,700	287,500	297,223	9,723
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	292,700	287,500	297,223	9,723
OTHER FINANCING SOURCES (USES)				
Transfers out	(290,000)	(50,000)	(49,501)	499
Total other financing sources (uses)	(290,000)	(50,000)	(49,501)	499
Net change in fund balance	2,700	237,500	247,722	10,222
Fund balance, beginning of fiscal year	49,355	49,355	49,355	-
Fund balance, end of fiscal year	\$ 52,055	\$ 286,855	\$ 297,077	\$ 10,222

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance Non-major Governmental Funds Park Maintenance Fund – Special Revenue Fund Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Property taxes	\$ 148,000	\$ 148,000	\$ 151,325	\$ 3,325
Special assessments	70,500	49,900	49,318	(582)
Charges for services	-	150	129	(21)
Interest	2,000	15,000	14,852	(148)
Miscellaneous	-	4,400	4,273	(127)
Total revenues	220,500	217,450	219,897	2,447
EXPENDITURES				
Current:				
Parks and recreation	479,600	487,200	459,227	27,973
Capital outlay	100,000	100,000	80,385	19,615
Total expenditures	579,600	587,200	539,612	47,588
Excess (deficiency) of revenues over (under) expenditures	(359,100)	(369,750)	(319,715)	50,035
OTHER FINANCING SOURCES (USES)				
Transfers in	359,100	380,100	330,022	(50,078)
Total other financing sources (uses)	359,100	380,100	330,022	(50,078)
Net change in fund balance	-	10,350	10,307	(43)
Fund balance, beginning of fiscal year	(10,307)	(10,307)	(10,307)	-
Fund balance, end of fiscal year	\$ (10,307)	\$ 43	\$ -	\$ (43)

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance Non-major Governmental Funds Gas Tax Fund – Special Revenue Fund Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Fines and forfeits	\$ 361,800	\$ 335,300	\$ 330,407	\$ (4,893)
Charges for services	500	5,000	7,380	2,380
Miscellaneous	-	1,500	1,421	(79)
Total revenues	362,300	341,800	339,208	(2,592)
EXPENDITURES				
Current:				
Public works and streets	249,750	228,400	189,143	39,257
Capital outlay	20,000	20,000	19,518	482
Total expenditures	269,750	248,400	208,661	39,739
Excess (deficiency) of revenues over (under) expenditures	92,550	93,400	130,547	37,147
OTHER FINANCING SOURCES (USES)				
Transfers in	27,000	27,000	27,000	-
Total other financing sources (uses)	27,000	27,000	27,000	-
Net change in fund balance	119,550	120,400	157,547	37,147
Fund balance, beginning of fiscal year	327,891	327,891	327,891	-
Fund balance, end of fiscal year	\$ 447,441	\$ 448,291	\$ 485,438	\$ 37,147

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance Non-major Governmental Funds Local Transportation Fund – Special Revenue Fund Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Fines and forfeits	\$ 14,000	\$ 14,000	\$ 14,835	\$ 835
Charges for services	100	100	155	55
Miscellaneous	-	500	474	(26)
Total revenues	14,100	14,600	15,464	864
EXPENDITURES				
Current:				
Public works and streets	42,500	38,400	33,829	4,571
Total expenditures	42,500	38,400	33,829	4,571
Excess (deficiency) of revenues over (under) expenditures	(28,400)	(23,800)	(18,365)	5,435
OTHER FINANCING SOURCES (USES)				
Transfers in	7,000	7,000	7,000	-
Total other financing sources (uses)	7,000	7,000	7,000	-
Net change in fund balance	(21,400)	(16,800)	(11,365)	5,435
Fund balance, beginning of fiscal year	18,822	18,822	18,822	-
Fund balance, end of fiscal year	\$ (2,578)	\$ 2,022	\$ 7,457	\$ 5,435

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance Non-major Governmental Funds Street Lighting District Fund – Special Revenue Fund Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 226,250	\$ 217,750	\$ 232,470	\$ 14,720
Charges for services	1,000	3,000	7,328	4,328
Miscellaneous	-	500	474	(26)
Total revenues	227,250	221,250	240,272	19,022
EXPENDITURES				
Current:				
Public works and streets	173,000	184,300	171,069	13,231
Total expenditures	173,000	184,300	171,069	13,231
Excess (deficiency) of revenues over (under) expenditures	54,250	36,950	69,203	32,253
OTHER FINANCING SOURCES (USES)				
Transfers in	2,500	2,500	2,500	-
Total other financing sources (uses)	2,500	2,500	2,500	-
Net change in fund balance	56,750	39,450	71,703	32,253
Fund balance, beginning of fiscal year	395,746	395,746	395,746	-
Fund balance, end of fiscal year	\$ 452,496	\$ 435,196	\$ 467,449	\$ 32,253

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance Non-major Governmental Funds Right-of-Way Fund – Special Revenue Fund Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Property taxes	\$ 50	\$ 50	\$ 204	\$ 154
Special assessments	196,900	196,900	195,505	-
Charges for services	-	150	136	(14)
Miscellaneous	-	2,500	2,421	(79)
Total revenues	196,950	199,600	198,266	61
EXPENDITURES				
Current:				
Public works and streets	289,500	347,600	353,663	(6,063)
Total expenditures	289,500	347,600	353,663	(6,063)
Excess (deficiency) of revenues over (under) expenditures	(92,550)	(148,000)	(155,397)	(7,397)
OTHER FINANCING SOURCES (USES)				
Transfers in	92,700	148,450	155,811	7,361
Total other financing sources (uses)	92,700	148,450	155,811	7,361
Net change in fund balance	150	450	414	(36)
Fund balance, beginning of fiscal year	(414)	(414)	(414)	-
Fund balance, end of fiscal year	\$ (264)	\$ 36	\$ -	\$ (36)

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance Non-major Governmental Funds Parking and Business Improvement Fund – Special Revenue Fund Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Special assessments	\$ 15,000	\$ 15,000	\$ 14,883	(117)
Charges for services	50	200	494	294
Total revenues	15,050	15,200	15,377	177
EXPENDITURES				
Current:				
General government	13,500	13,450	8,222	5,228
Public works and streets	5,700	5,700	4,666	1,034
Total expenditures	19,200	19,150	12,888	6,262
Excess (deficiency) of revenues over (under) expenditures	(4,150)	(3,950)	2,489	6,439
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000	2,000	2,000	-
Total other financing sources (uses)	2,000	2,000	2,000	-
Net change in fund balance	(2,150)	(1,950)	4,489	6,439
Fund balance, beginning of fiscal year	14,126	14,126	14,126	-
Fund balance, end of fiscal year	\$ 11,976	\$ 12,176	\$ 18,615	\$ 6,439

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance Non-major Governmental Funds AB 939 Solid Waste Fund – Special Revenue Fund Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Charges for services	\$ 500	\$ 1,500	\$ 1,368	\$ (132)
Interest	245,000	245,000	265,890	20,890
Miscellaneous	-	8,500	12,684	4,184
Total revenues	245,500	255,000	279,942	24,942
EXPENDITURES				
Current:				
Public works and streets	512,950	473,000	515,169	(42,169)
Total expenditures	512,950	473,000	515,169	(42,169)
Excess (deficiency) of revenues over (under) expenditures	(267,450)	(218,000)	(235,227)	(17,227)
OTHER FINANCING SOURCES (USES)				
Transfers in	23,000	23,000	23,000	-
Total other financing sources (uses)	23,000	23,000	23,000	-
Net change in fund balance	(244,450)	(195,000)	(212,227)	(17,227)
Fund balance, beginning of fiscal year	260,623	260,623	260,623	-
Fund balance, end of fiscal year	\$ 16,173	\$ 65,623	\$ 48,396	\$ (17,227)

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance Non-major Governmental Funds Recreation Services Fund – Special Revenue Fund Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Fines and forfeits	\$ 5,500	\$ 8,750	\$ 8,750	\$ -
Charges for services	-	-	956	956
Interest	375,000	449,000	474,203	25,203
Miscellaneous	-	20,550	20,542	(8)
Total revenues	380,500	478,300	504,451	26,151
EXPENDITURES				
Current:				
Parks and recreation	976,050	1,047,400	1,065,270	(17,870)
Capital outlay	67,000	80,500	60,859	19,641
Total expenditures	1,043,050	1,127,900	1,126,129	1,771
Excess (deficiency) of revenues over (under) expenditures	(662,550)	(649,600)	(621,678)	27,922
OTHER FINANCING SOURCES (USES)				
Transfers in	662,550	622,100	592,746	(29,354)
Total other financing sources (uses)	662,550	622,100	592,746	(29,354)
Net change in fund balance	-	(27,500)	(28,932)	(1,432)
Fund balance, beginning of fiscal year, as restated	29,347	29,347	29,347	-
Fund balance, end of fiscal year	\$ 29,347	\$ 1,847	\$ 415	\$ (1,432)

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance
Non-major Governmental Funds
Housing Fund – Special Revenue Fund
Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Charges for services	\$ 1,500	\$ 10,000	\$ 15,248	\$ 5,248
Miscellaneous	-	-	30	30
Total revenues	1,500	10,000	15,278	5,278
EXPENDITURES				
Current:				
General government	19,400	206,400	205,717	683
Total expenditures	19,400	206,400	205,717	683
Net change in fund balance	(17,900)	(196,400)	(190,439)	5,961
Fund balance, beginning of fiscal year	726,204	726,204	726,204	-
Fund balance, end of fiscal year	\$ 708,304	\$ 529,804	\$ 535,765	\$ 5,961

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance Non-major Governmental Funds PEG Fee Fund – Special Revenue Fund Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Charges for services	\$ 250	\$ 500	\$ 1,166	\$ 666
Interest	42,000	38,000	38,035	35
Miscellaneous	2,000	2,400	3,105	705
Total revenues	44,250	40,900	42,306	1,406
EXPENDITURES				
Current:				
General government	110,400	110,050	96,324	13,726
Capital outlay	-	-	22,203	(22,203)
Total expenditures	110,400	110,050	118,527	(8,477)
Excess (deficiency) of revenues over (under) expenditures	(66,150)	(69,150)	(76,221)	(7,071)
OTHER FINANCING SOURCES (USES)				
Subscription acquisition	-	22,203	22,203	-
Transfers in	5,500	5,500	5,500	-
Total other financing sources (uses)	5,500	27,703	27,703	-
Net change in fund balance	(60,650)	(41,447)	(48,518)	(7,071)
Fund balance, beginning of fiscal year	121,191	121,191	121,191	-
Fund balance, end of fiscal year	\$ 60,541	\$ 79,744	\$ 72,673	\$ (7,071)

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance Non-major Governmental Funds Library Fund – Special Revenue Fund Budget and Actual For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Interest	\$ 147,100	\$ 149,100	\$ 149,393	\$ 293
Miscellaneous	50,000	33,000	15,552	(17,448)
Total revenues	197,100	182,100	164,945	(17,155)
EXPENDITURES				
Current:				
General government	38,500	54,500	35,588	18,912
Parks and recreation	786,350	592,550	585,016	7,534
Capital outlay	33,000	-	-	-
Total expenditures	857,850	647,050	620,604	26,446
Excess (deficiency) of revenues over (under) expenditures	(660,750)	(464,950)	(455,659)	9,291
OTHER FINANCING SOURCES (USES)				
Transfers in	660,750	464,300	455,048	(9,252)
Total other financing sources (uses)	660,750	464,300	455,048	(9,252)
Net change in fund balance	-	(650)	(611)	39
Fund balance, beginning of fiscal year	611	611	611	-
Fund balance, end of fiscal year	\$ 611	\$ (39)	\$ -	\$ 39

STATISTICAL SECTION



City of Carpinteria

Statistical Section For the Fiscal Year Ending June30, 2023

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 reveals about the City's overall financial health.

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Financial Trends	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	79
Revenue Capacity	These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	86
Debt Capacity	These schedules present information to help assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	91
Demographic and Economic Information	These schedules offer demographic and economic indicators to help understand the environment within which the City's financial activities take place.	96
Operating Information	These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	98



City of Carpinteria

Schedule of Changes Net Position By Component Last Ten Fiscal Years (accrual basis of accounting)

	2019	2020	2021	2022	2023
Governmental activities					
Net investment in capital assets	\$ 22,878,404	\$ 28,594,754	\$ 32,095,926	\$ 34,749,467	\$ 39,085,569
Restricted	5,949,116	6,421,673	7,425,708	6,806,924	7,102,592
Unrestricted	657,539	1,553,460	1,496,155	5,167,758	7,156,179
Total governmental activities net position	<u>\$ 29,485,059</u>	<u>\$ 36,569,887</u>	<u>\$ 41,017,789</u>	<u>\$ 46,724,149</u>	<u>\$ 53,344,340</u>
Primary government (City wide totals)					
Net investment in capital assets	\$ 22,878,404	\$ 28,594,754	\$ 32,095,926	\$ 34,749,467	\$ 39,085,569
Restricted	5,949,116	6,421,673	7,425,708	6,806,924	7,102,592
Unrestricted	657,539	15,534,660	1,496,155	5,167,758	7,156,179
Total primary government net position	<u>\$ 29,485,059</u>	<u>\$ 50,551,087</u>	<u>\$ 41,017,789</u>	<u>\$ 46,724,149</u>	<u>\$ 53,344,340</u>
	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 10,403,137	\$ 18,752,543	\$ 19,256,641	\$ 19,923,896	\$ 21,201,117
Restricted	6,498,990	6,635,977	5,949,721	7,159,751	6,673,049
Unrestricted	9,333,445	826,607	1,373,207	(260,945)	(623,857)
Total governmental activities net position	<u>\$ 26,235,572</u>	<u>\$ 26,215,127</u>	<u>\$ 26,579,569</u>	<u>\$ 26,822,702</u>	<u>\$ 27,250,309</u>
Primary government (City wide totals)					
Net investment in capital assets	\$ 10,403,137	\$ 18,752,543	\$ 19,256,641	\$ 19,923,896	\$ 21,201,117
Restricted	6,498,990	6,635,977	5,949,721	7,159,751	6,673,049
Unrestricted	9,333,445	826,607	1,373,207	(260,945)	(623,857)
Total primary government net position	<u>\$ 26,235,572</u>	<u>\$ 26,215,127</u>	<u>\$ 26,579,569</u>	<u>\$ 26,822,702</u>	<u>\$ 27,250,309</u>

Source: City of Carpinteria

City of Carpinteria

Schedule of Changes Net Position Last Ten Fiscal Years (accrual basis of accounting)

	2014	2015	2016	2017	2018
Expenses					
Governmental Activities:					
General government	\$ 3,643,689	\$ 3,392,625	\$ 3,945,980	\$ 4,089,430	\$ 4,992,268
Public safety	2,863,491	3,805,193	3,623,748	3,847,015	4,015,026
Public works and streets	2,571,301	2,516,574	3,173,896	3,316,121	3,798,587
Parks and recreation	1,691,338	1,556,728	1,618,317	1,713,791	1,734,987
Interest on long-term debt	42,115	28,842	21,665	-	6,453
Total governmental activities expenses	<u>\$ 10,811,934</u>	<u>\$ 11,299,962</u>	<u>\$ 12,383,606</u>	<u>\$ 12,966,357</u>	<u>\$ 14,547,321</u>
Total primary government expenses	<u>\$ 10,811,934</u>	<u>\$ 11,299,962</u>	<u>\$ 12,383,606</u>	<u>\$ 12,966,357</u>	<u>\$ 14,547,321</u>
Program Revenues					
Governmental activities					
Charges for services					
General government	\$ 407,630	\$ 373,398	\$ 473,436	\$ 376,726	\$ 460,427
Public safety	116,927	88,528	118,930	102,104	173,263
Public works	615,098	780,293	596,135	611,045	504,692
Parks and recreation	1,188,270	987,432	848,388	922,434	792,892
Operating grants and contributions	1,858,200	2,006,552	1,255,382	1,050,751	2,146,260
Capital grants and contributions	-	-	333,563	1,169,000	1,172,594
Total governmental activities program revenues	<u>\$ 4,186,125</u>	<u>\$ 4,236,203</u>	<u>\$ 3,625,834</u>	<u>\$ 4,232,060</u>	<u>\$ 5,250,128</u>
Total primary government program revenues	<u>\$ 4,186,125</u>	<u>\$ 4,236,203</u>	<u>\$ 3,625,834</u>	<u>\$ 4,232,060</u>	<u>\$ 5,250,128</u>
Net (Expense)/ Revenue					
Governmental activities	<u>\$ (7,082,316)</u>	<u>\$ (7,063,759)</u>	<u>\$ (8,757,772)</u>	<u>\$ (8,748,130)</u>	<u>\$ (9,297,193)</u>
Total City government	<u>\$ (7,082,316)</u>	<u>\$ (7,063,759)</u>	<u>\$ (8,757,772)</u>	<u>\$ (8,748,130)</u>	<u>\$ (9,297,193)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	\$ 2,875,344	\$ 2,962,918	\$ 3,142,567	\$ 3,291,947	\$ 3,580,012
Sales and use taxes	1,739,414	2,054,033	2,090,019	1,939,686	1,935,212
Other taxes	2,742,122	3,593,823	3,681,124	3,742,734	3,897,842
Miscellaneous motor vehicle in lieu fees not restricted to a specific program	33,299	-	-	-	-
Other general revenues	7,907	53,208	25,242	16,896	69,230
Investment earnings	57,164	(88,082)	183,262	-	-
Total governmental activities	<u>7,455,250</u>	<u>8,575,900</u>	<u>9,122,214</u>	<u>8,991,263</u>	<u>9,482,296</u>
Total City government	<u>\$ 7,455,250</u>	<u>\$ 8,575,900</u>	<u>\$ 9,122,214</u>	<u>\$ 8,991,263</u>	<u>\$ 9,482,296</u>
Change in net position					
Governmental activities	<u>\$ 372,934</u>	<u>\$ 1,512,141</u>	<u>\$ 364,442</u>	<u>\$ 243,133</u>	<u>\$ 185,103</u>
Total City government	<u>\$ 372,934</u>	<u>\$ 1,512,141</u>	<u>\$ 364,442</u>	<u>\$ 243,133</u>	<u>\$ 185,103</u>

Source: City of Carpinteria

City of Carpinteria

Schedule of Changes Net Position Last Ten Fiscal Years (accrual basis of accounting)

	2019	2020	2021	2022	2023
Expenses					
Governmental Activities:					
General government	\$ 6,402,259	\$ 6,962,506	\$ 5,420,633	\$ 7,277,140	\$ 6,113,371
Public safety	3,839,003	4,205,759	4,222,540	4,848,534	4,421,423
Public works and streets	2,527,811	2,335,610	3,118,807	2,222,126	3,805,370
Parks and recreation	1,536,832	1,627,747	1,749,597	2,228,902	2,826,648
Interest on long-term debt	-	-	-	-	-
Total governmental activities expenses	<u>\$ 14,305,905</u>	<u>\$ 15,131,622</u>	<u>\$ 14,511,577</u>	<u>\$ 16,576,702</u>	<u>\$ 17,166,812</u>
Total primary government expenses	<u>\$ 14,305,905</u>	<u>\$ 15,131,622</u>	<u>\$ 14,511,577</u>	<u>\$ 16,576,702</u>	<u>\$ 17,166,812</u>
Program Revenues					
Governmental activities					
Charges for services					
General government	\$ 262,758	\$ 301,979	\$ 566,239	\$ 727,724	\$ 523,136
Public safety	-	-	-	-	-
Public works	729,320	559,981	480,318	305,300	42,173
Parks and recreation	440,442	354,161	808,010	1,084,739	1,223,181
Operating grants and contributions	2,073,316	2,028,774	1,874,733	3,718,249	3,565,750
Capital grants and contributions	560,627	1,395,580	813,619	970,771	1,164,612
Total governmental activities program revenues	<u>\$ 4,066,463</u>	<u>\$ 4,640,475</u>	<u>\$ 4,542,919</u>	<u>\$ 6,806,783</u>	<u>\$ 6,518,852</u>
Total primary government program revenues	<u>\$ 4,066,463</u>	<u>\$ 4,640,475</u>	<u>\$ 4,542,919</u>	<u>\$ 6,806,783</u>	<u>\$ 6,518,852</u>
Net (Expense)/ Revenue					
Governmental activities	<u>\$ (10,239,442)</u>	<u>\$ (10,491,147)</u>	<u>\$ (9,968,658)</u>	<u>\$ (9,769,919)</u>	<u>\$ (10,647,960)</u>
Total City government	<u>\$ (10,239,442)</u>	<u>\$ (10,491,147)</u>	<u>\$ (9,968,658)</u>	<u>\$ (9,769,919)</u>	<u>\$ (10,647,960)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	\$ 4,298,673	\$ 4,686,335	\$ 4,939,368	\$ 5,188,273	\$ 5,512,042
Sales and use taxes	2,564,179	4,714,243	5,271,570	6,215,507	5,971,207
Other taxes	3,247,767	2,780,435	2,939,406	4,236,470	4,264,676
Miscellaneous motor vehicle in lieu fees not restricted to a specific program	-	-	-	-	-
Other general revenues	1,897,634	4,518,029	538,381	369,876	692,291
Investment earnings	296,110	627,348	141,208	(533,847)	639,453
Total governmental activities	<u>12,304,363</u>	<u>17,326,390</u>	<u>13,829,933</u>	<u>15,476,279</u>	<u>17,079,669</u>
Total City government	<u>\$ 12,304,363</u>	<u>\$ 17,326,390</u>	<u>\$ 13,829,933</u>	<u>\$ 15,476,279</u>	<u>\$ 17,079,669</u>
Change in net position					
Governmental activities	<u>\$ 2,064,921</u>	<u>\$ 6,835,243</u>	<u>\$ 3,861,275</u>	<u>\$ 5,706,360</u>	<u>\$ 6,431,709</u>
Total City government	<u>\$ 2,064,921</u>	<u>\$ 6,835,243</u>	<u>\$ 3,861,275</u>	<u>\$ 5,706,360</u>	<u>\$ 6,431,709</u>

Source: City of Carpinteria

City of Carpinteria

Schedule of Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	2014	2015	2016	2017	2018
General fund					
Nonspendable	\$ 4,167	\$ 4,167	\$ 216,537	\$ 16,478	\$ 556
Restricted	324,734	217,091	191,981	179,242	1,141,465
Committed	6,091,164	6,233,213	6,528,226	6,592,489	5,639,967
Assigned	-	-	-	-	-
Unassigned	<u>1,538,606</u>	<u>1,972,371</u>	<u>1,734,662</u>	<u>1,421,593.00</u>	<u>2,181,761</u>
Total general fund	<u>\$ 7,958,671</u>	<u>\$ 8,426,842</u>	<u>\$ 8,671,406</u>	<u>\$ 8,209,802</u>	<u>\$ 8,963,749</u>
All other governmental funds					
Nonspendable	\$ 15,887	\$ 26,439	\$ 26,439	\$ 19,326	\$ 32,441
Restricted	7,198,891	6,418,886	6,757,800	7,150,509	5,531,584
Committed	-	-	34,151	34,151	34,151
Unassigned	<u>42,915</u>	<u>42,912</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental fund	<u>\$ 7,257,693</u>	<u>\$ 6,488,237</u>	<u>\$ 6,818,390</u>	<u>\$ 7,203,986</u>	<u>\$ 5,598,176</u>

Source: City of Carpinteria

City of Carpinteria

Schedule of Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	2019	2020	2021	2022	2023
General fund					
Nonspendable	\$ -	\$ -	\$ 350	\$ -	\$ 7,715
Restricted	1,721,343	4,168,410	1,438,613	1,116,923	1,172,172
Committed	6,132,441	6,074,608	5,757,473	5,958,673	6,798,287
Assigned	-	-	3,645,131	4,153,242	4,813,735
Unassigned	1,268,806	544,306.00	1,433,398	4,149,872	3,911,843
Total general fund	<u>\$ 9,122,590</u>	<u>\$ 10,787,324</u>	<u>\$ 12,274,965</u>	<u>\$ 15,378,710</u>	<u>\$ 16,703,752</u>
All other governmental funds					
Nonspendable	\$ 29,633	\$ 30,630	\$ 34,960	\$ 33,590	\$ 27,781
Restricted	5,951,166	6,321,701	6,180,379	5,979,552	5,921,584
Committed	10,914	-	-	-	-
Unassigned	(30,818)	(31,405)	(75,554)	(16,858)	(27,366)
Total all other governmental funds	<u>\$ 5,960,895</u>	<u>\$ 6,320,926</u>	<u>\$ 6,139,785</u>	<u>\$ 5,996,284</u>	<u>\$ 5,921,999</u>

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds and Debt Service Ratio Last Ten Fiscal Years (modified accrual basis of accounting)

	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 7,862,769	\$ 8,610,774	\$ 8,913,710	\$ 8,974,367	\$ 9,353,024
Licenses and permits	109,909	106,271	115,914	136,296	142,644
Fines and forfeits	116,705	88,431	119,233	101,871	173,122
Charges for services	1,600,991	1,384,306	1,255,899	1,235,012	1,089,196
Special assessments	221,724	226,954	223,300	227,596	208,339
Intergovernmental	2,274,809	1,377,172	1,600,265	2,220,803	3,342,497
Investment earnings	96,005	595,462	232,183	16,167	102,953
Other revenues	279,974	422,733	287,544	311,211.00	320,649
Total revenues	12,562,886	12,812,103	12,748,048	13,223,323	14,732,424
Expenditures					
General government	3,244,566	3,388,728	3,656,340	3,811,276	4,466,576
Public safety	3,445,409	3,792,309	3,608,378	3,576,255	3,746,553
Parks and recreation	1,153,380	1,256,754	1,380,332	1,474,515	1,430,897
Public works and streets	1,904,318	2,152,697	2,114,983	2,183,728	3,288,119
Capital outlay	2,718,834	2,121,720	1,234,048	2,077,057	2,473,642
Debt service					
Principal	145,000	145,000	155,000	160,000	170,000
Interest	37,953	31,138	24,250	16,500	8,500
Total expenditures	12,649,460	12,888,346	12,173,331	13,299,331	15,584,287
Excess (deficiency) of revenues over (under) expenditures	(86,574)	(76,243)	574,717	(76,008)	(851,863)
Other Financing Sources (Uses)					
Subscription acquisition	-	-	-	-	-
Transfers in	1,699,086	1,703,420	2,451,170	2,462,162	2,910,863
Transfers out	(1,699,086)	(1,703,420)	(2,451,170)	(2,462,162)	(2,910,863)
Total other financing sources	-	-	-	-	-
Net change in fund balances	\$ (86,574)	\$ (76,243)	\$ 574,717	\$ (76,008)	\$ (851,863)
Debt services as a percentage of noncapital expenditures	1.88%	1.66%	1.67%	1.60%	1.38%

Source: City of Carpinteria

City of Carpinteria

Schedule of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds and Debt Service Ratio Last Ten Fiscal Years (modified accrual basis of accounting)

	2019	2020	2021	2022	2023
Revenues					
Taxes	\$ 10,110,619	\$ 12,181,011	\$ 13,151,630	\$ 15,640,250	\$ 15,552,420
Licenses and permits	262,758	301,979	258,386	278,926	289,804
Fines and forfeits	67,292	75,501	69,300	109,601	112,801
Charges for services	1,169,762	914,142	1,581,578	1,838,837	1,517,261
Special assessments	562,571	119,834	102,585	90,795	259,706
Intergovernmental	2,451,590	2,028,774	2,691,018	4,689,020	4,726,572
Investment earnings	296,110	627,348	82,559	(533,847)	452,907
Other revenues	1,450,124	5,718,274	435,796	169,480	526,085
Total revenues	16,370,826	21,966,863	18,372,852	22,283,062	23,437,556
Expenditures					
General government	5,859,713	6,168,332	5,165,320	5,707,822	6,063,169
Public safety	3,859,754	4,172,589	4,222,540	4,848,534	5,413,143
Parks and recreation	1,338,586	1,482,383	1,709,143	2,228,902	2,870,313
Public works and streets	2,167,037	1,819,008	2,100,261	2,222,126	2,974,169
Capital outlay	2,741,769	6,549,371	4,126,356	4,315,434	5,082,424
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	15,966,859	20,191,683	17,323,620	19,322,818	22,403,218
Excess (deficiency) of revenues over (under) expenditures	403,967	1,775,180	1,049,232	2,960,244	1,034,338
Other Financing Sources (Uses)					
Subscription acquisition	-	-	-	-	27,937
Transfers in	3,420,917	2,236,358	3,347,853	3,726,095	4,604,070
Transfers out	(3,420,917)	(2,236,358)	(3,347,853)	(3,726,095)	(4,604,070)
Total other financing sources	-	-	-	-	27,937
Net change in fund balances	\$ 403,967	\$ 1,775,180	\$ 1,049,232	\$ 2,960,244	\$ 1,062,275
Debt services as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

City of Carpinteria

Tax Revenues by Source, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Transient Occupancy Tax	Franchise Tax	Other Taxes	Total
2014	\$ 3,308,510	\$ 1,900,971	\$ 1,923,538	\$ 602,583	\$ 127,167	\$ 7,862,769
2015	3,411,370	2,054,033	2,369,762	634,782	140,827	8,610,774
2016	3,623,079	2,090,019	2,379,751	660,231	160,630	8,913,710
2017	3,788,813	1,939,686	2,503,821	614,506	127,541	8,974,367
2018	4,106,134	1,935,212	2,462,092	708,595	140,991	9,353,024
2019	4,298,673	2,564,179	2,635,754	612,013	57,718	10,168,337
2020	4,686,335	4,714,243	2,023,128	757,307	48,859	12,229,872
2021	4,940,654	5,271,570	2,209,191	689,056	41,159	13,151,630
2022	5,188,273	6,215,507	3,487,613	685,283	63,574	15,640,250
2023	5,316,537	5,971,207	3,485,465	717,135	62,076	15,552,420

Source: City of Carpinteria

City of Carpinteria

Assessed and Estimated Actual Value of Taxable Property Last Ten Fiscal Years (modified accrual basis of accounting)

Fiscal Year	Assessed Taxable Values			Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as Percentage of Estimated Actual Taxable Value
	Secured	Unsecured	Totals			
2014	\$ 1,726,261,900	\$ 112,576,204	\$ 1,838,838,104	1.00%	\$ 4,476,477,899	41.08%
2015	1,828,344,041	124,049,385	1,952,393,426	1.00%	4,748,073,510	41.12%
2016	1,919,853,476	124,041,961	2,043,895,437	1.00%	4,976,836,491	41.07%
2017	2,011,828,207	128,079,932	2,139,908,139	1.00%	5,212,541,849	41.05%
2018	2,152,174,030	151,088,408	2,303,262,438	1.00%	5,596,275,658	41.16%
2019	2,273,924,309	164,475,978	2,438,400,287	1.00%	5,919,776,455	41.19%
2020	2,354,028,360	167,969,241	2,521,997,601	1.00%	6,125,026,959	41.18%
2021	2,507,884,649	148,209,784	2,656,094,433	1.00%	6,481,439,885	40.98%
2022	2,637,827,737	140,289,211	2,778,116,948	1.00%	6,794,982,501	40.88%
2023	2,816,016,350	139,680,208	2,955,696,558	1.00%	7,239,584,029	40.83%

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 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 exchanges, assessed value is estimated assessed value by those percentages. Tax rates are per \$100 of assessed values.

2) In 1978, the voters of the State of California passed Proposition 13, which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at a time that it is sold to a new owner. At that point, the assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above. The County does not provide breakout of residential, commercial and industrial assessed values to the cities.

Source: Santa Barbara County Auditor-Controller

City of Carpinteria

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years (rates per \$100 of assessed value)

Fiscal Year	Direct Rates		Overlapping Rates		Total Direct & Overlapping Tax
	Basic Rate	General Obligation Debt Rate	School Districts	Special Districts	
2014	1.00%	0.00%	0.00635%	0.00%	1.0064%
2015	1.00%	0.00%	0.00635%	0.00%	1.0064%
2016	1.00%	0.00%	0.00635%	0.00%	1.0064%
2017	1.00%	0.00%	0.00635%	0.00%	1.0064%
2018	1.00%	0.00%	0.05571%	0.00%	1.0557%
2019	1.00%	0.00%	0.05571%	0.00%	1.0557%
2020	1.00%	0.00%	0.05151%	0.00%	1.0515%
2021	1.00%	0.00%	0.05151%	0.00%	1.0515%
2022	1.00%	0.00%	0.05113%	0.00%	1.0511%
2023	1.00%	0.00%	0.05113%	0.00%	1.0511%

Note: In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of school and water district bonds.

Source: Santa Barbara County Auditor-Controller

City of Carpinteria

Principal Property Tax Payers Current Year and Nine Years Ago

Rank	Taxpayer	2023		Rank	2014	
		Total Assessed Value	Percentage of Total City Taxable Assessed Value		Total Assessed Value	Percentage of Total City Taxable Assessed Value
1	LINKEDIN CORPORATION	\$ 60,765,936	2.06%			
2	SHEPARD PLACE LTD	45,530,732	1.54%	10	11,585,481	0.63%
3	RBE CARPINTERIA LLC	44,880,000	1.52%			
4	ROIC CASITAS PLAZA, LLC	27,369,983	0.93%			
5	LAVENDER BLUE, LP	19,686,609	0.67%			
6	6267 CARP AVE LLC	18,305,349	0.62%	3	15,775,000	0.86%
7	STEADFAST CARPINTERIA SENIOR, LLC	18,279,219	0.62%			
8	BEGA/US, INC	17,837,703	0.60%	4	15,267,826	0.83%
9	BBH HOLDINGS, LLC (CA)	15,365,221	0.52%	8	13,186,152	0.72%
10	JHMM HOSPITALITY LLC	15,040,959	0.51%			
	VENCO, INC			1	20,303,866	1.10%
	G6 HOSPITALITY PROPERTY LLC			2	17,310,817	0.94%
	CARP ONE LLC			5	14,995,187	0.82%
	SCHAFF, VICTOR WILLIAM			6	14,522,626	0.79%
	CARP TWO LLC			7	14,357,773	0.78%
	HMBL, LLC			9	11,826,085	0.64%
		<u>\$ 283,061,711</u>	<u>9.59%</u>		<u>\$ 149,130,813</u>	<u>8.11%</u>

Source: Santa Barbara County Auditor-Controller

City of Carpinteria

Property Tax Levies and Collections Last Ten Fiscal Years

City of Carpinteria						
Fiscal Year	Total Tax Levy for Fiscal Year	Collections within the Fiscal Year of Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 1,606,334	\$ 1,593,519	99.2%	\$ 12,230	\$ 1,605,698	100.0%
2015	1,702,720	1,688,463	99.2%	13,433	1,701,896	100.0%
2016	1,780,112	1,762,381	99.0%	13,620	1,776,001	99.8%
2017	1,863,185	1,847,951	99.2%	11,912	1,859,863	99.8%
2018	2,001,901	1,978,832	98.8%	18,930	1,997,762	99.8%
2019	2,306,494	2,280,017	98.9%	20,713	2,300,730	99.8%
2020	2,385,984	2,351,981	98.6%	27,175	2,379,156	99.7%
2021	2,515,399	2,480,701	98.6%	27,616	2,508,317	99.7%
2022	2,639,701	2,610,648	98.9%	18,266	2,628,914	99.6%
2023	2,803,012	2,768,306	98.8%	-	2,768,306	98.8%

Carpinteria Street Lighting District #1						
Fiscal Year	Total Tax Levy for Fiscal Year	Collections within the Fiscal Year of Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 284,731	\$ 282,460	99.2%	\$ 2,168	\$ 284,628	100.0%
2015	302,164	299,634	99.2%	2,384	302,018	100.0%
2016	315,757	312,612	99.0%	2,416	315,028	99.8%
2017	330,668	327,964	99.2%	2,114	330,078	99.8%
2018	356,018	351,915	98.8%	3,366	355,281	99.8%
2019	179,299	177,240	98.9%	1,610	178,850	99.7%
2020	185,725	183,078	98.6%	2,115	185,193	99.7%
2021	195,830	193,128	98.6%	2,150	195,278	99.7%
2022	204,890	202,635	98.9%	1,418	204,053	99.6%
2023	217,950	215,252	98.8%	-	215,252	98.8%

Notes:

Taxes collected have been restated to reflect available data from the Santa Barbara County Auditor- Controller.

Source: Santa Barbara County Auditor- Controller

City of Carpinteria

Ratio of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Total Outstanding Debt	Percentage of Personal Income	Population	Debt per Capita
	Certificates of Participation	Subscription- Based IT Arrangements				
2014	\$ 630,000	\$ -	\$ 630,000	0.12%	13,442	\$ 47
2015	485,000	-	485,000	0.09%	13,547	36
2016	330,000	-	330,000	0.06%	13,928	24
2017	170,000	-	170,000	0.03%	13,950	12
2018	-	-	-	0.00%	13,849	-
2019	-	-	-	0.00%	13,680	-
2020	-	-	-	0.00%	13,335	-
2021	-	-	-	0.00%	13,361	-
2022	-	-	-	0.00%	12,963	-
2023	-	14,175	14,175	0.00%	12,711	1

Source: City of Carpinteria

City of Carpinteria

Ratio 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		
2014	\$ -	\$ -	\$ -	0.00%	\$ -
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-

Source: City of Carpinteria

City of Carpinteria

Direct and Overlapping Governmental Activities Debt As of June 30, 2023

2022-23 Assessed Valuation: \$2,778,116,948

	Total Debt 6/30/2023	% Applicable¹	City's Share of Debt 6/30/2023
<u>Overlapping Tax and Assessment Debt:</u>			
Santa Barbara Community College District	\$ 51,355,000	4.290%	\$ 2,203,130
Carpinteria Unified School District	8,909,500	36.044%	32,113,402
Total Overlapping Tax and Assessment Debt			<u>\$ 34,316,532</u>
<u>Overlapping General Fund Debt:</u>			
Santa Barbara County General Fund Obligations	\$ 23,640,000	2.895%	\$ 684,378
Total Gross Overlapping General Fund Debt	-	100	<u>\$ 684,378</u>
Less: Santa Barbara County Supported Obligations			<u>42,557</u>
Total Net Overlapping General Fund Debt			<u>\$ 641,821</u>
Total Gross Overlapping Debt ²			\$ 1
Total Net Overlapping Debt			<u>\$ 3,495,353</u>

Notes:

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

1 total taxable assessed value.

Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds

2 and non-bonded capital lease obligations.

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.16%
Gross Combined Total Debt	1.18%
Net Combined Total Debt	1.18%

Sources: California Municipal Statistics, Inc.

City of Carpinteria

Legal Debt Margin Information Last Ten Fiscal Years

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2014	\$ 68,956,429	\$ -	\$ 68,956,429	0.00%
2015	73,214,247	-	73,214,247	0.00%
2016	76,646,079	-	76,646,079	0.00%
2017	80,246,555	-	80,246,555	0.00%
2018	86,372,341	-	86,372,341	0.00%
2019	91,440,011	-	91,440,011	0.00%
2020	94,574,910	-	94,574,910	0.00%
2021	99,603,541	-	99,603,541	0.00%
2022	104,179,386	-	104,179,386	0.00%
2023	110,838,621	-	110,838,621	0.00%

Legal Debt Margin Calculation for Fiscal Year 2023

Total Assessed Property Value	\$ 2,955,696,558
Debt limit (3.75% of assessed value)	110,838,621
Less debt applicable to limit:	
General obligation bonds	-
Total debt applicable to limit	-
Legal debt margin	<u><u>\$ 104,179,386</u></u>

Note: 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 and 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.

Source: Santa Barbara County Auditor- Controller

City of Carpinteria

Pledged Revenue Coverage Last Ten Fiscal Years

Fiscal Year	Special Assessment Collections	Capital Impact Fees	Debt Service		Coverage
			Principal	Interest	
2014	\$ -	\$ -	\$ -	\$ -	0.0%
2015	-	-	-	-	0.0%
2016	-	-	-	-	0.0%
2017	-	-	-	-	0.0%
2018	-	-	-	-	0.0%
2019	-	-	-	-	0.0%
2020	-	-	-	-	0.0%
2021	-	-	-	-	0.0%
2022	-	-	-	-	0.0%
2023	-	-	-	-	0.0%

Note: The City had no Pledged Revenues during this period.

Source: City of Carpinteria

City of Carpinteria

Demographic and Economic 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>
2014	13,442	\$ 639,839,200	\$ 47,600	5.4%
2015	13,547	673,285,900	49,700	4.7%
2016	13,928	706,066,032	50,694	4.6%
2017	13,950	721,326,600	51,708	4.5%
2018	13,849	508,119,810	36,690	3.9%
2019	13,680	580,100,400	42,405	3.4%
2020	13,335	593,487,510	44,506	4.9%
2021	13,361	621,727,413	46,533	5.5%
2022	12,963	603,207,279	46,533	2.3%
2023	12,711	634,075,524	49,884	3.7%

Sources: Department of Finance

Sources: University of California Santa Barbara

Sources: EDD Unemployment Rate and Labor Force

City of Carpinteria

Principal Employers Current Year and Nine Year Ago

Employer	2023			2014		
	Rank	Employees	Percentage of Total City Employment	Rank	Employees	Percentage of Total City Employment
Procore	1	850	5.45%			
Agilent (formerly DAKO)	2	408	2.61%	4	180	1.15%
Carpinteria Unified School District	3	322	2.06%	3	272	1.74%
LinkedIn	4	240	1.54%			
Plan Member Services	5	185	1.19%	8	110	0.70%
Bega- US	6	167	1.07%			
Freudenberg Medical, LLc	7	163	1.04%			
Jiminez Nursery, Inc.	8	115	0.74%			
Albertsons	9	94	0.60%	10	99	0.63%
Gigavac	10	92	0.59%			
Nusil Technology				1	415	2.66%
Lynda.com				2	410	2.63%
Helix Medical Inc.				5	143	0.92%
TE Connectivity				6	130	0.83%
AGIA, Inc.				7	129	0.83%
CKE (Carl Karchler Enterprises)				9	103	0.66%
		<u>2,636</u>	<u>16.89%</u>		<u>1,991</u>	<u>12.75%</u>

Source: City of Carpinteria

City of Carpinteria

Employees by Function Last Ten Fiscal Years

Department/Program	Full-time Equivalent Employees as of June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
City Council	5	5	5	5	5	5	5	5	5	5
City Clerk	2	2	2	2	2	2	2	3	3	3
City Manager	4	4	4	4	4	4	4	4	4	4
Administrative Services:										
Finance	2	2	2	2	2	2	3	3	3	4
Community Development:										
Planning	5	5	5	5	5	5	5	5	5	5
Building	1	1	1	1	1	1	1	1	1	1
Code Compliance	3	3	3	3	3	3	4	4	4	4
Public Works:										
Public Works Administration	4	4	4	4	4	4	5	5	5	5
Roads and Streets	5	5	5	5	5	5	6	5	5	5
Parks, Recreation & Public Facilities:										
Parks and Recreation Administration	4	4	4	4	4	4	2	4	4	4
Facilities	0	0	0	0	0	0	1	3	3	3
Community Pool/Beach Services	8	8	8	8	8	8	2	2	2	2
Totals	43	43	43	43	43	43	40	44	44	45

Source: City of Carpinteria

City of Carpinteria

Operating Indicators by Function Program Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety:										
Traffic violations	760	735	735	735	1,445	1,778	1,766	1,699	1,739	1,620
Planning:										
Building permits issued	237	246	285	279	282	310	267	269	286	299
Public Works:										
Miles streets resurfaced	0.07	0.67	0.67	0.00	0.00	0.00	3.50	2.25	2.50	2.00
Parks:										
Jr. Lifeguard Participants	213	190	190	200	185	170	148	150	156	186
Swimming pool admissions	33,091	32,005	32,005	33,000	42,000	33,000	24,530	45,309	48,120	48,947

Sources: City of Carpinteria

City of Carpinteria

Capital Asset Statistics by Function Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety:										
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	631	631	631	631	631	631	631	631	631	631
Traffic signals	3	3	3	3	3	3	4	4	4	4
Parks:										
Community centers	1	1	1	1	1	1	1	1	1	1
Parks	12	12	12	12	12	12	13	13	13	14
Park acreage	103	103	103	103	103	103	124	124	124	103

Sources: City of Carpinteria