

City of Carpinteria, California

Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2012

CITY OF CARPINTERIA, CALIFORNIA
Comprehensive Annual Financial Report
for the
Fiscal Year Ended June 30, 2012

Prepared By the Department of Administrative Services



Introductory Section

CITY OF CARPINTERIA
Comprehensive Annual Financial Report
for the
Fiscal Year Ended June 30, 2012

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December 5, 2012

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

The City follows a policy of preparing a complete set of financial statements in conformity with U. S. generally accepted accounting principles after the end of each fiscal year. This report is published to fulfill that policy for the fiscal year ended June 30, 2012.

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

The firm of Terry E. Krieg, Certified Public Accountant, has issued an unqualified independent auditor's report on the City of Carpinteria's financial statements for the fiscal year ended June 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE CITY AND ITS OPERATIONS

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

The City is home to about 13,100 individuals, and most of the City is residential. The City's population has been growing by a rate of about 2 percent a year. Major commercial and industrial development has been restrained by economic conditions.

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

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

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

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

Local Economy

The City is located in a beautiful area of the Central Coast and the City limits encompass beaches on the Pacific Ocean. Several lodging establishments, fine restaurants, a downtown with shops reflecting an attractive and enjoyable small City environment, are for the most part within walking distance of the City's beaches on the Pacific Ocean. About 89 percent of the City's general fund revenues come from the local hotel tax, sales tax revenues, franchise and local property taxes. In fiscal 2012 the City experienced about an 11.8% increase (about \$810,000) in its general fund revenues. Most of the increase was in the area of higher sales and TOT taxes.

The City expects that hotel tax revenues will grow significantly in the 2012 fiscal year due to a voter approved increase in the tax rate from 10% to 12%. The City plans to monitor closely these revenue sources in given recent economic and events at the State level in order to evaluate the viability of the City's 2013 financial plan.

The City is particularly concerned with the financial condition of the State of California. The City has sufficient cash resources to sustain its operations, but this situation might worsen if the State of California's financial situation does not improve in the near future.

Long-Term Financial Planning

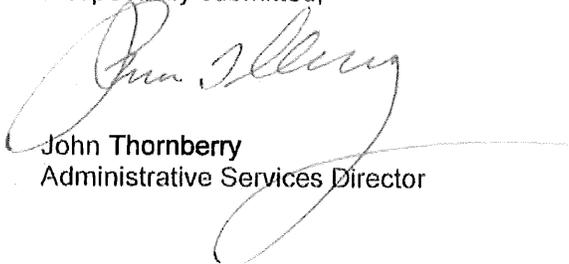
The City has identified some \$136 million in capital projects to be completed in the foreseeable future. These include about \$ 96 million for Highway 101 interchange projects, \$10 million for community center projects, \$5 million for storm drain improvements, \$16 million for local street projects and \$9 million for other local projects. While the general fund ended fiscal 2012 with about a \$ 7.1 million fund balance, the City believes that some of this can be used for future capital improvements. The City also has about \$1.89 million in the Development Impact Fee Fund which monies will specifically be used for future projects, mainly street infrastructure. While some financial resources are currently available to meet the City's long-range needs, the City will need to evaluate its capital and infrastructure improvement needs and may find it necessary to obtain long-term debt financing to be able to complete the planned projects.

Awards and Acknowledgments

The Government Finance Officers Association(GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Carpinteria for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. In order to receive this award, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a one year period only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "John Thornberry", is written over a horizontal line. The signature is fluid and extends slightly above and below the line.

John Thornberry
Administrative Services Director

CITY OF CARPINTERIA

List of Principal Officials

June 30, 2012

CITY COUNCIL

Mayor
Vice Mayor
Councilmember
Councilmember
Councilmember

Gregg Carty
Al Clark
J. Bradley Stein
Joe Armendariz
Kathleen Reddington

APPOINTED OFFICIALS

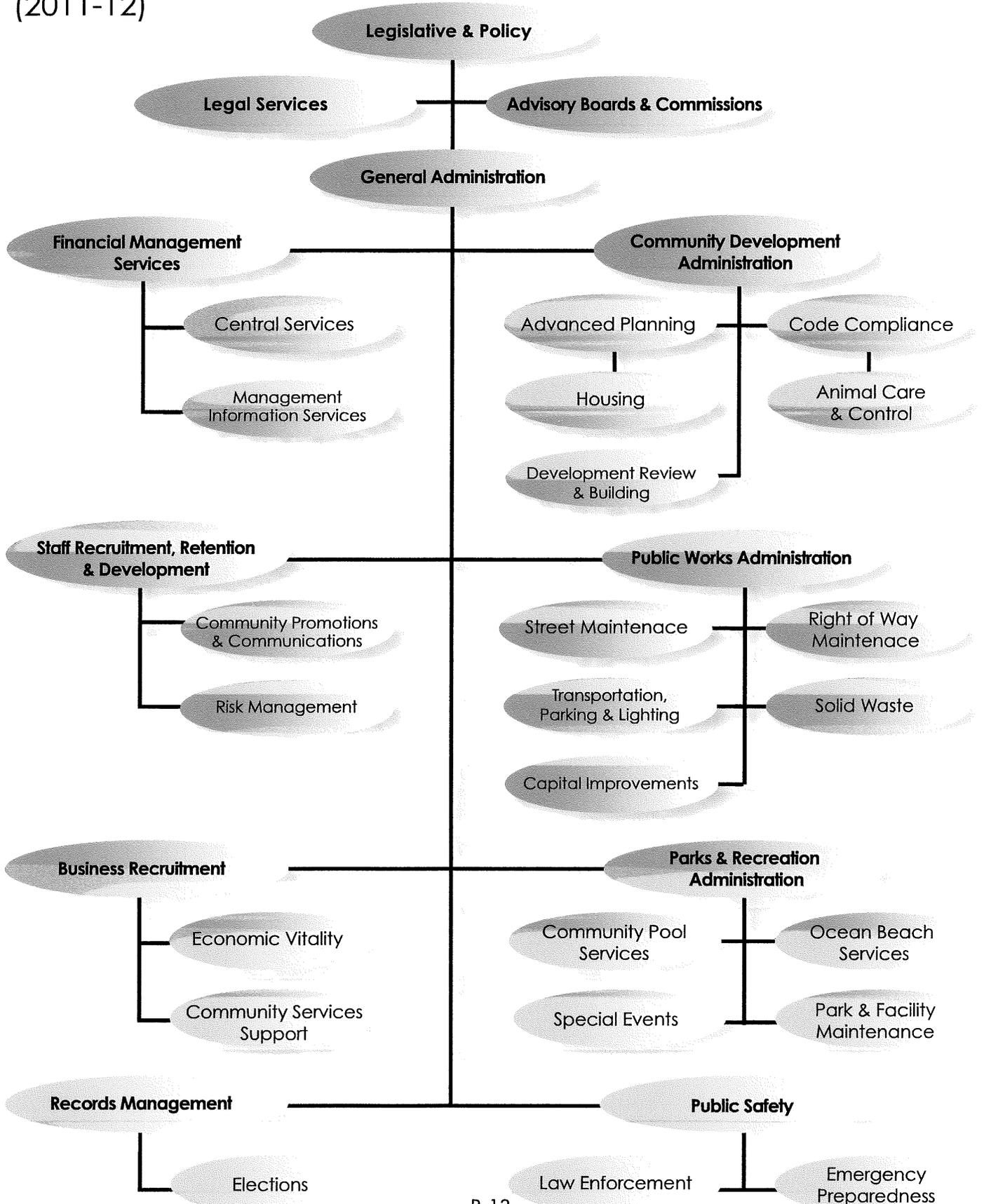
City Manager
City Attorney
Administrative Services Director
City Clerk
Public Works Director/Engineer
Parks and Recreation Director
Community Development Director

Dave Durlinger
Peter N. Brown
John Thornberry
Fidela Garcia
Charles Ebeling
Matthew Roberts
Jackie Campbell

BOARDS AND COMMISSIONS

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

City of Carpinteria
Functional Organizational Chart
 (2011-12)



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Carpinteria
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

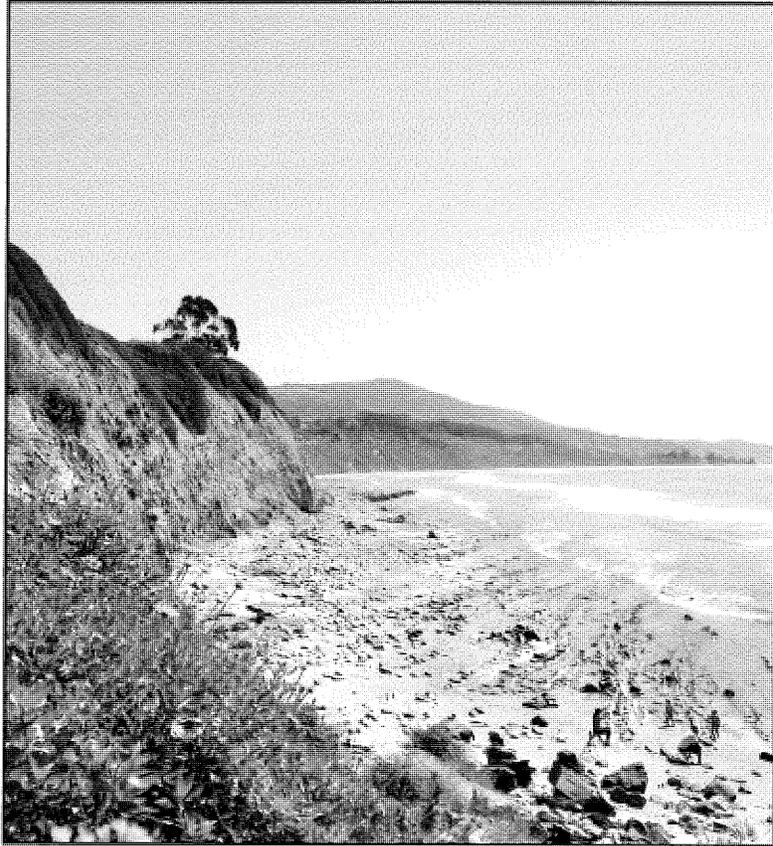


Christopher P. Morinell

President

Jeffrey R. Emer

Executive Director



Financial Section



Terry E. Krieg, CPA

Certified Public Accountant

Independent Auditor's Report

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

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Carpinteria, California, as of and for the year ended June 30, 2012 which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City of Carpinteria's management. My responsibility is to express opinions on these financial statements based on my audit.

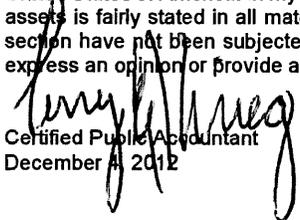
I conducted my audit in accordance with auditing standards generally accepted in United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Carpinteria, California, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated December 4, 2012 on my consideration of the City of Carpinteria's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, Budgetary Comparison Information, and Schedule of Funding Progress on pages 2 through 11 and pages 32 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carpinteria's basic financial statements. The accompanying combining nonmajor fund financial statements, individual fund schedules, and schedules of capital assets are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining nonmajor fund financial statements, individual fund schedules, and schedules of capital assets have 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 financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining nonmajor fund financial statements, individual fund schedules, and schedules of capital assets is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on them.


Certified Public Accountant
December 4, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the *City of Carpinteria's* annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2012. Please read it in conjunction with the City's audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total net assets increased by about \$2,795,000 over the course of this year's operations after conducting all City operations and programs.
- Overall, City-wide revenues from all governmental activities increased by about \$ 1,948,000 compared to the 2011 fiscal year. City impact fees, one-time fees related to development, account for almost 90 percent of this increase in 2012. About 50 % of the 2012 impact fees were realized from in lieu affordable housing and park land development arrangements.
- The City's total expense of all programs in fiscal 2012 decreased by a net \$416,000 compared to fiscal 2011. Lower planning costs and recreation expenses were the main reason.
- The general fund reported a fund balance of about \$ 7.85 million at the end of the 2012 year compared to \$7.16 million at the end of fiscal 2011. General fund revenues exceeded general fund expenditures by almost \$784,000 in fiscal 2012. Property, sales and hotel tax revenues were up over \$536,000 in fiscal 2012 as economic conditions showed signs of improvement.
- The City also ended the fiscal year with \$3.54 million reported in its major development impact fee fund which monies are set aside for future infrastructure improvements. This was about a \$1.648 million net increase compared to the end of fiscal 2011. The City's other non-major governmental funds ended 2012 with about \$ 4.02 million available for special purposes; an increase of about \$720,000 compared to the end of fiscal 2011.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of five parts – *an introductory section, management's discussion and analysis* (this section), the *basic financial statements, required supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental funds and statistical information. The basic financial statements include two kinds of statements that present different views of the City:

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-1

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

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Carpinteria's finances in a manner similar to the financial reporting methods used by private-sector businesses. The *statement of net assets* includes *all* the City of Carpinteria's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Carpinteria is improving or deteriorating. The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of cash flows*.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

Fund Financial Statements

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

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

The City has one type of fund:

- *Governmental funds* – The City's basic services are included in governmental funds, which focus on (1) *how cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term view* that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Carpinteria's adopted and final budgets, compared to actual results, for the City's general fund, development impact fee fund, and revolving fund. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

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

Net Assets. The City's *combined* net assets increased about \$ \$2,794,895 between fiscal years 2011 and 2012. (See Table A-1.)

**TABLE A-1
CITY OF CARPINTERIA'S NET ASSETS (In rounded dollars)**

	Governmental Activities		Percentage Change
	<u>2012</u>	<u>2011</u>	<u>2011-2012</u>
Current and other assets	\$16,766,600	\$13,454,000	24.6%
Capital assets	<u>16,768,200</u>	<u>16,785,100</u>	-0.1%
Total assets	33,544,800	30,239,100	10.9%
Long-term debt outstanding	910,000	1,035,000	-12.1%
Other liabilities	<u>2,386,400</u>	<u>1,750,500</u>	36.3%
Total liabilities	3,296,400	2,785,500	18.3%
Net assets			
Invested in capital assets, net of related debt	16,768,200	15,750,100	6.5%
Restricted	7,877,400	5,509,100	43.0%
Unrestricted	<u>5,602,900</u>	<u>6,194,400</u>	-9.5%
Total net assets	<u>\$ 30,248,500</u>	<u>\$ 27,453,600</u>	10.2%

Net assets of the City's governmental activities increased 10.2 percent to \$ 30.25 million. About 55 % of the net assets relating to governmental activities are represented by the City's net investment in its capital assets such as buildings, land, equipment and facilities. The remaining 45% is essentially represented by cash, investments and receivables. About 28% of the City's total liabilities are represented by long-term obligations such as the certificates of participation.

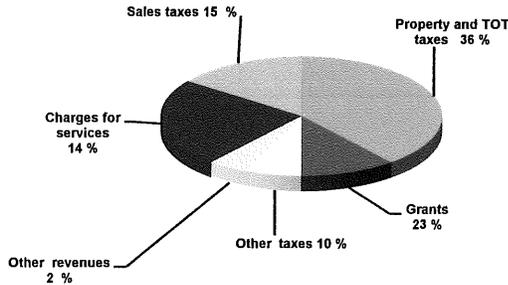
GOVERNMENT-WIDE FINANCIAL ANALYSIS (The City as a Whole)

Changes in net assets. The City's 2012 total revenues of about \$ 12.8 million increased by about \$1.9 million as compared to 2011 as a result of decreases in grants and allocations from other governments, and higher charges for services (one-time impact fees). (See Table A-2.). About 60 percent of the City's revenue comes from some type of tax including property, sales, and other taxes. The rest comes from fees charged for services, state, local and federal aid, and contributions.

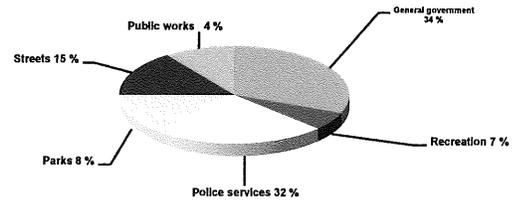
The total cost of all programs and services in fiscal 2012 was about \$ 10.0 million and includes a wide range of services such as police protection, streets, public works, general administration and recreation related services.

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

Sources of Revenue for Fiscal Year 2012



Functional Expenses for Fiscal Year 2012



Governmental Activities

Revenues from all activities increased in fiscal 2012 by about \$1.9 million while expenses of all City programs decreased by about \$416,000 to about \$10.02 million.

The net upswing in total revenues was a combination of about \$1.9 million in charges for services (one-time development impact fees) along with about a \$452,000 drop in grant revenues (a large street project in fiscal 2011) that was offset by increases in property, sales and hotel taxes.

As the above graph shows, the City's primary sources of revenue come from some kind of tax. Charges for services account for only about 14 % of the City's total revenue stream. The City depends heavily upon transient occupancy taxes (hotel tax), sales taxes, special local taxes and local property tax revenues to fund the costs of City programs.

The majority of the City's operating expenses are incurred to provide police protection and general operational costs of the City. Combined, safety and administration account for 66 percent of the City's total 2011 operating expenses. Another 34 percent of the City's 2012 operating expenses were incurred to provide street maintenance, landscaping, and lighting.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Table A-2
Changes in City of Carpinteria's Net Assets
(In rounded dollars)**

	Governmental Activities		Total Percentage Change
	2012	2011	2011-2012
Revenues			
Program revenues			
Charges for services	\$3,517,846	\$ 1,556,700	126.0%
Grants and contributions	2,020,207	2,472,800	-18.3%
General revenues			
Property taxes	2,619,423	2,581,800	1.46%
Sales taxes	1,860,725	1,610,900	15.51%
Hotel tax(TOT)	1,555,257	1,306,000	19.09%
Other	1,249,224	1,346,700	-7.24%
Total revenues	12,822,682	10,874,900	17.91%
Expenses			
General government	3,397,245	3,519,600	-3.48%
Public safety	3,307,293	3,340,800	-1.0%
Recreation and parks	1,283,076	1,548,100	-17.12%
Public works/streets	1,992,042	1,983,500	0.43%
Other	48,031	51,800	0.0%
Total expenses	10,027,687	10,443,800	-3.98%
Increase (decrease) in net assets			548.34%
Net assets, beginning	27,453,600	27,022,500	
Net assets, ending	\$ 30,248,500	27,453,600	10.18%

The increase in the change in net assets for 2012 compared to 2011 was directly related to the decrease in total expenses (spending) and an increase in total revenues.

Hotel tax revenues increased in fiscal 2012, as did sales tax revenues indicating that our local economy has begun to recover from the general economic slowdown.

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

- The cost of all *governmental* activities this year was \$ 10,027,687 compared to \$10,443,800 in fiscal 2011.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT WIDE FINANCIAL ANALYSIS (The City as a Whole)

- While users and contributors funded about \$ 5.5 million of the costs of city programs through related program revenues, the City still had to fund the short fall from general revenues such as taxes and this short fall was about an additional \$4.48 million. Major sources of program revenues were:
 - Those who directly benefited from or used the programs (\$ 3,5 million), or
 - Other governments and organizations that subsidized certain programs with grants and contributions (about \$ 2.02 million).
- The City paid for the \$ 4.48 million “public benefit” portion with property taxes, sales taxes, other tax revenues and investment earnings.

Table A-3
Cost of City of Carpinteria's Governmental Activities
 (In rounded dollars)

	Total Cost of Services		Percentage Change
	2012	2011	2011-2012
General Government	3,397,245	\$ 3,519,600	-3.48%
Public Safety	3,307,293	3,340,800	-1.00%
Parks and recreation	1,283,076	1,548,400	-17.14%
Public Works/streets	1,992,042	1,983,200	0.45%
All other	48,031	51,800	-7.28%
Total	\$ 10,027,687	\$ 10,443,800	-3.98%

Overall, spending in total decreased in fiscal 2012 by about 4.0% compared to expenses incurred in fiscal 2011. The largest changes were about \$265,000 less in Parks and Recreation and about \$122,000 less in general government costs.

The drop off in general government costs was related to the implementation of a one week employee furlough.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, its governmental funds reported a *combined* fund balance of about \$15.41 million, compared to about \$12.36 million at the end of fiscal 2011. The City's general fund operations generated \$783,829 more in revenues than was spent on governmental activities. The City transferred a net total of \$ 94,471 out of the general fund and into other funds. Most of this went to pay debt service on the certificates of participation and the remainder was transferred to other special funds to subsidize their operations where revenue generation was insufficient. At year end, the City's general fund had a fund balance of about \$ 7.85 million. Within the general fund balance, the City has designated about \$2.25 million for future projects and public education and contingencies leaving about \$ 5.60 million available to start the next fiscal year.

The City's other major funds, the development impact fee and revolving funds, ended the 2012 year with a fund balance of \$ 3.54 million and \$0, respectively. These monies are legally restricted for future infrastructure projects related to streets, bridges, highways, parks and other capital assets projects and cannot be used to pay for general governmental operations. In addition, the City's nonmajor governmental funds ended the 2012 fiscal year with a combined fund balance of \$ 4.02 million.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget several times. The budget amendments fall into two categories: changes made at the midyear budget review for unanticipated revenues and costs and increases in appropriations to prevent budget overruns. Even with these adjustments, actual general fund expenditures (excluding transfers between funds) were less than final budget amounts by about \$ 48,000; as a result of lower than anticipated spending.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2012, the City had invested \$ 16.77 million in a broad range of capital assets, including land, equipment, vehicles, buildings, park facilities, the City pool and other assets. (See Table A-4.) This amount represents a net decrease (including additions and deductions) of about \$ 16,846 under last year.

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

	Total		Total Percentage Change
	2012	2011	2011-2012
Land and site improvements	\$ 10,183,638	\$ 10,183,600	0.0%
Buildings and pool	1,370,294	1,430,200	-5.8%
Machinery and equipment	131,808	157,300	-13.5%
Streets and improvements	4,747,202	4,103,800	20.6%
Vehicles	101,931	124,200	-15.8%
Construction in progress	233,340	786,000	-70.3%
Total	\$ 16,768,213	\$ 16,785,100	8.8%

This year's major capital assets additions included:

The City had significant capital asset financial activity in fiscal year 2012 as the City added \$816,260 in completed projects and improvements to City facilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The City in fiscal year 2012 had financial transactions which qualified to be capitalized as a capital asset under the City's Infrastructure Accounting Policy. This policy requires that the City identify, account for, assign depreciable lives, and calculate depreciation on infrastructure type capital assets. The City has determined that infrastructure systems applicable to the City include streets, roads, bridges, and street lighting systems with an initial cost of at least \$ 50,000. Also costs incurred to preserve or expand the capacity of infrastructure installed prior to 2002 will qualify under this policy to be reported as capital assets.

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

Long - Term Debt

At the end of 2012, the City's only form of long-term debt securities consisted of \$910,000 in certificates of participation issued by the City's Improvement Corporation (a blended component unit) under a leasing arrangement with the City. All required debt service payments have been made as required in fiscal 2012. Details on long-term debt are presented on pages 26 and 27 of this report in the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the 2013 fiscal year, general fund revenue projections have been conservative compared to higher revenue projections in the past.

- Overall general fund revenues are projected to be \$466,000 less than fiscal year 2011 actual amounts. A ballot initiative increasing the transient occupancy tax rate from 10% to 12% was passed by voters by a 77% margin in the November 2012 election. The increase in the rate is estimated to increase annual revenues by approximately \$240,000.
- The City expects that general fund revenues will be less than general fund spending in fiscal 2013 by about \$ 203,000. Any spending shortfall will be financed from general fund reserves.

General fund 2013 budgeted appropriations are set at \$ 7.40 million. This is about \$520,200 more than 2012 actual expenditures. In fiscal 2013, total City spending is expected to be about 12,619,065 or about \$2.8 million more than 2012 actual.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Administrative Services Director, City of Carpinteria, 5775 Carpinteria Avenue, Carpinteria, California 93013.

CITY OF CARPINTERIA
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>
	<u>2012</u>
ASSETS	
Current assets:	
Cash and investments	\$ 15,457,780
Net receivables	1,165,771
Prepayments	4,167
Inventories	17,419
Total current assets	<u>16,645,137</u>
Noncurrent assets:	
Notes receivable	131,500
Capital assets not being depreciated	10,416,978
Net capital assets being depreciated	6,351,235
Total noncurrent assets	<u>16,899,713</u>
Total assets	<u>\$ 33,544,850</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 299,319
Accrued liabilities	23,316
Compensated absences	30,000
Deposits	678,170
Unearned revenue	232,043
Accrued interest payable	14,732
Certificates	135,000
Total current liabilities	<u>1,412,580</u>
Noncurrent liabilities:	
Compensated absences	41,621
Net other post employment benefit obligation	1,067,167
Certificates due in more than one year	775,000
Total noncurrent liabilities	<u>1,883,788</u>
Total liabilities	<u>3,296,368</u>
NET ASSETS	
Invested in capital assets, net of related debt	16,768,213
Restricted for:	
Capital projects	3,539,358
Public education and communications	324,734
Debt service	202,978
Street maintenance and improvements	3,551,511
Recycling	258,875
Unrestricted	5,602,813
Total net assets	<u>30,248,482</u>
Total liabilities and net assets	<u>\$ 33,544,850</u>

See accompanying notes to the basic financial statements

CITY OF CARPINTERIA
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
City government				
Governmental activities:				
General government	\$ 3,397,245	\$1,026,840	\$ -	\$ -
Public safety:				
Police protection	3,307,293	140,338	-	73,208
Public works:				
Public works administration	416,628	161,249	-	-
Streets	1,575,414	371,778	1,282,013	502,486
Parks and recreation:				
Parks and recreation	1,283,076	1,817,641	162,500	-
Interest on long-term debt	48,031	-	-	-
Total governmental activities	10,027,687	3,517,846	1,444,513	575,694
 Total City government	 \$ 10,027,687	 \$3,517,846	 \$ 1,444,513	 \$ 575,694

General revenues:

Taxes:

 Property taxes

 Sales taxes

 Franchise taxes

 Park maintenance taxes

 Street lighting taxes

 Transient occupancy taxes

 Other taxes

Motor vehicle in lieu fees not restricted to
to a specific program

Other general revenues

Unrestricted investment earnings

Total general revenues

Change in net assets

Net assets, beginning

Net assets, ending

See accompanying notes to the basic financial statements

**Net (Expenses) Revenue and
Changes in Net Assets**

City Government

<u>Governmental Activities</u>	<u>Total</u>
\$ (2,370,405)	\$ (2,370,405)
(3,093,747)	(3,093,747)
(255,379)	(255,379)
580,863	580,863
697,065	697,065
<u>(48,031)</u>	<u>(48,031)</u>
<u>(4,489,634)</u>	<u>(4,489,634)</u>
<u>(4,489,634)</u>	<u>(4,489,634)</u>
\$ 2,619,423	\$ 2,619,423
1,860,725	1,860,725
563,958	563,958
149,651	149,651
267,102	267,102
1,555,257	1,555,257
84,508	84,508
61,261	61,261
14,039	14,039
<u>108,605</u>	<u>108,605</u>
<u>7,284,529</u>	<u>7,284,529</u>
2,794,895	2,794,895
<u>27,453,587</u>	<u>27,453,587</u>
<u>\$ 30,248,482</u>	<u>\$ 30,248,482</u>

**CITY OF CARPINTERIA
Balance Sheet
Governmental Funds
June 30, 2012**

	General Fund	Development Impact Fee Fund	Revolving Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$7,356,582	\$ 4,111,512	\$ 4,098	\$ 3,985,588	\$ 15,457,780
Taxes receivable	473,064	-	-	-	473,064
Accounts receivable	12,948	-	-	81	13,029
Due from other governments	296,329	-	183,819	162,413	642,561
Accrued interest receivable	37,117	-	-	-	37,117
Prepayments	4,167	-	-	-	4,167
Inventory	-	-	-	17,419	17,419
Notes	-	131,500	-	-	131,500
	\$8,180,207	\$ 4,243,012	\$ 187,917	\$ 4,165,501	\$ 16,776,637
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 125,276	\$ 42,953	\$ 1,594	\$ 129,496	\$ 299,319
Accrued liabilities	23,316	-	-	-	23,316
Deposits	148,969	529,201	-	-	678,170
Deferred revenue	32,612	131,500	186,323	13,108	363,543
	330,173	703,654	187,917	142,604	1,364,348
Fund balances:					
Nonspendable	4,167	-	-	13,212	17,379
Restricted for PEG	324,734	-	-	-	324,734
Restricted for debt service	-	-	-	202,978	202,978
Restricted for infrastructure	-	3,539,358	-	-	3,539,358
Restricted for streets	-	-	-	3,547,832	3,547,832
Restricted for recycling	-	-	-	258,875	258,875
Committed for contingencies	1,924,447	-	-	-	1,924,447
Unassigned	5,596,686	-	-	-	5,596,686
	7,850,034	3,539,358	-	4,022,897	15,412,289
Total liabilities and fund balances	\$8,180,207	\$ 4,243,012	\$ 187,917	\$ 4,165,501	\$ 16,776,637
Total Governmental Fund Balances					\$ 15,412,289
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds					16,768,213
Some assets such as long-term notes receivable are not available for use and are deferred in the funds until collected in cash					131,500
Some liabilities, including bonds, certificates, compensated absences, claims, and accrued interest are not due and payable in the current period and are therefore not reported in the funds					(2,063,520)
Net Assets of Governmental Activities					\$ 30,248,482

See accompanying notes to the basic financial statements

CITY OF CARPINTERIA
Statements of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	General Fund	Development Impact Fee Fund	Revolving Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 2,619,423	\$ -	\$ -	\$ 416,753	\$ 3,036,176
Sales taxes	1,860,725	-	-	-	1,860,725
Transient occupancy taxes	1,555,257	-	-	-	1,555,257
Other taxes	84,508	-	-	-	84,508
Franchise taxes	563,958	-	-	-	563,958
Special assessments	-	-	-	222,636	222,636
Licenses and permits	157,988	-	-	-	157,988
Fines and forfeits	88,063	-	-	17,016	105,079
Intergovernmental	357,590	-	482,369	1,213,705	2,053,664
Interest	96,767	-	-	61,979	158,746
Charges for services	262,233	1,726,934	-	752,142	2,741,309
Miscellaneous	12,902	-	-	269,634	282,536
Total revenues	7,659,414	1,726,934	482,369	2,953,865	12,822,582
EXPENDITURES					
Current:					
General government	2,978,507	-	-	9,431	2,987,938
Public safety	3,217,059	-	-	5,551	3,222,610
Public works and streets	338,921	-	-	1,095,170	1,434,091
Parks and recreation	322,511	-	-	907,667	1,230,178
Capital outlay	18,587	70,500	483,045	143,465	715,597
Debt service:					
Principal	-	-	-	125,000	125,000
Interest	-	-	-	49,948	49,948
Total expenditures	6,875,585	70,500	483,045	2,336,232	9,765,362
Excess (deficiency) of revenues over (under)expenditures	783,829	1,656,434	(676)	617,633	3,057,220
OTHER FINANCING SOURCES (USES)					
Transfers in	533,507	-	75,339	873,740	1,482,586
Transfers out	(627,978)	(8,368)	(100,939)	(745,301)	(1,482,586)
Total other financing sources (uses)	(94,471)	(8,368)	(25,600)	128,439	-
Net change in fund balances	689,358	1,648,066	(26,276)	746,072	3,057,220
Fund balances, July 1	7,160,676	1,891,292	26,276	3,276,825	12,355,069
Fund balances, June 30	<u>\$ 7,850,034</u>	<u>\$ 3,539,358</u>	<u>\$ -</u>	<u>\$ 4,022,897</u>	<u>\$ 15,412,289</u>

See accompanying notes to the basic financial statements

CITY OF CARPINTERIA
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2012

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 3,057,220</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$263,025) exceed depreciation (\$279,871)	
	(16,846)
Other post employment benefit obligations are liabilities that do not require the use of current financial resources and are therefore not reported in the funds	(350,804)
Proceeds of long-term debt provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayments of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net assets. This is the amount of debt repayments during the period on the leases and certificates	125,000
Some expenses in the statement of activities for noncurrent liabilities such as long-term compensated absences do not require the use of or provide current financial resources and are therefore not reported as expenditures or revenues in the governmental funds.	(21,592)
Interest accrued on long-term debt is recognized as an expense in the statement of activities, but is reported in the funds when due and payable	<u>1,917</u>
Net differences	<u>(262,325)</u>
Change in Net Assets of Governmental Activities	<u>\$ 2,794,895</u>

See accompanying notes to the basic financial statements

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2012

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The City has no functions which are reported as business-type activities.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2012

Note 1. Summary of Significant Accounting Policies (continued)

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

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

The City reports the following major governmental funds:

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

The *Development Impact Fee Fund* accounts for development impact fees collected by the City and restricted in use to capital related improvements; primarily infrastructure type assets.

The *Revolving Fund* is used to account for grants and allocations made to the City by Federal, State and County governments for special and capital projects.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's various other functions of the 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 Assets or Equity

1. Deposits and Investments

The City is authorized by its most recent investment policy to invest in the State of California Local Agency Investment Fund, FDIC insured interest-bearing checking accounts, investments permitted by California Law including U.S. Treasury securities. The City's investment policy specifically prohibits any investment resulting in zero interest accrual if held to maturity. Investments in the debt service fund are permitted to be invested in other investments in accordance with the trust agreement.

Investments of the City are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2012

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Assets or Equity

2. 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.

2. Receivables and Payables

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

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

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

3. Inventories and Prepaid Items

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

4. Capital Assets

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

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2012

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

4. Capital Assets (Continued)

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

5. Compensated Absences and Other Post Employment Benefits

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

6. 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 assets.

7. Fund Balances – Governmental Funds

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

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

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2012

8. Comparative Data

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

2. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statements of net assets. One element of that reconciliation explains that “capital assets are not financial resources and are not reported in the funds.” The details of this \$ 16,768,213 difference are as follows:

Capital assets	\$	20,495,589
Less: Accumulated depreciation		<u>(3,727,376)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	\$	<u>16,768,213</u>

Another element of the reconciliation explains that "long-term liabilities" are not due and payable in the current period and are therefore not reported in the funds. The details of this \$ 2,063,520 difference is as follows:

Long-Term Debt Obligations and Related Interest:		
Certificates of participation	\$	910,000
Compensated absences		71,621
Net other post employment benefit obligation		1,067,167
Accrued interest payable on certificates		<u>14,732</u>
Net adjustment to decrease fund balance total governmental Funds to arrive at net assets - governmental activities	\$ (<u>2,063,520)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$ 262,325 difference and other significant components of the difference are as follows:

Capital outlay	\$	263,025
Depreciation expense		(279,871)
Repayment of long-term debt principal		125,000
OPEB expenses		(350,804)
Other items		<u>(19,675)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$	<u>(262,325)</u>

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2012

3. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis of consistent with generally accepted accounting principles for all governmental funds except debt service funds. Appropriations lapse at fiscal year end. The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Transfers of appropriations between departments require approval of the City Manager. Transfers within departments may be made by department heads. The Council made several supplemental budgetary appropriations throughout the year. The supplemental budgetary appropriations made in the General Fund were material. Encumbrance accounting is not employed in governmental funds. Expenditures and transfers out in the General fund, park maintenance, AB939 and recreation special revenue funds exceeded their expenditure budgets by \$342,639, \$7,531, \$24,304, and \$2,758 respectively. These over expenditures were funded by available fund balances.

4. Detailed Notes on All Funds

A. Deposits and Investments

Deposits and investments at June 30, 2012 consisted of the following:

Pooled demand deposits	\$ 5,211,337
Pooled investments (State Investment Pool-LAIF)	20,541
Pooled investments (U.S Treasury Notes)	10,022,924
Investments with trustees	<u>202,978</u>

Total deposits and investments \$ 15,457,780

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is that they will be made only in institutions in California, they shall be insured or collateralized with United States backed securities, and time certificates of deposit shall have a maturity of less than three years. At June 30, 2012, \$5,389,264 of the City's bank balances of \$ 5,639,264 was exposed to credit risk as follows:

Uninsured and collateral held by pledging banks agent but not in the City's name:	<u>\$ 5,389,264</u>
--	---------------------

Investments - At June 30, 2012, the City had the following investments.

Investment	Maturities	Fair Values
State Investment Pool	Average 268 days	\$ 20,541
FHLMC Debenture	5 years	178,693
U.S. Treasury Notes and Bills	1.97 years	10,022,924
Mutual fund	10 months	<u>24,285</u>
Totals		<u>\$ 10,246,443</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. The investment in the FHLMC debenture is held by a bank trustee under the terms of a trust agreement permitting longer term maturities.

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 investments in the FHLMC debenture was rated AAA by Moody's and Standard and Poors. The City's investment in LAIF and mutual funds were unrated.

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2012

4. Detailed Notes on All Funds (Continued)

A. Deposits and Investments(Continued)

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the City's \$ 178,693 investment in FHLMC, the \$ 178,693 in underlying securities are held by the investment's counterparty in the name of the City. 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 and Bills are held in a separate account in the name of the City.

B. Receivables

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

Receivables	General Fund	Development Impact Fund	Revolving Fund	Nonmajor Funds	Totals
Taxes	\$473,064	\$ -	\$ -	\$ -	\$ 473,064
Governments	296,329		183,819	162,413	642,561
Accounts	12,948			81	13,029
Interest	37,117				37,117
Long-term note		131,500			131,500
Totals	\$819,458	\$ 131,500	\$183,819	\$ 162,494	\$1,297,271

C. Interfund Transfers

The composition of interfund transfers of June 30, 2012, is as follows:

	Nonmajor Governmental	General Fund	Revolving Fund	Total
Transfers out:				
General fund	\$ 552,639	\$ -	\$ 75,339	\$ 627,978
Impact fee fund		8,368	-	8,368
Revolving fund		100,939	-	100,939
Nonmajor funds	321,101	424,200	-	745,301
Total transfers out	\$ 873,740	\$ 533,507	\$ 75,339	\$ 1,482,586

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

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2012

4. Detailed Notes on All Funds (Continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$8,540,884	\$ -	\$ -	\$8,540,884
Park land site improvements	1,642,754	-	-	1,642,754
Construction in progress	786,575	233,340	(786,575)	233,340
Total capital assets, not being depreciated	10,970,213	233,340	(786,575)	10,416,978
Capital assets, being depreciated:				
Buildings	2,055,675	-	-	2,055,675
Machinery and equipment	953,824	-	-	953,824
Vehicles	582,566	-	-	582,566
Street and other improvements	4,330,974	786,575	-	5,117,549
City pool and facilities	1,339,312	29,685	-	1,368,997
Total capital assets being depreciated	9,262,351	816,260	-	10,078,611
Less accumulated depreciation for:				
Buildings	(957,803)	(47,734)	-	(1,005,537)
Machinery and equipment	(796,555)	(25,461)	-	(822,016)
Vehicles	(458,347)	(22,288)	-	(480,635)
Infrastructure	(227,731)	(142,616)	-	(370,347)
City pool and facilities	(1,007,069)	(41,772)	-	(1,048,841)
Total accumulated depreciation	(3,447,505)	(279,871)	-	(3,727,376)
Total capital assets, being depreciated, net	5,814,846	536,389	-	6,351,235
Governmental activities capital assets, net	\$ 16,785,059	\$ 769,729	\$ (786,575)	\$ 16,768,213

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2012

4. Detailed Notes on All Funds (Continued)

D. Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 23,049
Parks and recreation programs	89,587
Public safety	11,477
Infrastructure	144,155
Public works	11,603
Total depreciation expense	<u>\$ 279,871</u>

E. Long-Term Debt

Certificates of Participation

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 135,000	\$ 44,196	\$ 179,196
2014	145,000	37,952	182,952
2015	145,000	31,138	176,138
2016	155,000	24,250	179,250
2017	160,000	16,500	176,500
2018	170,000	8,500	178,500
	<u>\$ 910,000</u>	<u>\$ 162,536</u>	<u>\$ 1,072,536</u>

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2012

4. Detailed Notes on All Funds (Continued)

E. Long-Term Debt (Continued)

Changes in Long-term liabilities

Long-term debt activity for the 2011 fiscal year was as follows:

<u>Governmental Activities</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>	<u>Due In One Year</u>
Certificates participation	\$ 1,035,000	\$ -	\$ 125,000	910,000	\$ 135,000
Compensated absences	51,830	88,199	68,408	71,621	30,000
Totals	<u>\$ 1,086,830</u>	<u>\$ 88,199</u>	<u>\$ 193,408</u>	<u>\$981,621</u>	<u>\$ 165,000</u>

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

5. Other Information

A. Risk Management

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

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

B. Contingencies and Commitments

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

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

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2012

5. Other Information (Continued)

C. Law Enforcement Agreement

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

D. Public Employees Retirement System

Plan Description. The City of Carpinteria contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer, public employee, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by the State statute and City ordinance. The PERS issues publicly available financial report that includes the financial statements and required supplementary information for the PERS. Copies of PERS annual financial report may be obtained from their executive office, 400 "P" Street, Sacramento, California 95814.

Funding Policy and Annual Pension Cost. Regular plan members are required to contribute 7.0 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 12.903 percent of covered payroll. The contribution requirements of plan members and the City are established by resolutions and contracts of the City and may be amended by the PERS. The City made separate contributions for the members of the safety plan. City contributions to the PERS for the most recent three fiscal years were as follows:

Plan	Year Ending	Annual Pension Cost	Percentage of APC Contributed
Regular employees	6/30/10	\$ 232,426	100%
	6/30/11	\$ 244,776	100%
	6/30/12	\$ 267,099	100%

Plan	Year Ending	Annual Pension Cost	Percentage of APC Contributed
Safety employees	6/30/10	\$ -	100%
	6/30/11	\$ 17,617	100%
	6/30/12	\$ 55,449	100%

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2012

3 Other Information Continued)

E. Restricted Net Assets , Reserved and Designated Fund Balances

The \$ 7,877,456 restricted amount in the governmental activities statement of net assets represent amounts to be used only for specific purposes which restrictions are imposed by laws, formal agreements or other governments. The restricted amounts consist of \$ 324,734 in the general fund restricted by agreement, \$ 3,539,358 in the Development Impact Fee Fund and \$4,013,364 in special and debt service funds.

Nonspendable fund balances consisted of the following:

Purpose	General Fund	Development Impact Fee Fund	Nonmajor Funds
Prepayments	\$ 4,167	\$ -	\$ -
Advances to other funds	-	-	-
Inventory	-	-	13,212
	<u>\$ 4,167</u>	<u>\$ -</u>	<u>\$ 13,212</u>

F. Other Post Employment Benefits

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

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by the City. The required contribution is based on a projected pay-as-you-go financing requirements, with additional amounts to prefund benefits determined annually by the City Council. For the fiscal year ended June 30, 2012, the City contributed \$67,332 of current year premiums (100% of total premiums) and zero to prefund benefits. Plan members receiving benefits contributed no amounts of the total premiums.

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

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2012

3. Other Information (Continued)

F. Other Post Employment Benefits (Continued)

Annual required contribution (ARC)	\$423,546
Interest on net OPEB obligation	35,818
Adjustments to the ARC	<u>(41,228)</u>
Annual OPEB expense	418,136
Contributions made	<u>(67,332)</u>
Change in net OPEB obligation	350,804
Net OPEB obligation, beginning of year	<u>716,363</u>
Net OPEB obligation end of year	<u><u>\$1,067,167</u></u>

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 was as follows:

Fiscal year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
June 30, 2010	\$415,200	11.58%	\$367,115
June 30, 2011	\$416,580	16.16%	\$716,363
June 30, 2012	\$418,136	16.10%	\$1,067,167

Funding Status and Funding Progress. As of June 30, 2010, the most recent actuarial valuation date, the plan was zero funded. The actuarial accrued liability for benefits was \$3,336,816, and the actuarial value of plan assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of the \$3,336,816. The covered payroll (annual payroll of active employees covered by the plan) was \$2,478,668 and the ratio of the UAAL to covered payroll was 134.62 percent.

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

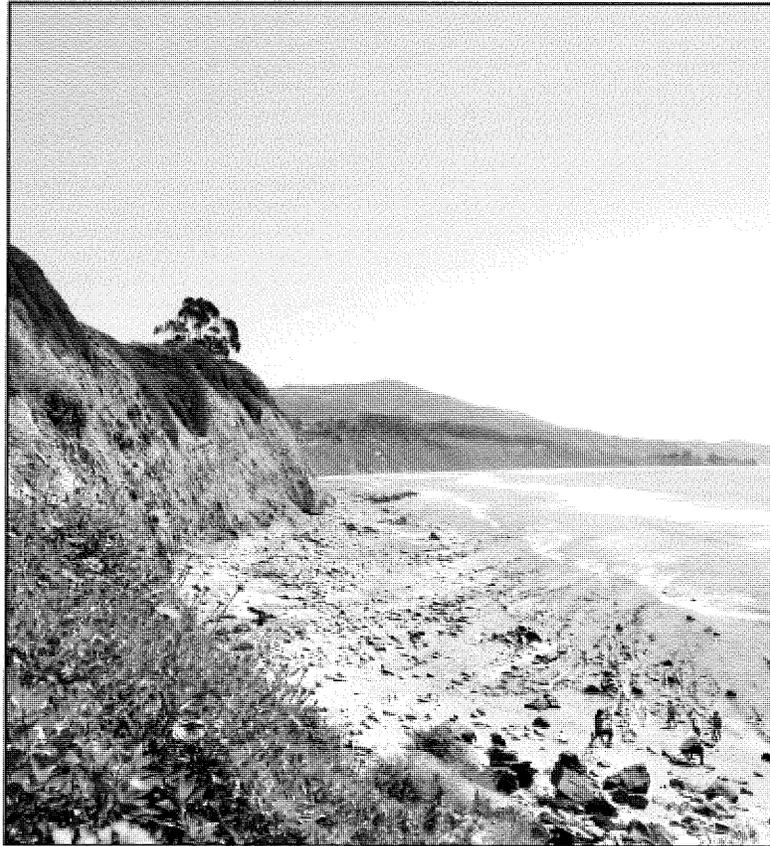
Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) includes the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit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

CITY OF CARPINTERIA
Notes to the Basic Financial Statements
June 30, 2012

3. Other Information (Continued)

F. Other Post Employment Benefits (Continued)

Actuarial Methods and Assumptions (Continued) In the June 30, 2010 valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 5 percent investment rate of return based on assumed long-term return on plan assets or employer assets as appropriate. An annual health care trend rate of 9 percent initially decreasing to 5 percent in year number five and a one percent inflation rate. There were no plan assets at the valuation date. The UAAL is being amortized as a level percentage of payroll over a 28 year closed period, the remaining amortization period at June 30, 2012.



Required Supplementary Information

Required Supplementary Information
CITY OF CARPINTERIA
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Fund Balance, July 1	\$ 4,928,940	\$ 7,160,676	\$ 7,160,676	\$ -
Resources (inflows):				
Property taxes	2,602,936	2,617,094	2,619,423	2,329
Sales taxes	1,499,000	1,601,000	1,860,725	259,725
Transient occupancy taxes	1,287,500	1,387,300	1,555,257	167,957
Franchise taxes	541,482	550,504	563,958	13,454
Other taxes	82,000	82,000	84,508	2,508
License permits	192,200	146,649	157,988	11,339
Fines and forfeits	95,000	67,000	88,063	21,063
Interest and rents	200,000	146,563	96,767	(49,796)
Intergovernmental	62,000	66,000	357,590	291,590
Charges for services	293,000	258,748	262,233	3,485
Miscellaneous	9,201	16,019	12,902	(3,117)
Transfers in	533,507	533,507	533,507	-
Amounts available for charges to appropriations	<u>12,326,766</u>	<u>14,633,060</u>	<u>15,353,597</u>	<u>720,537</u>
Charges to appropriations:				
General government:				
City council	124,386	120,646	111,889	8,757
Legal	330,000	350,000	376,682	(26,682)
City manager	318,156	306,642	300,905	5,737
Economic development	151,439	149,387	145,043	4,344
City clerk	176,836	165,270	169,467	(4,197)
Human resources	137,757	142,104	123,893	18,211
Community promotion	30,840	25,627	14,989	10,638
Finance	324,452	356,402	357,989	(1,587)
Risk management	186,687	188,857	160,067	28,790
Central services	233,733	232,527	237,893	(5,366)
Management information services	45,290	46,366	58,368	(12,002)
Planning	511,905	500,930	488,652	12,278
Code compliance	263,592	243,991	239,638	4,353
Housing	-	-	-	-
Development review	210,675	210,411	193,032	17,379
Public safety:				
Police	3,194,074	3,153,312	3,165,376	(12,064)
Animal control	29,140	28,480	30,285	(1,805)
Disaster preparedness	16,350	16,350	21,398	(5,048)
Parks and recreation:				
Administration	228,527	243,784	241,608	2,176
Community service grants	80,900	80,900	80,903	(3)
Public works				
Administration	345,124	342,065	337,350	4,715
Solid waste	5,000	5,000	1,571	3,429
Special projects	28,000	15,279	17,474	(2,195)
Capital outlay	361	(123)	1,113	(1,236)
Transfers out	597,603	236,717	627,978	(391,261)
Total charges to appropriations	<u>7,570,827</u>	<u>7,160,924</u>	<u>7,503,563</u>	<u>(342,639)</u>
Fund Balance, June 30	<u>\$ 4,755,939</u>	<u>\$ 7,472,136</u>	<u>\$ 7,850,034</u>	<u>\$ 377,898</u>

CITY OF CARPINTERIA

Budgetary Comparison Schedule - General Fund
Note to RSI
For the Fiscal Year Ended June 30, 2012

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

Sources/inflows resources:

Actual amounts "available for appropriation" from budgetary comparison schedule:	\$ 15,353,597
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(7,160,676)
Transfers in from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(533,507)</u>

Total revenues as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds \$ 7,659,414

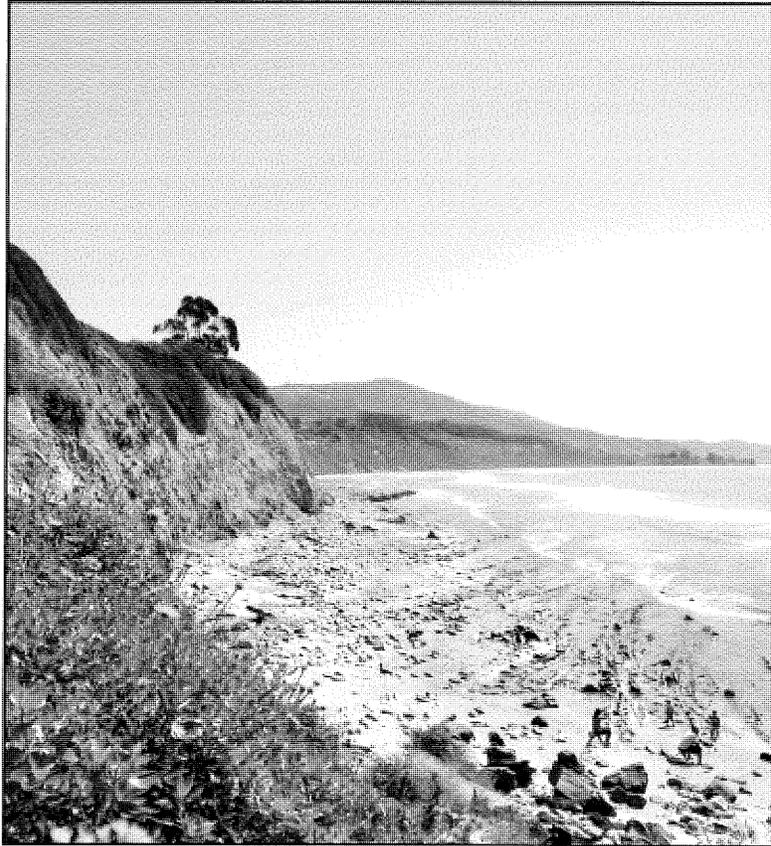
Uses/outflows of resources:

Actual amounts "total charges to appropriations" from the budgetary comparison schedule	\$ 7,503,563
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(627,978)</u>

Total expenditures as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds \$ 6,875,585

**Required Supplementary Information
CITY OF CARPINTERIA
Retired Employees Health Care Plan
Schedule of Funding Progress
June 30, 2012**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/2010	\$ -	\$ 3,336,816	\$ 3,336,816	0.0%	\$2,478,668	134,6%



Supplementary Information

Nonmajor Funds

CITY OF CARPINTERIA
Combining Balance Sheets
Nonmajor Funds
June 30, 2012

Special Revenue Funds											
	Traffic Safety	Equipment Replacement	Park Development	Park Maintenance	State Gas Tax	Local Transportation	Measure A	Tidelands Trust	Street Lighting	Right of Way	
Assets											
Cash and investments	\$ 12,476	\$ 18,506	\$ -	\$ 17,204	\$ 183,100	\$ 117,475	\$ 1,010,678	\$ 150,935	\$ 858,620	\$ 9,233	
Receivables:	-	-	-	-	81	-	-	-	-	-	
Accounts	-	-	-	-	32,284	-	105,072	-	-	-	
Intergovernmental	-	-	-	-	-	-	-	9,533	-	-	
Inventory	-	-	-	-	-	-	-	-	-	-	
Total assets	\$ 12,476	\$ 18,506	\$ -	\$ 17,204	\$ 215,465	\$ 117,475	\$ 1,115,750	\$ 160,468	\$ 858,620	\$ 9,233	
Liabilities and Fund Balances											
Liabilities:											
Accounts payable	\$ -	\$ 860	\$ -	\$ 17,204	\$ 26,920	\$ -	\$ 42,764	\$ 9,486	\$ 3,953	\$ 9,233	
Deferred revenue	-	-	-	-	-	-	-	-	-	-	
Total liabilities	-	860	-	17,204	26,920	-	42,764	9,486	3,953	9,233	
Fund balances:											
Nonspendable	-	-	-	-	-	-	-	9,533	-	-	
Restricted for debt service	-	-	-	-	-	-	-	-	-	-	
Restricted for recycling	-	-	-	-	-	-	-	-	-	-	
Restricted for streets	12,476	17,646	-	-	188,545	117,475	1,072,986	141,449	854,667	-	
Total fund balances	12,476	17,646	-	-	188,545	117,475	1,072,986	150,982	854,667	-	
Total liabilities and fund balances	\$ 12,476	\$ 18,506	\$ -	\$ 17,204	\$ 215,465	\$ 117,475	\$ 1,115,750	\$ 160,468	\$ 858,620	\$ 9,233	

(Continued)

CITY OF CARPINTERIA
Combining Balance Sheets
Nonmajor Funds
June 30, 2012

	Special Revenue Funds				Debt Service Fund	Certificates of Participation	Totals
	Parking and Business Improvement	AB 939 Solid Waste	Measure D	Recreation Programs			
Assets							
Cash and investments	\$ 20,302	\$ 233,818	\$ 1,130,862	\$ 19,401	\$ 202,978	\$ 3,985,588	
Receivables:							
Accounts	-	-	-	-	-	81	
Intergovernmental	-	25,057	-	-	-	162,413	
Inventory	-	-	-	7,886	-	17,419	
Total assets	\$ 20,302	\$ 258,875	\$ 1,130,862	\$ 27,287	\$ 202,978	\$ 4,165,501	
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 8,576	\$ 10,500	\$ -	\$ 129,496	
Deferred revenue	-	-	-	13,108	-	13,108	
Total liabilities	-	-	8,576	23,608	-	142,604	
Nonspendable	-	-	-	3,679	-	13,212	
Restricted for debt service	-	-	-	-	202,978	202,978	
Restricted for recycling	-	258,875	-	-	-	258,875	
Restricted for streets	20,302	-	1,122,286	-	-	3,547,832	
Total fund balances	20,302	258,875	1,122,286	3,679	202,978	4,022,897	
Total liabilities and fund balances	\$ 20,302	\$ 258,875	\$ 1,130,862	\$ 27,287	\$ 202,978	\$ 4,165,501	

CITY OF CARPINTERIA
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Funds
For the Fiscal Year Ended June 30, 2012

Special Revenue Funds

	Traffic Safety	Equipment Replacement	Park Development	Park Maintenance	State Gas Tax	Local Transportation	Measure A	Tidelands Trust	Street Lighting	Right of Way
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ 149,651	\$ -	\$ -	\$ -	\$ -	\$ 267,102	\$ -
Special assessments	-	-	-	-	-	-	-	-	-	195,308
Fines and forfeits	17,016	-	-	-	-	-	-	-	-	-
Interest	287	391	-	116	2,594	1,670	6,368	3,043	11,331	-
Intergovernmental	-	-	-	-	404,321	9,028	800,356	-	-	-
Charges for services	724	-	16,586	91,073	-	-	-	155,889	-	-
Miscellaneous	-	-	-	550	-	-	-	267,014	-	2,070
Total revenues	18,027	391	16,586	241,390	406,915	10,698	806,724	425,946	278,433	197,378
Expenditures:										
Current:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	5,551	-	-	-	-	-	-	-	-	-
Streets and tidelands	-	-	-	-	427,179	6	141,950	-	126,395	333,536
Parks and recreation	-	-	-	293,360	-	-	-	208,871	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	13,862	-	-	-	-	3,757	3,667	-	-
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	5,551	13,862	16,586	293,360	427,179	6	145,707	212,538	126,395	333,536
Excess (deficiency) of revenues over (under) expenditures	12,476	(13,471)	-	(51,970)	(20,264)	10,692	661,017	213,408	152,038	(136,158)
Other financing sources (uses):										
Transfers in	-	-	18,563	138,413	164,692	-	40,084	-	-	190,242
Transfers out	-	-	(35,149)	(86,443)	(125,617)	(186)	(66,415)	(128,853)	(67,026)	(54,084)
Total other financing sources (uses)	-	-	(16,586)	51,970	39,075	(186)	(26,331)	(128,853)	(67,026)	136,158
Net change in fund balances	12,476	(13,471)	-	-	18,811	10,506	634,686	84,555	85,012	-
Fund balances, July 1	-	31,117	-	-	169,734	106,969	438,300	66,427	769,655	-
Fund balances, June 30	\$ 12,476	\$ 17,646	\$ -	\$ -	\$ 188,545	\$ 117,475	\$ 1,072,986	\$ 150,982	\$ 854,667	\$ -

(Continued)

CITY OF CARPINTERIA
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Funds
For the Fiscal Year Ended June 30, 2012

	Special Revenue Funds				Debt Service Fund	Totals
	Parking and Business Improvement	AB 939 Solid Waste	Measure D	Recreation Programs	Certificates of Participation	
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 416,753
Special assessments	27,328	-	-	-	-	222,636
Fines and forfeits	-	-	-	-	-	17,016
Interest	501	4,467	17,172	-	14,039	61,979
Intergovernmental	-	-	-	-	-	1,213,705
Charges for services	-	156,782	-	331,088	-	752,142
Miscellaneous	-	-	-	-	-	269,634
Total revenues	27,829	161,249	17,172	331,088	14,039	2,953,865
Expenditures:						
Current:						
General government	9,431	-	-	-	-	9,431
Public safety	-	-	-	-	-	5,551
Streets and tidelands	-	-	-	-	-	1,029,066
Parks and recreation	-	-	-	405,436	-	907,667
Public works	-	66,104	-	-	-	66,104
Capital outlay	-	-	122,179	-	-	143,465
Debt service:	-	-	-	-	125,000	125,000
Principal	-	-	-	-	49,948	49,948
Interest	-	-	-	-	-	-
Total expenditures	9,431	66,104	122,179	405,436	174,948	2,336,232
Excess(deficiency) of revenues over (under) expenditures	18,398	95,145	(105,007)	(74,348)	(160,909)	617,633
Other financing sources (uses):						
Transfers in	-	-	-	146,800	174,946	873,740
Transfers out	(17,249)	(95,506)	-	(68,773)	-	(745,301)
Total other financing sources (uses)	(17,249)	(95,506)	-	78,027	174,946	128,439
Net change in fund balances	1,149	(361)	(105,007)	3,679	14,037	746,072
Fund balances, July 1	19,153	259,236	1,227,293	-	188,941	3,276,825
Fund balances, June 30	\$ 20,302	\$ 258,875	\$ 1,122,286	\$ 3,679	\$ 202,978	\$ 4,022,897

CITY OF CARPINTERIA
Traffic Safety Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ 348	\$ 348	\$ 287	\$ (61)
Fines and forfeits	30,000	30,000	17,016	(12,984)
Charges for services:				
Police fees	1,100	1,100	724	(376)
Total revenues	<u>31,448</u>	<u>31,448</u>	<u>18,027</u>	<u>(13,421)</u>
Expenditures:				
Current:				
Public safety:				
Contract services	25,797	25,797	-	25,797
Crossing guards	5,383	5,383	5,551	(168)
Total expenditures	<u>31,180</u>	<u>31,180</u>	<u>5,551</u>	<u>25,629</u>
Excess(deficiency) of revenues over (under)expenditures	<u>268</u>	<u>268</u>	<u>12,476</u>	<u>12,208</u>
Other Financing Sources:				
Transfers in	-	-	-	-
Net change in fund balances	268	268	12,476	12,208
Fund balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ 268</u>	<u>\$ 268</u>	<u>\$ 12,476</u>	<u>\$ 12,208</u>

CITY OF CARPINTERIA
Equipment Replacement Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ 458	\$ 458	\$ 391	\$ (67)
Miscellaneous:				
Sale of property	1,000	1,000	-	542
Total revenues	<u>1,458</u>	<u>1,458</u>	<u>391</u>	<u>475</u>
Expenditures:				
Capital outlay	15,000	15,000	13,862	1,138
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>13,862</u>	<u>1,138</u>
Net change in fund balances	(13,542)	(13,542)	(13,471)	1,613
Fund balance, July 1	<u>31,117</u>	<u>31,117</u>	<u>31,117</u>	<u>-</u>
Fund balance, June 30	<u>\$ 17,575</u>	<u>\$ 17,575</u>	<u>\$ 17,646</u>	<u>\$ 1,613</u>

CITY OF CARPINTERIA
Park Development Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ -	\$ -	\$ -	\$ -
Charges for services:				
Park development fees	3,000	3,000	16,586	13,586
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>16,586</u>	<u>13,586</u>
Expenditures:				
Current:				
Streets and tidelands	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess(deficiency) of revenues over(under) expenditures	<u>3,000</u>	<u>3,000</u>	<u>16,586</u>	<u>13,586</u>
Other financing sources (uses):				
Transfers in	-	-	18,563	18,563
Transfers out	<u>(35,149)</u>	<u>(35,149)</u>	<u>(35,149)</u>	<u>-</u>
Total other financing sources(uses)	<u>(35,149)</u>	<u>(35,149)</u>	<u>(16,586)</u>	<u>18,563</u>
Net change in fund balances	(32,149)	(32,149)	-	32,149
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ (32,149)</u>	<u>\$ (32,149)</u>	<u>\$ -</u>	<u>\$ 32,149</u>

CITY OF CARPINTERIA
Park Maintenance Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	
Revenues:				
Taxes and assessments:				
Special park tax	\$ 146,000	\$ 146,000	\$ 149,651	\$ 3,651
Interest	174	174	116	(58)
Intergovernmental:				
Bluffs endowment	20,000	20,000	40,000	20,000
State day-use parking	25,000	25,000	16,340	(8,660)
Miscellaneous	18,750	18,750	35,283	16,533
Total revenues	<u>209,924</u>	<u>209,924</u>	<u>241,390</u>	<u>31,466</u>
Expenditures:				
Current:				
Parks:				
Personnel	84,561	84,561	76,614	7,947
Maintenance	83,255	83,255	94,598	(11,343)
Utilities	72,013	72,013	82,752	(10,739)
Contract services	46,000	46,000	39,396	6,604
Total expenditures	<u>285,829</u>	<u>285,829</u>	<u>293,360</u>	<u>(7,531)</u>
Excess (deficiency) of revenues over(under) expenditures	<u>(75,905)</u>	<u>(75,905)</u>	<u>(51,970)</u>	<u>23,935</u>
Other financing sources (uses):				
Transfers in	26,191	26,191	138,413	112,222
Transfers out	(86,443)	(86,443)	(86,443)	-
Total other financing sources(uses)	<u>(60,252)</u>	<u>(60,252)</u>	<u>51,970</u>	<u>112,222</u>
Net change in fund balances	(136,157)	(136,157)	-	136,157
Fund balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ (136,157)</u>	<u>\$ (136,157)</u>	<u>\$ -</u>	<u>\$ 136,157</u>

CITY OF CARPINTERIA
Gas Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State gas taxes	\$ 387,497	\$ 387,497	\$ 404,321	\$ 16,824
Interest	2,901	2,901	2,594	(307)
Total revenues	<u>390,398</u>	<u>390,398</u>	<u>406,915</u>	<u>16,517</u>
Expenditures:				
Current:				
Streets:				
Street sweeping	40,000	40,000	39,823	177
Thermoplast striping	35,000	35,000	32,517	2,483
Engineering	47,500	47,500	76,073	(28,573)
Salaries and benefits	215,477	215,477	203,822	11,655
Supplies and services	90,304	90,304	68,858	21,446
Street maintenance	20,000	20,000	6,086	13,914
Total expenditures	<u>448,281</u>	<u>448,281</u>	<u>427,179</u>	<u>21,102</u>
Excess (deficiency) of revenues over(under) expenditures	<u>(57,883)</u>	<u>(57,883)</u>	<u>(20,264)</u>	<u>37,619</u>
Other financing sources (uses):				
Transfers in	164,692	164,692	164,692	-
Transfers out	<u>(125,617)</u>	<u>(125,617)</u>	<u>(125,617)</u>	<u>-</u>
Total other financing sources(uses)	<u>39,075</u>	<u>39,075</u>	<u>39,075</u>	<u>-</u>
Net change in fund balances	(18,808)	(18,808)	18,811	37,619
Fund balance, July 1	<u>169,734</u>	<u>169,734</u>	<u>169,734</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ 150,926</u></u>	<u><u>\$ 150,926</u></u>	<u><u>\$ 188,545</u></u>	<u><u>\$ 37,619</u></u>

CITY OF CARPINTERIA
Local Transportation Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
Transportation Development Act	\$ 10,456	\$ 10,456	\$ 9,028	\$ (1,428)
Interest	1,704	1,704	1,670	(34)
Total revenues	<u>12,160</u>	<u>12,160</u>	<u>10,698</u>	<u>(1,462)</u>
Expenditures:				
Current:				
Streets:				
Bikeway - Carpinteria Avenue	12,505	12,505	6	12,499
Total expenditures	<u>12,505</u>	<u>12,505</u>	<u>6</u>	<u>12,499</u>
Excess(deficiency) of revenues over(under) expenditures	<u>(345)</u>	<u>(345)</u>	<u>10,692</u>	<u>11,037</u>
Other financing sources (uses):				
Transfers out	<u>(186)</u>	<u>(186)</u>	<u>(186)</u>	<u>-</u>
Total other financing sources	<u>(186)</u>	<u>(186)</u>	<u>(186)</u>	<u>-</u>
Net change in fund balances	(531)	(531)	10,506	11,037
Fund balance, July 1	<u>106,969</u>	<u>106,969</u>	<u>106,969</u>	<u>-</u>
Fund balance, June 30	<u>\$ 106,438</u>	<u>\$ 106,438</u>	<u>\$ 117,475</u>	<u>\$ 11,037</u>

CITY OF CARPINTERIA
Tidelands Trust Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services:				
Beach recreation fees	\$ 81,200	\$ 81,200	\$ 115,913	\$ 34,713
Interest	2,855	2,855	3,043	188
Miscellaneous:				
Rents and leases	254,000	254,000	271,185	17,185
Contributions	3,850	3,850	3,990	140
Other	30,400	30,400	31,815	1,415
Total revenues	<u>372,305</u>	<u>372,305</u>	<u>425,946</u>	<u>53,641</u>
Expenditures:				
Current:				
Parks and recreation:				
Dune maintenance	20,000	20,000	13,025	6,975
Marsh/Bluffs maintenance	35,000	35,000	28,661	6,339
Salaries and benefits	94,243	94,243	96,212	(1,969)
Services and supplies	65,097	65,097	70,973	(5,876)
Capital outlay	546	546	3,667	(3,121)
Total expenditures	<u>214,886</u>	<u>214,886</u>	<u>212,538</u>	<u>2,348</u>
Excess(deficiency) of revenues over under expenditures	<u>157,419</u>	<u>157,419</u>	<u>213,408</u>	<u>55,989</u>
Other financing uses:				
Transfers out	<u>(128,853)</u>	<u>(128,853)</u>	<u>(128,853)</u>	<u>-</u>
Total other financing uses	<u>(128,853)</u>	<u>(128,853)</u>	<u>(128,853)</u>	<u>-</u>
Net change in fund balances	28,566	28,566	84,555	55,989
Fund balance, July 1	<u>66,427</u>	<u>66,427</u>	<u>66,427</u>	<u>-</u>
Fund balance, June 30	<u>\$ 94,993</u>	<u>\$ 94,993</u>	<u>\$ 150,982</u>	<u>\$ 55,989</u>

CITY OF CARPINTERIA
Street Lighting Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes and assessments:				
Street lighting ad valorem assessments	\$ 267,154	\$ 267,154	\$ 267,102	\$ (52)
Intergovernmental	1,133	1,133	-	(1,133)
Interest	13,598	13,598	11,331	(2,267)
Total revenues	<u>281,885</u>	<u>281,885</u>	<u>278,433</u>	<u>(3,452)</u>
Expenditures:				
Current:				
Streets:				
Street lighting	105,000	105,000	97,073	7,927
Traffic signals and other	70,000	70,000	863	69,137
Capital outlay	74,089	74,089	28,459	45,630
Total expenditures	<u>249,089</u>	<u>249,089</u>	<u>126,395</u>	<u>122,694</u>
Excess(deficiency) of revenues over expenditures	<u>32,796</u>	<u>32,796</u>	<u>152,038</u>	<u>119,242</u>
Other financing uses:				
Transfers in	-	-	-	-
Transfers out	(67,026)	(67,026)	(67,026)	-
Total other financing sources (uses)	<u>(67,026)</u>	<u>(67,026)</u>	<u>(67,026)</u>	<u>-</u>
Net change in fund balances	(34,230)	(34,230)	85,012	119,242
Fund balance, July 1	<u>769,655</u>	<u>769,655</u>	<u>769,655</u>	<u>-</u>
Fund balance, June 30	<u>\$ 735,425</u>	<u>\$ 735,425</u>	<u>\$ 854,667</u>	<u>\$ 119,242</u>

CITY OF CARPINTERIA
Right of Way Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes and assessments:				
Street right of way special assessments	\$ 192,800	\$ 192,800	\$ 195,308	\$ 2,508
Miscellaneous	1,100	1,100	2,070	970
Total revenues	<u>193,900</u>	<u>193,900</u>	<u>197,378</u>	<u>3,478</u>
Expenditures:				
Current:				
Streets:				
Tree maintenance	45,000	45,000	4,021	40,979
Salaries and benefits	191,308	191,308	187,821	3,487
Services and supplies	142,050	142,050	141,694	356
Total expenditures	<u>378,358</u>	<u>378,358</u>	<u>333,536</u>	<u>44,822</u>
Excess(deficiency of revenues over expenditures)	<u>(184,458)</u>	<u>(184,458)</u>	<u>(136,158)</u>	<u>48,300</u>
Other financing sources (uses):				
Transfers in	101,915	101,915	190,242	88,327
Transfers out	<u>(54,084)</u>	<u>(54,084)</u>	<u>(54,084)</u>	<u>-</u>
Total other financing sources (uses)	<u>47,831</u>	<u>47,831</u>	<u>136,158</u>	<u>88,327</u>
Net change in fund balances	(136,627)	(136,627)	-	136,627
Fund balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ (136,627)</u>	<u>\$(136,627)</u>	<u>\$ -</u>	<u>\$ 136,627</u>

CITY OF CARPINTERIA
Parking and Business Improvement Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes and assessments:				
Parking lot special assessments	\$ 29,319	\$ 29,319	\$ 27,328	\$ (1,991)
Interest	600	600	501	(99)
Total revenues	<u>29,919</u>	<u>29,919</u>	<u>27,829</u>	<u>(2,090)</u>
Expenditures:				
Current:				
General government:				
Parking and business improvement	33,358	33,358	9,431	23,927
Total expenditures	<u>33,358</u>	<u>33,358</u>	<u>9,431</u>	<u>23,927</u>
Excess(deficiency) of revenues over expenditures	<u>(3,439)</u>	<u>(3,439)</u>	<u>18,398</u>	<u>21,837</u>
Other financing sources (uses):				
Transfer in	-	-	-	-
Transfer out	-	-	(17,249)	(17,249)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(17,249)</u>	<u>(17,249)</u>
Net change in fund balances	(3,439)	(3,439)	1,149	4,588
Fund balance, July 1	<u>19,153</u>	<u>19,153</u>	<u>19,153</u>	<u>-</u>
Fund balance, June 30	<u>\$ 15,714</u>	<u>\$ 15,714</u>	<u>\$ 20,302</u>	<u>\$ 4,588</u>

CITY OF CARPINTERIA
AB 939 Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ 4,424	\$ 4,424	\$ 4,467	\$ 43
Charges for services:				
Solid waste management fees	180,857	180,857	158,782	(22,075)
Total revenues	<u>185,281</u>	<u>185,281</u>	<u>163,249</u>	<u>(22,032)</u>
Expenditures:				
Current:				
Public works:				
Waste oil collection	41,800	41,800	66,104	(24,304)
Total expenditures	<u>41,800</u>	<u>41,800</u>	<u>66,104</u>	<u>(24,304)</u>
Excess(deficiency) of revenues over expenditures	<u>143,481</u>	<u>143,481</u>	<u>97,145</u>	<u>(46,336)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(95,506)	(95,506)	(95,506)	-
Total other financing uses	<u>(95,506)</u>	<u>(95,506)</u>	<u>(95,506)</u>	<u>-</u>
Net change in fund balances	47,975	47,975	1,639	(46,336)
Fund balance, July 1	<u>259,236</u>	<u>259,236</u>	<u>259,236</u>	<u>-</u>
Fund balance, June 30	<u><u>\$307,211</u></u>	<u><u>\$ 307,211</u></u>	<u><u>\$ 260,875</u></u>	<u><u>\$ (46,336)</u></u>

CITY OF CARPINTERIA
Measure D Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
Measure D allocations	\$ -	\$ -	\$ -	\$ -
Interest	23,088	23,088	17,172	(5,916)
Total revenues	<u>23,088</u>	<u>23,088</u>	<u>17,172</u>	<u>(5,916)</u>
Expenditures:				
Capital outlay:				
ARRA project	350	350	350	-
9th street pedestrian bridge	150,000	150,000	83	149,917
Street maintenance	150,000	150,000	116,690	33,310
Beach drainage	250,000	250,000	5,056	244,944
Total expenditures	<u>550,350</u>	<u>550,350</u>	<u>122,179</u>	<u>428,171</u>
Excess(dediciency) of reevenues over expenditures	<u>(527,262)</u>	<u>(527,262)</u>	<u>(105,007)</u>	<u>422,255</u>
Other financing sources (uses):				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(527,262)	(527,262)	(105,007)	422,255
Fund balance, July 1	<u>1,227,293</u>	<u>1,227,293</u>	<u>1,227,293</u>	<u>-</u>
Fund balance, June 30	<u>\$ 700,031</u>	<u>\$ 700,031</u>	<u>\$ 1,122,286</u>	<u>\$ 422,255</u>

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
Measure A allocations	\$ 720,000	\$ 720,000	\$ 800,356	\$ 80,356
Interest	3,011	3,011	6,368	3,357
Total revenues	<u>723,011</u>	<u>723,011</u>	<u>806,724</u>	<u>83,713</u>
Expenditures:				
Current:				
Tree maintenance	80,000	80,000	79,189	811
Pavement management system	15,000	15,000	5,702	9,298
Easy lift cart	12,250	12,250	12,000	250
Other services	91,500	91,500	40,071	51,429
Capital outlay:				
Concrete repairs	60,000	60,000	4,988	55,012
Storm water projects	50,000	50,000	-	50,000
Safe routes schools	70,000	70,000	248	69,752
Other projects	61,000	61,000	3,509	57,491
Total expenditures	<u>439,750</u>	<u>439,750</u>	<u>145,707</u>	<u>294,043</u>
Excess(dediciency) of revenues over expenditures	<u>283,261</u>	<u>283,261</u>	<u>661,017</u>	<u>377,756</u>
Other financing sources (uses):				
Transfers in	40,084	40,084	40,084	-
Transfers out	(66,415)	(66,415)	(66,415)	-
Total other financing sources (uses)	<u>(26,331)</u>	<u>(26,331)</u>	<u>(26,331)</u>	<u>-</u>
Net change in fund balances	256,930	256,930	634,686	377,756
Fund balance, July 1	<u>438,300</u>	<u>438,300</u>	<u>438,300</u>	<u>-</u>
Fund balance, June 30	<u>\$ 695,230</u>	<u>\$ 695,230</u>	<u>\$ 1,072,986</u>	<u>\$ 377,756</u>

CITY OF CARPINTERIA
Recreation Programs Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

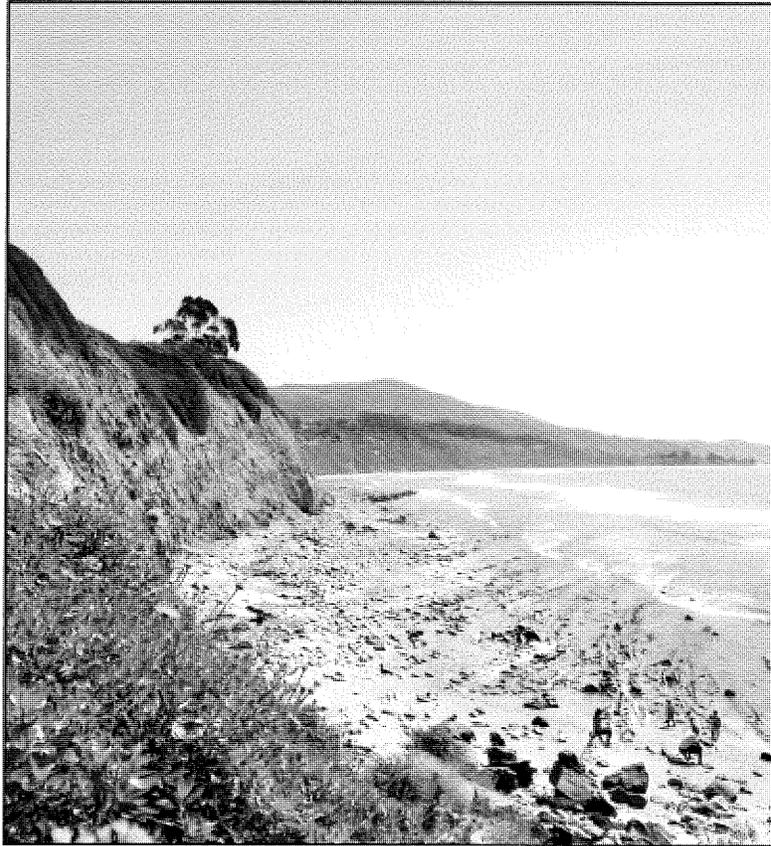
	<u>Budgeted Amounts</u>			<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services:				
Pool and Recreation programs	\$ 144,531	\$ 144,531	\$ 158,246	\$ 13,715
Verterans Memorial rents	26,000	26,000	34,591	8,591
Punch card sales	35,000	35,000	37,616	2,616
Triathlon revenue	100,600	100,600	100,635	35
	<u>306,131</u>	<u>306,131</u>	<u>331,088</u>	<u>24,957</u>
Total revenues				
Expenditures:				
Current:				
Wages and benefits	191,617	191,617	201,503	(9,886)
Utilities	50,462	50,462	45,146	5,316
Triathlon expense	57,000	57,000	52,810	4,190
Supplies and services	113,526	113,526	105,977	7,549
	<u>412,605</u>	<u>412,605</u>	<u>405,436</u>	<u>7,169</u>
Total expenditures				
Excess(deficiency) of revenues over expenditures	<u>(106,474)</u>	<u>(106,474)</u>	<u>(74,348)</u>	<u>32,126</u>
Other financing sources (uses):				
Transfers in	258,897	189,987	146,800	(43,187)
Transfers out	(83,315)	(67,849)	(68,773)	(924)
	<u>175,582</u>	<u>122,138</u>	<u>78,027</u>	<u>(44,111)</u>
Total other financing sources(uses)				
Net change in fund balances	69,108	15,664	3,679	(11,985)
Fund balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ 69,108</u>	<u>\$ 15,664</u>	<u>\$ 3,679</u>	<u>\$ (11,985)</u>

Supplementary Information
CITY OF CARPINTERIA
Budgetary Comparison Schedule - Development Impact Fee Fund
Major Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services:				
Impact fees	\$ 233,160	\$ 233,160	\$ 1,142,968	\$ 909,808
Housing impact fees	10,000	10,000	562,166	552,166
Interest	-	-	21,800	21,800
	<u>243,160</u>	<u>243,160</u>	<u>1,726,934</u>	<u>1,483,774</u>
Expenditures:				
Capital Projects				
FHWA Bridge replacement	159,792	159,792	13,400	146,392
Eight street footbridge	40,000	40,000	-	40,000
Housing	10,000	10,000	-	10,000
Parking lot	5,000	5,000	-	5,000
All other projects	20,000	20,000	57,100	(37,100)
Total expenditures	<u>234,792</u>	<u>234,792</u>	<u>70,500</u>	<u>164,292</u>
Excess(deficiency) of revenues over expenditures	8,368	8,368	1,656,434	1,648,066
Other financing use:				
Transfer out	(8,368)	(8,368)	(8,368)	-
Net change in fund balance	-	-	1,648,066	1,648,066
Fund balance ,July 1	<u>1,891,292</u>	<u>1,891,292</u>	<u>1,891,292</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,891,292</u>	<u>\$ 1,891,292</u>	<u>\$ 3,539,358</u>	<u>\$ 1,648,066</u>

CITY OF CARPINTERIA
Revolving Fund
Major Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental:				
Beach erosion study	\$ -	\$ -	\$ 162,500	\$ 162,500
Emergency efficiency block grant	-	-	43	43
Tomol Play Area LWCF grant	-	-	2,126	2,126
Palm Linden Street grant	-	-	195,450	195,450
Waste oil grant	5,400	5,400	-	(5,400)
FHWA Bridge Grant	1,288,639	1,288,639	-	(1,288,639)
Rincon trail grant	-	-	37,297	37,297
Beverage container grant	5,000	5,000	1,243	(3,757)
Other grants	-	-	5,046	5,046
Emergency preparedness grant	-	-	73,206	73,206
Other contributions	-	-	5,458	5,458
Total revenues	1,299,039	1,299,039	482,369	(816,670)
Expenditures:				
Capital outlay:				
Rincon trail grant	-	-	37,297	(37,297)
Beach erosion study	-	-	162,500	(162,500)
Emergency efficiency block grant	-	-	43	(43)
Tomol Play Area LWCF grant	-	-	2,126	(2,126)
Beverage container program	5,000	5,000	1,243	3,757
Palm Linden Street grant	-	-	195,450	(195,450)
Waste oil grant	5,400	5,400	-	5,400
Emergency preparedness grant	-	-	73,206	(73,206)
Aquatic programs	-	-	5,110	(5,110)
UBG 12 street grant	-	-	3,812	(3,812)
FHWA Bridge Grant	1,187,700	1,187,700	-	1,187,700
Other projects	-	-	2,258	(2,258)
Total expenditures	1,198,100	1,198,100	483,045	715,055
Excess(deficiency) of revenues over expenditures	100,939	100,939	(676)	(101,615)
Other financing sources (uses):				
Transfers in	-	-	75,339	75,339
Transfers out	(100,939)	(100,939)	(100,939)	-
Total other financing sources(uses)	(100,939)	(100,939)	(25,600)	75,339
Net change in fund balances	-	-	(26,276)	(26,276)
Fund balance, July 1	26,276	26,276	26,276	-
Fund balance, June 30	\$ 26,276	\$ 26,276	\$ -	\$ (26,276)



Capital Assets Used in Governmental Operations

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

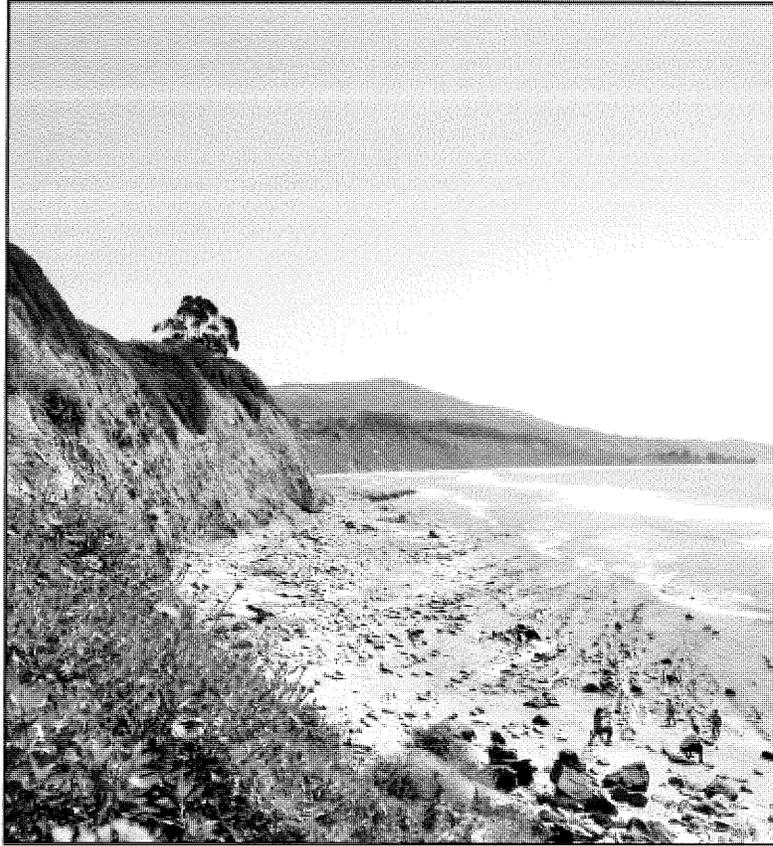
	June 30	
	2012	2011
Governmental funds capital assets		
Land	\$ 8,540,884	\$ 8,540,884
Buildings	2,055,675	2,055,675
Pool facilities	1,368,997	1,339,312
Vehicles	582,566	582,566
Equipment	953,824	953,824
Street and other improvements	3,785,364	3,713,554
Park improvements	2,974,939	2,260,174
Construction in progress	233,340	786,575
	\$ 20,495,589	\$ 20,232,564
Investment in governmental funds capital assets by source		
General fund	\$ 9,963,341	\$ 9,963,341
Special revenue funds	10,532,248	10,269,223
	\$ 20,495,589	\$ 20,232,564

CITY OF CARPINTERIA
Schedule of Changes in Capital Assets Used In Operation of Governmental Funds
By Source
For the Fiscal Year Ended June 30, 2012

	<u>Land and Improvements</u>	<u>Buildings and Pool Facilities</u>	<u>Vehicles and Equipment</u>	<u>CIP</u>	<u>Total Cost</u>
Governmental funds capital assets, July 1, 2011	\$ 14,514,612	\$ 3,394,987	\$ 1,536,390	\$ 786,575	\$ 20,232,564
Add:					
Expenditures from:					
General fund	-	-	-	-	-
Special revenue funds	-	29,685	-	233,340	263,025
Contributions	-	-	-	-	-
Deduct:					
Fixed assets transfers	<u>786,575</u>	<u>-</u>	<u>-</u>	<u>(786,575)</u>	<u>-</u>
Governmental funds capital assets June 30, 2012	<u>\$ 15,301,187</u>	<u>\$ 3,424,672</u>	<u>\$ 1,536,390</u>	<u>\$ 233,340</u>	<u>\$ 20,495,589</u>

CITY OF CARPINTERIA
Schedule of Capital Assets Used In Operation of Governmental Funds
By Function and Activity
June 30, 2012

<u>Function and Activity</u>	<u>Construction in Progress</u>	<u>Land and Improvements</u>	<u>Buildings and Pool Facilities</u>	<u>Vehicles and Equipment</u>	<u>Total Cost</u>
General government:					
General government buildings	\$ -	\$ 1,336,855	\$ 365,077	\$ 548,367	\$ 2,250,299
Public safety	-	500,000	317,740	109,370	927,110
Parks and recreation	233,340	9,428,352	2,631,375	536,897	12,829,964
Public works	-	521,810	110,480	341,756	974,046
Infrastructure:					
Pedestrian bridges and walkways	-	2,192,811	-	-	2,192,811
Street systems	-	1,181,116	-	-	1,181,116
Sidewalk systems	-	140,243	-	-	140,243
Total general fixed assets	\$ 233,340	\$ 15,301,187	\$ 3,424,672	\$ 1,536,390	\$ 20,495,589



Statistical Section

STATISTICAL SECTION

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

Financial Trends	Schedules 1 -4
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These schedules contain trend information to help understand how the city's financial performance and well-being have changed over time.

Revenue Capacity	Schedules 5-13
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These schedules contain information to help assess the city's most significant local revenue sources, which for the City is property taxes, sales taxes, and transient occupancy taxes.

Debt Capacity	Schedules 14-18
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These schedules present information to help assess the afford ability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Demographic and Economic Information	Schedules 19-21
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These schedules offer demographic and economic indicators to help understand the environment within which the city's financial activities take place.

Operating Information	Schedules 22-23
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These schedules contain service and infrastructure data to help understand how the information in the city's financial report relates to services the city provides and the activities it performs.

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

For The Fiscal Years Ended June 30

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets, net of \$	7,963,730	8,690,640	8,924,720	9,224,163	9,645,343	10,403,137	12,764,362	14,278,785	15,750,059	16,768,213
Restricted	3,995,422	5,366,676	5,805,978	6,265,203	6,328,293	6,498,990	6,387,940	8,621,089	5,509,149	7,877,456
Unrestricted	5,910,519	5,700,333	5,947,105	6,361,102	7,408,559	9,333,445	7,380,527	6,948,205	6,194,379	5,602,813
Total governmental activities net:	17,869,671	19,757,649	20,677,803	21,850,468	23,382,195	26,235,572	26,532,829	29,848,079	27,453,587	30,248,482
Primary government (City wide totals)										
Invested in capital assets, net of \$	7,963,730	8,690,640	8,924,720	9,224,163	9,645,343	10,403,137	12,764,362	14,278,785	15,750,059	16,768,213
Restricted	3,995,422	5,366,676	5,805,978	6,265,203	6,328,293	6,498,990	6,387,940	8,621,089	5,509,149	7,877,456
Unrestricted	5,910,519	5,700,333	5,947,105	6,361,102	7,408,559	9,333,445	7,380,527	6,948,205	6,194,379	5,602,813
Total primary government net ass:	17,869,671	19,757,649	20,677,803	21,850,468	23,382,195	26,235,572	26,532,829	29,848,079	27,453,587	30,248,482

Note: The City implemented GASB Statement Number 34 in the 2003 fiscal year. The information in this schedule is therefore set forth prospectively from the year of implementation. The City reports no business-type activities.

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

For The Fiscal Years Ended June 30

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Governmental activities:										
General government	\$ 2,539,247	\$ 2,276,456	\$ 2,463,385	\$ 2,735,676	\$ 2,683,965	\$ 2,986,529	\$ 3,241,203	\$ 3,723,162	\$ 3,519,612	\$ 3,397,245
Police	2,042,154	2,368,260	2,620,462	2,692,071	2,777,336	2,654,942	2,981,952	3,163,145	3,340,770	3,307,293
Fire										
Public works	1,524,350	1,419,356	1,457,028	1,926,172	2,244,942	2,313,229	2,637,041	2,308,955	1,983,199	1,992,042
Planning										
Recreation	1,014,447	1,399,181	1,365,141	1,473,951	1,783,154	1,481,315	2,216,869	1,588,448	1,548,443	1,283,076
Parks										
Interest on long-term debt	92,056	88,888	84,015	77,776	73,751	66,664	63,568	60,517	51,822	48,031
Total governmental activities expenses	7,212,254	7,552,141	7,990,031	8,905,646	9,563,148	9,702,679	11,140,633	10,844,227	10,443,846	10,027,687
Total City government expenses	7,212,254	7,552,141	7,990,031	8,905,646	9,563,148	9,702,679	11,140,633	10,844,227	10,443,846	10,027,687
Program Revenues:										
Governmental activities:										
Charges for services:										
General gov	\$ 245,363	\$ 199,620	\$ 247,465	\$ 435,688	\$ 341,078	\$ 402,927	\$ 276,799	\$ 319,336	\$ 399,380	\$ 1,026,840
Police prot	91,997	93,345	133,501	144,312	165,528	194,942	177,020	138,701	106,548	140,338
Fire protection										
Public works	343,655	518,599	416,366	565,478	446,955	532,412	333,186	892,015	312,544	533,027
Planning										
Parks and	904,075	715,236	734,464	1,204,064	958,650	1,122,420	770,409	922,533	738,189	1,817,641
Operating grants and	1,128,496	1,213,398	1,203,302	1,324,107	1,356,595	2,233,483	1,220,609	1,125,588	1,194,191	1,444,513
Capital grants and con	907,622	845,908	152,846	246,478	476,255	451,735	1,123,850	557,555	1,278,619	575,694
Total governmental activities program revenues	3,621,208	3,586,106	2,887,944	3,920,127	3,745,061	4,937,919	3,901,873	3,955,728	4,029,471	5,538,053
Total City government program revenues	3,621,208	3,586,106	2,887,944	3,920,127	3,745,061	4,937,919	3,901,873	3,955,728	4,029,471	5,538,053

(Continued)

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

For The Fiscal Years Ended June 30

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net(Expense)Revenue:										
Governmental activities	\$ (3,591,046)	\$ (3,966,035)	\$ (5,102,087)	\$ (4,985,519)	\$ (5,818,087)	\$ (4,764,760)	\$ (7,238,760)	\$ (6,888,499)	\$ (6,414,375)	\$ (4,489,634)
Total City government	\$ (3,591,046)	\$ (3,966,035)	\$ (5,102,087)	\$ (4,985,519)	\$ (5,818,087)	\$ (4,764,760)	\$ (7,238,760)	\$ (6,888,499)	\$ (6,414,375)	\$ (4,489,634)
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Taxes:										
Property tax	\$ 1,058,396	\$ 1,124,398	\$ 1,122,348	\$ 2,260,191	\$ 2,400,098	\$ 2,553,681	\$ 2,598,405	\$ 2,617,817	\$ 2,581,797	\$ 2,619,423
Sales tax	1,231,395	1,229,294	1,321,802	1,309,958	1,492,933	1,700,449	1,951,187	1,886,345	1,610,860	1,860,725
Other tax	2,839,821	2,745,581	2,166,979	2,242,098	2,514,825	2,470,860	2,345,848	2,319,130	2,415,064	2,620,476
Unrestricted grants and contributions										
Miscellaneous Motor vehicle in lieu fees		1,194,601		98,194	112,933	86,361	68,611	81,180	50,588	61,261
Other general revenues					202,825	21,182	23,031	182,229	14,889	14,039
Investment earnings	163,276	54,740	197,513	247,743	565,497	781,441	548,935	291,497	172,236	108,605
Transfers										
Special item: Cable TV franchise renew		700,000								
Total governmental activities	5,292,888	5,854,013	6,022,243	6,158,184	7,289,111	7,613,974	7,536,017	7,378,198	6,845,434	7,284,529
Total City government	\$ 5,292,888	\$ 5,854,013	\$ 6,022,243	\$ 6,158,184	\$ 7,289,111	\$ 7,613,974	\$ 7,536,017	\$ 7,378,198	\$ 6,845,434	\$ 7,284,529
Change in net assets:										
Governmental activities	\$ 1,701,842	\$ 1,887,978	\$ 920,156	\$ 1,172,665	\$ 1,471,024	\$ 2,849,214	\$ 297,257	\$ 489,699	\$ 431,059	\$ 2,794,895
Total City government	\$ 1,701,842	\$ 1,887,978	\$ 920,156	\$ 1,172,665	\$ 1,471,024	\$ 2,849,214	\$ 297,257	\$ 489,699	\$ 431,059	\$ 2,794,895

Note: The city implemented GASB Statement Number 34 in the 2003 fiscal year. The information in this schedule is therefore set forth prospectively from the year of implementation. In fiscal 2005 Motor Vehicle in Lieu of Property Taxes was classified as Motor Vehicle in Lieu, and in 2006 was reported as part of Property Taxes as it was in lieu of Property Taxes.

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

Fiscal Year	General Fund					All Other Governmental Funds			
	Nonspendable	Restricted	Committed	Unassigned	Total	Nonspendable	Restricted	Committed	Total
2012	\$ 4,167	\$ 324,734	\$ 1,924,447	\$ 5,596,686	\$ 7,850,034	\$ 13,212	\$ 7,549,043	\$ -	\$ 7,562,255
2011	\$ 173,152	\$ 324,734	\$ 1,856,800	\$ 4,805,990	\$ 7,160,676	\$ 9,978	\$ 5,184,415	\$ -	\$ 5,194,393

Fiscal Year	Total General Fund			Unreserved, reported in			
	Reserved	Unreserved	Total	Reserved	Special Revenue	Capital Projects	Total
2010	\$ 2,379	\$ 7,604,958	\$ 7,607,337	\$ 23,937	\$ 3,143,733	\$ 2,276,455	\$ 5,444,125
2009	\$ 4,758	\$ 7,726,393	\$ 7,731,151	\$ 25,353	\$ 2,764,316	\$ 3,237,142	\$ 6,026,811
2008	\$ 173,792	\$ 8,841,682	\$ 9,015,474	\$ 25,353	\$ 3,081,517	\$ 3,534,857	\$ 6,641,727
2007	\$ 406,524	\$ 7,468,271	\$ 7,874,795	\$ 25,447	\$ 2,483,455	\$ 3,166,885	\$ 5,675,787
2006	\$ 16,922	\$ 6,803,201	\$ 6,820,123	\$ 31,012	\$ 2,629,076	\$ 3,151,960	\$ 5,812,048
2005	\$ 137,563	\$ 5,844,281	\$ 5,981,844	\$ 32,489	\$ 2,672,888	\$ 2,498,945	\$ 5,204,322
2004	\$ 219,659	\$ 6,366,725	\$ 6,586,384	\$ 31,513	\$ 2,141,464	\$ 2,403,746	\$ 4,576,723
2003	\$ 137,563	\$ 5,844,281	\$ 5,981,844	\$ 33,477	\$ 1,988,657	\$ 2,099,361	\$ 4,121,495

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

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

(Modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	\$ 4,238,043	\$ 4,407,265	\$ 4,623,795	\$ 5,805,562	\$ 6,382,499	\$ 6,724,990	\$ 6,895,440	\$ 6,823,292	\$ 6,607,721	\$ 7,100,657
Licenses and permits	97,736	83,208	117,811	191,172	102,283	97,519	81,981	72,302	123,567	157,988
Fines and forfeits	85,607	76,773	118,245	126,355	163,913	193,528	175,732	137,910	106,243	105,079
Charges for services	1,052,067	1,021,303	789,223	1,469,872	1,162,487	1,461,187	705,059	1,425,239	804,591	2,741,309
Special assessments	219,941	223,820	232,692	224,866	220,472	221,372	222,177	224,681	222,168	222,636
Intergovernmental	2,719,666	2,571,263	2,499,367	1,628,585	1,703,480	2,549,370	2,256,250	1,725,304	2,253,103	2,053,664
Investment earnings	256,184	110,214	268,038	310,357	737,683	942,019	674,935	373,368	242,615	158,746
Other revenues	244,850	246,275	261,014	299,042	387,245	333,408	348,815	551,830	514,897	282,503
Total revenues	8,914,094	8,740,119	8,910,185	10,055,811	10,860,062	12,523,393	11,360,389	11,333,926	10,874,905	12,822,582
Expenditures:										
General government	2,384,367	2,230,797	2,367,740	2,598,384	2,635,513	2,825,720	3,057,446	3,381,989	3,149,117	2,987,938
Public safety	2,021,636	2,359,824	2,610,374	2,892,071	2,717,000	2,812,193	2,970,475	3,151,668	3,263,648	3,222,610
Parks	922,996	989,067	1,125,229	1,267,808	1,316,353	1,269,500	1,342,264	1,481,804	1,376,443	1,230,178
Planning and public works	931,004	1,205,894	1,494,523	2,183,772	2,684,899	2,884,514	2,810,131	2,432,332	1,357,768	1,434,091
Recreation										
Capital outlay	2,515,834	1,291,150	323,360	415,051	479,009	450,296	2,276,037	1,417,116	2,248,976	715,597
Intergovernmental							633,185	-	-	-
Debt service:										
Payment to escrow agent										
Costs of issuance										
Principal	104,005	116,621	131,032	123,154	100,000	105,000	105,000	115,000	120,000	125,000
Interest	93,118	90,059	85,281	79,143	73,751	69,551	65,090	60,517	55,346	49,948
Total expenditures	8,972,960	8,283,412	8,137,539	9,359,383	10,006,525	10,416,774	13,259,628	12,040,426	11,571,298	9,765,362
Excess of revenues over (under) expenditures	(58,866)	456,707	772,646	696,428	853,537	2,106,619	(1,899,239)	(706,500)	(696,393)	3,057,220
Other Financing Sources (Uses)										
Proceeds from borrowing										
Payments to escrow agent										
Transfers in	1,216,132	1,158,681	1,154,090	1,359,437	1,341,265	1,261,917	1,547,951	1,939,510	2,891,794	1,482,586
Transfers out	(1,216,132)	(1,158,681)	(1,154,090)	(1,359,437)	(1,341,265)	(1,261,917)	(1,547,951)	(1,939,510)	(2,891,794)	(1,482,586)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (58,866)	\$ 456,707	\$ 772,646	\$ 696,428	\$ 853,537	\$ 2,106,619	\$ (1,899,239)	\$ (706,500)	\$ (696,393)	\$ 3,057,220
Debt service as a percentage of noncapital expenditures	3.05%	3.32%	2.82%	2.37%	1.92%	1.91%	1.96%	1.94%	2.27%	1.99%

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

Fiscal Year	Assessed Taxable Values			Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Secured	Unsecured	Totals			
2002-2003	1,043,948,600	86,068,182	1,130,016,782	1.00%	2,732,826,046	41.35%
2003-2004	1,120,058,040	86,588,899	1,206,646,939	1.00%	2,923,843,527	41.27%
2004-2005	1,209,750,134	91,402,042	1,301,152,176	1.00%	3,154,949,681	41.24%
2005-2006	1,336,708,362	88,906,389	1,425,614,751	1.00%	3,468,780,032	41.10%
2006-2007	1,446,195,713	87,596,534	1,533,792,247	1.00%	3,740,627,188	41.00%
2007-2008	1,525,486,287	84,044,973	1,609,531,260	1.00%	3,933,779,965	40.92%
2008-2009	1,595,744,659	92,047,309	1,687,791,968	1.00%	4,120,857,803	40.96%
2009-2010	1,624,592,897	96,402,743	1,720,995,640	1.00%	4,199,200,447	40.98%
2010-2011	1,611,435,112	98,273,571	1,709,708,683	1.00%	4,168,978,596	41.01%
2011-2012	1,627,549,463	99,256,307	1,726,805,770	1.00%	4,210,668,382	41.01%

Notes:

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

Source: Santa Barbara County Assessors Office

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

Fiscal Year	City Direct Rate			Overlapping Rates	
	Basic Rate	General Obligation Debt Rate	Total	School Districts	Special Distriicts
2002-2003	1.00%	0.00%	1.00%	0.01160%	0.00%
2003-2004	1.00%	0.00%	1.00%	0.00746%	0.00%
2004-2005	1.00%	0.00%	1.00%	0.00662%	0.00%
2005-2006	1.00%	0.00%	1.00%	0.00675%	0.00%
2006-2007	1.00%	0.00%	1.00%	0.00645%	0.00%
2007-2008	1.00%	0.00%	1.00%	0.00635%	0.00%
2008-2009	1.00%	0.00%	1.00%	0.00642%	0.00%
2009-2010	1.00%	0.00%	1.00%	0.00642%	0.00%
2010-2011	1.00%	0.00%	1.00%	0.00653%	0.00%
2011-2012	1.00%	0.00%	1.00%	0.00635%	0.00%

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

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

2012				2011			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
VENOCO, INC	\$18,928,984	1	1.11%	VENOCO, INC	\$18,928,984	1	1.11%
6267 CARPINTERIA AVENUE	\$15,657,419	2	0.92%	6267 CARPINTERIA AVENUE,	\$15,657,419	2	0.92%
CARP ONE LLC	\$14,305,189	3	0.84%	CARP ONE LLC	\$14,305,189	3	0.84%
CARP TWO LLC	\$13,997,107	4	0.80%	CARP TWO LLC	\$13,997,107	4	0.80%
SCHAFF, VICTOR WILLIAM & 4646 CARPAV, LLC (CA)	\$13,180,532	5	0.77%	SCHAFF, VICTOR WILLIAM & 4646 CARPAV, LLC (CA)	\$13,180,532	5	0.77%
CARPI, LLC	\$12,550,002	6	0.73%	CARPI, LLC	\$12,550,002	6	0.73%
HMBL, LLC	\$11,971,558	7	0.70%	HMBL, LLC	\$11,971,558	7	0.70%
SHEPARD PLACE LTD	\$11,331,611	8	0.66%	SHEPARD PLACE LTD	\$11,331,611	8	0.66%
GANTENBRINK-ROUTH PAR	\$11,046,812	9	0.65%	GANTENBRINK-ROUTH PARTI	\$11,046,812	9	0.65%
	\$9,801,167	10	0.57%		\$9,801,167	10	0.57%
Total	\$ 132,470,381		7.75%	Total	\$ 132,470,381		7.75%

2010				2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
VENOCO, INC	\$19,157,770	1	1.11%	VENOCO, INC	\$ 17,636,308	1	1.04%
4646 CARPAV, LLC (CA)	\$16,372,756	2	0.95%	6267 CARPINTERIA AVENUE,	15,343,644	2	0.91%
6267 CARPINTERIA AVENUE	\$15,684,616	3	0.91%	CARP ONE LLC	14,058,015	3	0.83%
CARP ONE LLC	\$14,339,174	4	0.83%	NARANG HOLDING GROUP LL	13,567,564	4	0.80%
CARP TWO LLC	\$13,725,038	5	0.80%	CARP TWO LLC	13,456,509	5	0.80%
SCHAFF, VICTOR WILLIAM & CARPI, LLC	\$13,211,851	6	0.77%	SCHAFF, VICTOR WILLIAM & CAPINTERIA PARTNERS LIMI	12,920,202	6	0.77%
CARPI, LLC	\$12,000,000	7	0.70%	HMBL, LLC	12,000,000	7	0.71%
HMBL, LLC	\$11,347,948	8	0.66%	HMBL, LLC	11,146,616	8	0.66%
SHEPARD PLACE LTD	\$11,072,881	9	0.64%	CARPI, LLC	10,866,769	9	0.64%
GANTENBRINK-ROUTH PAR	\$9,824,454	10	0.57%	SHEPARD PLACE LTD	10,857,240	10	0.64%
Total	\$ 136,747,088		7.95%	Total	\$ 131,852,865		7.81%

2008				2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
CARPINTERIA BLUFFS, LLC	\$ 17,483,815	1	1.14%	CARPINTERIA BLUFFS, LLC	\$ 17,333,262	1	1.13%
6267 CARPINTERIA AVENUE	14,680,044	2	0.96%	6267 CARPINTERIA AVENUE,	14,392,200	2	0.94%
CARP ONE LLC	13,782,368	3	0.90%	CARP ONE LLC	13,496,326	3	0.88%
CARP TWO LLC	13,192,657	4	0.86%	CARP TWO LLC	12,933,978	4	0.84%
SCHAFF, VICTOR WILLIAM & CALDWELL CHILD'S TRUST :	12,666,870	5	0.83%	SCHAFF, VICTOR WILLIAM & SUMMERWIND AT THE BLUFF	12,418,500	5	0.81%
POINT CENTER FINANCIAL I	12,646,060	6	0.82%	PORTER, ALAN R	11,730,000	6	0.76%
PORTER, ALAN R	11,964,600	7	0.78%	INTERNATIONAL AIRPORT HC	10,965,000	7	0.71%
HMBL, LLC	10,949,233	8	0.73%	SHEPARD PLACE LTD	10,755,720	8	0.70%
SHEPARD PLACE LTD	10,645,827	9	0.71%	GANTENBRINK-ROUTH PARTI	10,435,619	9	0.68%
		10	0.69%		9,187,606	10	0.60%
Total	\$ 129,195,774		8.42%	Total	\$ 123,648,211		8.06%

2006				2005			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Venoco, Inc	\$ 17,251,718	1	1.12%	Venoco, Inc.	\$ 15,121,249	1	1.16%
6267 Carpinteria Avenue, LLC	14,110,000	2	0.92%	Carp One, LLC	12,972,249	2	1.00%
Carp One LLC	13,231,693	3	0.86%	Carp Two, LLC	12,431,738	3	0.96%
Carp Two LLC	12,680,372	4	0.83%	International Airport Hotel, LLC	10,380,000	4	0.80%
Schaff, Victor William & Susar	12,175,000	5	0.79%	Shepard Place Limited	10,033,311	5	0.77%
Summerwind At The Bluffs, Llc	11,500,000	6	0.75%	Carpinteria Bluffs Associates	9,623,192	6	0.74%
International Airport Hotel, Llc	10,566,000	7	0.69%	Meriko Tamaki Trust	9,379,011	7	0.72%
Shepard Place Ltd	10,232,474	8	0.67%	Gantenbrink-Routh Partnership	8,830,844	8	0.68%
Porter, Alan R	9,566,589	9	0.62%	Motel 6 Operating LTD	8,732,514	9	0.67%
Gantenbrink-Routh Partnershj	9,007,459	10	0.59%	Carpinteria Motor Inn LTD	8,587,093	10	0.66%
Total	\$ 120,321,305		7.84%	Total	\$ 106,091,201		8.15%

2004				2003			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Venoco, Inc.	\$ 15,154,200	1	1.26%	Venoco, Inc.	17,927,199	1	1.57%
Carp One, LLC	12,734,496	2	1.06%	Carp One, LLC	12,484,800	2	1.09%
Carp Two, LLC	12,203,892	3	1.01%	Carp Two, LLC	11,964,600	3	1.05%
Shepard Place Limited	9,850,802	4	0.82%	Shepard Place Limited	9,659,124	4	0.84%
Carpinteria Hotel Investors	9,589,850	5	0.79%	Carpinteria Bluffs Associates	9,261,590	5	0.81%
Carpinteria Bluffs Associates	9,446,821	6	0.78%	Meriko Tamaki Trust	9,026,585	6	0.79%
Meriko Tamaki Trust	9,207,116	7	0.76%	Gantenbrink-Routh Partnership	8,499,017	7	0.74%
Gantenbrink-Routh Partnershj	8,668,996	8	0.72%	Carpinteria Motor Inn LTD	8,787,362	8	0.77%
Carpinteria Motor Inn LTD	8,438,948	9	0.70%	Motel 6 Operating LTD	8,898,674	9	0.78%
Motel 6 Operating LTD	8,577,147	10	0.71%	Dako Corporation	7,362,008	10	0.64%
Total	\$ 103,852,268		8.61%	Total	\$ 103,870,959		9.08%

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

Fiscal Year Ended June 30	(1) Taxes Levied For The Fiscal Year	(2) Collected Within The Fiscal Year of The Levy		Collections in Subsequent Years	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	952,972	941,250	98.77%	11,722	952,972	100.00%
2003	997,073	984,909	98.78%	12,164	997,073	100.00%
2004	1,063,627	1,053,097	99.01%	10,424	1,063,521	99.99%
2005	1,010,817	1,000,001	98.93%	10,614	1,010,615	99.98%
2006	1,125,692	1,111,283	98.72%	13,733	1,125,016	99.94%
2007	1,316,102	1,288,727	97.92%	26,190	1,314,917	99.91%
2008	1,358,921	1,326,307	97.60%	30,304	1,356,611	99.83%
2009	1,386,719	1,348,445	97.24%	32,865	1,381,310	99.61%
2010	1,540,677	1,504,317	97.64%	24,959	1,529,276	99.26%
2011	1,546,964	1,522,058	98.39%	-	1,522,058	98.39%

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

2012				2011			
Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars	Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Fuel and Service Stations	\$ 595,432	1	32.00%	Fuel and Service Stations	\$ 439,945	1	27.31%
Business & Industry	390,752	2	21.00%	General Consumer Goods	321,411	2	19.95%
Restaurants and Hotels	334,931	3	18.00%	Restaurants and Hotels	293,273	3	18.21%
Food and Drugs	297,716	4	16.00%	Food and Drugs	241,850	4	15.01%
General Consumer Goods	111,644	5	6.00%	Business & Industry	190,333	5	11.82%
Building and Construction	93,036	6	5.00%	Building and Construction	97,190	6	6.03%
Autos and Transportation	37,215	7	2.00%	Autos and Transportation	26,858	7	1.67%
Total	\$ 1,860,725		100.00%	Total	\$ 1,610,860		100.00%

2010				2009			
Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars	Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Business and Industry	\$ 546,412	1	28.96%	Business and Industry	\$ 803,784	1	44.78%
Fuel and Service Stations	389,290	2	20.64%	Fuel and Service Stations	290,359	2	16.18%
Restaurants and Hotels	350,225	3	18.56%	Food and Drugs	232,686	3	12.96%
Food and Drugs	269,723	4	14.30%	Restaurants and Hotels	239,907	4	13.37%
Building and Construction	156,977	5	8.32%	General Consumer Goods	122,619	5	6.83%
General Consumer Goods	142,833	6	7.57%	Building and Construction	59,646	6	3.32%
Autos and Transportation	31,085	7	1.65%	Autos and Transportation	45,900	7	2.56%
Total	\$ 1,886,545		100.00%	Total	\$ 1,794,901		100.00%

2008				2007			
Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars	Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Business and Industry	\$ 611,920	1	35.99%	All Other Outlets	\$ 523,000	1	34.67%
Fuel and Service Stations	271,260	2	15.95%	Other Retail Stores	237,000	2	15.71%
Food and Drugs	265,740	3	15.63%	Eating and Drinking Places	227,000	3	15.05%
Restaurants and Hotels	260,670	4	15.33%	Service Stations	241,000	4	15.98%
General Consumer Goods	137,530	5	8.09%	Building Materials	137,000	5	9.08%
Building and Construction	109,650	6	6.45%	Food Stores	84,000	6	5.57%
Autos and Transportation	43,680	7	2.57%	Auto Dealers and Supplies	44,000	7	2.92%
				Apparel Stores	12,390	8	0.82%
				General Merchandise	2,910	9	0.19%
Total	\$ 1,700,450		100.00%	Total	\$ 1,508,300		100.00%

2006				2005			
Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars	Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
All Other Outlets	\$ 470,782	1	35.62%	All Other Outlets	\$ 430,644	1	35.03%
Other Retail Stores	183,980	2	13.92%	Other Retail Stores	177,580	2	14.45%
Eating and Drinking Places	173,520	3	13.13%	Eating and Drinking Places	175,020	3	14.24%
Service Stations	173,170	4	13.10%	Service Stations	155,860	4	12.68%
Building Materials	161,610	5	12.23%	Building Materials	148,180	5	12.05%
Food Stores	127,400	6	9.64%	Food Stores	112,460	6	9.15%
Auto Dealers and Supplies	16,040	7	1.21%	Auto Dealers and Supplies	15,200	7	1.24%
Apparel Stores	12,390	8	0.94%	Apparel Stores	11,190	8	0.91%
General Merchandise	2,910	9	0.22%	General Merchandise	3,160	9	0.26%
Total	\$ 1,321,802		100.00%	Total	\$ 1,229,294		100.00%

2004				2003			
Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars	Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
All Other Outlets	\$ 491,386	1	39.90%	All Other Outlets	\$ 468,697	1	38.81%
Other Retail Stores	171,150	2	13.90%	Other Retail Stores	175,020	2	14.56%
Eating and Drinking Places	171,060	3	13.89%	Eating and Drinking Places	166,000	3	13.80%
Building Materials	131,080	4	10.64%	Building Materials	127,800	4	10.63%
Food Stores	124,510	5	10.11%	Food Stores	121,690	5	10.12%
Service Stations	116,750	6	9.48%	Service Stations	116,940	6	9.73%
Auto Dealers and Supplies	11,950	7	0.97%	Auto Dealers and Supplies	15,210	7	1.26%
Apparel Stores	10,140	8	0.82%	Apparel Stores	9,850	8	0.82%
General Merchandise	3,370	9	0.27%	General Merchandise	3,260	9	0.27%
Total	\$ 1,231,396		100.00%	Total	\$ 1,202,467		100.00%

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

<u>Fiscal Year</u>	<u>Revenue Base City-Wide Retail Sales Subject to Tax</u>	<u>Total Retail Sales Tax Rate</u>	<u>City Direct Tax Rate</u>	<u>Revenue Recognized By the City</u>
2003	123,139,600	7.75%	1.00%	1,231,396
2004	122,929,400	7.75%	1.00%	1,229,294
2005	132,180,200	7.75%	1.00%	1,321,802
2006	130,995,800	7.75%	1.00%	1,309,958
2007	149,293,300	7.75%	1.00%	1,492,933
2008	170,045,000	7.75%	1.00%	1,700,450
2009	195,118,700	8.25%	1.00%	1,951,187
2010	188,634,500	8.75%	1.00%	1,886,345
2011	161,086,000	7.75%	1.00%	1,610,860
2012	186,072,500	7.75%	1.00%	1,860,725

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

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

<u>Fiscal Year</u>	<u>Revenue Base Room Revenues Subject to Tax</u>	<u>City Direct Tax Rate</u>	<u>Revenue Recognized By the City</u>
2003	10,390,770	10.00%	1,039,077
2004	10,738,630	10.00%	1,073,863
2005	11,778,600	10.00%	1,177,860
2006	12,438,520	10.00%	1,243,852
2007	14,527,090	10.00%	1,452,709
2008	14,150,310	10.00%	1,415,031
2009	13,269,290	10.00%	1,326,929
2010	12,624,320	10.00%	1,262,432
2011	13,060,330	10.00%	1,306,033
2012	15,552,570	10.00%	1,555,257

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

Fiscal Year	City-Wide Occupany Rate	Average Daily Room Rates	Transient Occupancy Tax Revenues In Dollars	
			Concentration By Hotel Size Based on Number of Rooms	
			Number Hotels 50 or More Rooms	Number Hotels under 50 Rooms
			4	15
2003	N/A	N/A	\$ 874,496.00	\$ 164,581.00
			4	17
2004	N/A	N/A	\$ 925,489.00	\$ 148,374.00
			4	15
2005	N/A	N/A	\$ 979,461.00	\$ 198,399.00
			4	15
2006	N/A	N/A	\$ 952,508.00	\$ 291,344.00
			4	15
2007	N/A	N/A	\$ 1,172,699.00	\$ 280,010.00
			4	15
2008	N/A	N/A	\$ 1,096,090.00	\$ 318,941.00
			4	15
2009	N/A	N/A	\$ 1,126,937.94	\$ 213,125.73
			4	15
2010	N/A	N/A	\$ 1,069,209.00	\$ 193,223.00
			4	15
2011	N/A	N/A	\$ 1,075,964.00	\$ 230,069.00
			4	15
2012	N/A	N/A	\$ 1,152,472.00	\$ 269,365.00
			4	15

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

Fiscal Years Ended June 30

2012	2011	2010	2009
ACCOR NORTH AMERICA	ACCOR NORTH AMERICA	ACCOR NORTH AMERICA	ACCOR NORTH AMERICA
BEST WESTERN CARPINTERIA	BEST WESTERN CARPINTERIA	BEST WESTERN CARPINTERIA	BEST WESTERN CARPINTERIA INN 3
HMBL, LLC (DBA HOLIDAY I	HMBL, LLC (DBA HOLIDAY II	HMBL, LLC	BEST WESTERN INN 332
VENTURA LODGE LLC / SA	VENTURA LODGE LLC / SA	4975 SANDYLAND ROAD AS	CARPINTERIA SHORES
CARPINTERIA SHORES	CARPINTERIA SHORES	BEST WESTERN INN 332	HMBL, LLC
SOLIMAR SANDS	SOLIMAR SANDS	BEST WESTERN INN	MURPHYKING REAL ESTATE
CARPINTERIA REAL ESTAT	CARPINTERIA REAL ESTAT	VENTURA LODGE LLC / SA	PRUFROCK'S GARDEN INN
SUNSET SHORES CONDOM	SUNSET SHORES CONDOM	SOLIMAR SANDS	SOLIMAR SANDS
MURPHYKING REAL ESTAT	MURPHYKING REAL ESTAT	CARPINTERIA REAL ESTAT	SUNSET SHORES CONDOMINIUM
SANDYLAND REEF INN	SANDYLAND REEF INN	SANDYLAND REEF INN	VENTURA LODGE LLC / SANDYLAND

Fiscal Years Ended June 30

2008	2007	2006	2005
ACCOR NORTH AMERICA	ACCOR NORTH AMERICA	ACCOR ECOMONY LODGIN	ACCOR ECOMONY LODGING
BEST WESTERN CARPINTERIA	BEST WESTERN	BEST WESTERN	BEST WESTERN
CARPINTERIA REAL ESATE	HOLIDAY INN EXPRESS	CARPINTERIA SHORES	CARPINTERIA SHORES
CARPINTERIA SHORES	VENTURA LODGE LLC	CASA DEL SOL	CASA DEL SOL
HMBL, LLC	SUNSET SHORES CONDOM	EUGENIA MOTEL	EUGENIA MOTEL
MURPHY KING REAL ESTAT	CARPINTERIA SHORES	HOLIDAY INN EXPRESS	HOLIDAY INN EXPRESS
PRUFROCK'S GARDEN INN	SOLIMAR SANDS	PRUFROCK'S GARDEN INN	PRUFROCK'S GARDEN INN
SOLIMAR SANDS	PRUFROCK'S GARDEN INN	REEF INN	REEF INN
SUNSET SHORES CONDO	MURPHY-KING REAL ESTAT	SOLIMAR SANDS	SOLIMAR SANDS
VENTURA LODGE LLC	CASA DEL SOL	SUNSET SHORES	SUNSET SHORES

Fiscal Year Ended June 30

2004	2003
ACCOR ECOMONY LODGIN	ACCOR ECOMONY LODGING
BEST WESTERN	BEST WESTERN
CARPINTERIA INN	CARPINTERIA SHORES
CARPINTERIA SHORES	CASA DEL SOL
CASA DEL SOL	COMFORT SUITES
COMFORT SUITES	EUGENIA MOTEL
EUGENIA MOTEL	PRUFROCK'S GARDEN INN
HOLIDAY INN EXPRESS	REEF INN
PRUFROCK'S GARDEN INN	SOLIMAR SANDS
REEF INN	SUNSET SHORES

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

Fiscal Year	Governmental Activities				Business-type Activities			Total City Debt	Total City Debt as Percentage of Personal Income	Total City Debt Per Capita	
	General Obligation Bonds	Lease Revenue Bonds	Special Assessment Bonds	Reassessment Revenue Bonds	Certificates of Participation	Capital Lease Obligations	Capital Lease Obligations				State of California and Other Loans
2003	-	-	-	-	1,865,000	85,807	-	-	1,950,807	0.36%	135
2004	-	-	-	-	1,775,000	59,185	-	-	1,834,185	0.33%	127
2005	-	-	-	-	1,680,000	23,154	-	-	1,703,154	0.31%	119
2006	-	-	-	-	1,580,000	-	-	-	1,580,000	0.29%	110
2007	-	-	-	-	1,480,000	-	-	-	1,480,000	0.27%	104
2008	-	-	-	-	1,375,000	-	-	-	1,375,000	0.25%	97
2009	-	-	-	-	1,270,000	-	-	-	1,270,000	0.23%	89
2010	-	-	-	-	1,155,000	-	-	-	1,155,000	0.21%	80
2011	-	-	-	-	1,020,000	-	-	-	1,020,000	0.18%	71
2012	-	-	-	-	910,000	-	-	-	910,000	0.18%	70

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Lease Revenue Bonds	Total		
2003	-		-		-
2004	-		-		-
2005	-		-		-
2006	-		-		-
2007	-		-		-
2008	-		-		-
2009	-		-		-
2010	-		-		-
2011	-		-		-
2012	-		-		-

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

Schedule 16
City of Carpinteria
Direct and Overlapping Governmental Activities Debt (Unaudited)
As of June 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt:			
Carpinteria Unified School District	\$ 15,080,000	40.589%	\$ 6,120,821
Santa Barbara County Certificates of Participation	77,830,000	3.099%	2,411,952
Carpinteria Sanitary District General Fund Obligations	13,155,000	81.762%	10,755,791
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT			\$ 19,288,564
Less: Carpinteria Sanitary District General Fund Obligations (100% Self-supporting)			10,755,791
Total Net General Fund Overlapping Debt			\$8,532,773
Direct Debt:			
City of Carpinteria Certificates of Participation	910,000	100.000%	910,000
Total Direct Debt			910,000
Total Overlapping and Direct Debt			\$ 9,442,773

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

Fiscal Year	Debt Limit	Total Debt Applicable To Limit	Total Debt Applicable To Limit as Percentage of Debt Limit
2003	171,606,089	-	0%
2004	180,997,041	-	0%
2005	195,172,826	-	0%
2006	213,842,213	-	0%
2007	230,068,837	-	0%
2008	241,429,689	-	0%
2009	253,168,795	-	0%
2010	258,149,346	-	0%
2011	256,456,302	-	0%
2012	259,020,866	-	0%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	\$ 1,726,805,770
Debt limit (15% of assessed value)	259,020,866
Less debt applicable to limit:	
General obligation bonds	-
Total debt applicable to limit	-
Legal debt margin	<u>\$ 259,020,866</u>

Under state finance law, the city's outstanding general obligation bonded debt should not exceed 15 percent of total assessed property value.

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

Special Assessment Bonds

Fiscal Year	Special Assessment Collections	Capital Impact Fees	Debt Service		Coverage
			Principal	Interest	
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-

The City had no Pledged Revenues during this period.

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2003	14,394	456,289,800	31,700	3.50%
2004	14,364	468,266,400	32,600	3.40%
2005	14,340	491,862,000	34,300	4.00%
2006	14,172	511,609,200	36,100	3.50%
2007	14,123	543,735,500	38,500	3.80%
2008	14,271	589,392,300	41,300	5.20%
2009	14,409	595,091,700	41,300	5.20%
2010	14,528	600,006,400	41,300	5.20%
2011	14,103	442,650,861	31,387	5.80%
2012	13,076	422,376,600	32,302	8.20%

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

Fiscal Year Ended June 30, 2012				Fiscal Year Ended June 30, 2011			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
Nusil Technology	354	1	2.27%	Nusil Technology	354	1	2.27%
Carpinteria Unified School District	272	2	1.47%	Carpinteria Unified School District	272	2	1.47%
DAKO Corporation	230	3	1.74%	DAKO Corporation	230	3	1.74%
Clipper Wind Power	200	4	1.28%	Clipper Wind Power	200	4	1.28%
CKE Restaurants Inc.	170	5	1.01%	CKE Restaurants Inc.	170	5	1.01%
AGIA, Inc.	158	6	1.09%	AGIA, Inc.	158	6	1.09%
Lynda.com	155	7	0.94%	Lynda.com	155	7	0.94%
Tyco Electronics	150	8	0.96%	Tyco Electronics	150	8	0.96%
Helix	146	9	0.00%	Helix	146	9	0.00%
Plan Member Services	93	10	0.60%	Plan Member Services	93	10	0.60%
Totals	1928		12.36%	Totals	1928		12.36%

Fiscal Year Ended June 30, 2010				Fiscal Year Ended June 30, 2009			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
Nusil Technology	324	1	2.08%	Nusil Technology	324	1	2.08%
DAKO Corporation	320	2	2.05%	DAKO Corporation	320	2	2.05%
Carpinteria Unified School District	305	3	1.96%	Carpinteria Unified School District	305	3	1.96%
Clipper Wind Power	183	4	1.17%	Clipper Wind Power	183	4	1.17%
AGIA, Inc.	170	5	1.09%	AGIA, Inc.	170	5	1.09%
CKE Restaurants Inc.	165	6	1.06%	CKE Restaurants Inc.	165	6	1.06%
Helix	163	7	1.04%	Helix	163	7	1.04%
Pacific Scientific	130	8	0.83%	Pacific Scientific	130	8	0.83%
Tyco Electronics	117	9	0.75%	Tyco Electronics	117	9	0.75%
Bega Lighting	102	10	0.65%	Bega Lighting	102	10	0.65%
Totals	1979		12.69%	Totals	1979		12.69%

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

Full-Time Equivalent Employees as of June 30

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General government:										
City council	5	5	5	5	5	5	5	5	5	5
City clerk	1	1	1	1	1	1	1	2	2	2
City manager	3	3	3	3	3	3	3	4	4	4
Finance	2	2	2	2	2	2	2	2	2	2
Public safety:										
Police Contract	-	-	-	-	-	-	-	-	-	-
Planning:										
Planning	7	7	7	7	7	7	7	7	7	7
Building and safety	2	2	2	2	2	2	2	2	2	2
Public works:										
Roads and streets	7	7	7	7	7	7	7	7	7	9
Parks:										
Parks and recreation	12	12	12	12	12	12	12	12	12	12
Totals	<u>39</u>	<u>41</u>	<u>41</u>	<u>43</u>						

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

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

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police:										
Traffic violations	239	384	414	602	617	758	690	724	724	724
Planning										
Building permits issued	243	234	254	267	301	248	205	206	207	262
Public works:										
Miles streets resurfaced	7.80	0.83	1.41	0.40	0.00	0.00	0.00	0.00	0.00	0.00
Parks:										
Jr. Lifeguard Participants	152	160	163	162	165	160	185	185	120	120
Swimming pool admissions	43,600	36,200	39,100	37,400	35,500	33,696	31,984	31,000	31,000	31,000

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

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	2	2	2	2	2	2	2	2	2	2
Public works:										
Miles of streets	33	33	33	33	33	33	33	33	33	33
Streetlights	630	630	630	630	630	630	630	630	630	630
Traffic signals	3	3	3	3	3	3	3	3	3	3
Parks:										
Community centers										
Parks	11	11	11	11	11	11	12	12	12	12
Park acreage	98	98	98	98	98	98	100	100	100	100