AGENDA SECTION – CONSENT
AGENDA ITEM # 7
REPORT # 12-14

STAFF REPORT
COUNCIL MEETING DATE:
February 13, 2012

ITEM FOR COUNCIL CONSIDERATION: Independent Auditor's Report 2010-11

Report prepared by: **John Thornberry, Administrative Services Director**

Department: Administrative Services

Signature

Reviewed by:

City Manager _____
Signature

ACTION ITEM ___; NON-ACTION ITEM _x_

STAFF RECOMMENDATION: Receive and file the Independent Auditors Report for fiscal year 2010-11

MOTION: None Required

I. BACKGROUND:

The auditors have issued an unqualified opinion of the financial statements in the Comprehensive Annual Financial Report (CAFR), meaning that, in their opinion, the statements present fairly, in all material respects, the financial position of the City in conformity with generally accepted accounting principles.

The auditors have reported no adverse findings or conditions.

The City was awarded the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the 2009-10 fiscal year. This was the thirteenth consecutive year that the City's CAFR has been awarded this Certificate. We believe that the 2010-11 CAFR continues to meet the Certificate of

Achievement Program's requirements and it has been submitted to the GFOA to determine its eligibility for another certificate.

The CAFR has been distributed to Councilmembers under separate cover. It can also be viewed on the web via the following link:

http://www.ci.carpinteria.ca.us/admin_services/index.shtml.

II. FINANCIAL CONSIDERATIONS:

Exhibit A attached is a schedule showing final budgeted fund balances, actual audited results and variances to budget for each fund.

General Fund revenues and Transfers In for the year were $434K, or 5.8% favorable to budget. The following table summarizes the major categories of revenue and their performance against the final budget.

Category	Budget	Actual	Variance
Property Tax	$2,583,816	$2,581,797	($2,019)
Sales Tax	1,449,000	1,610,860	161,860
TOT	1,250,000	1,306,033	56,033
Franchise Taxes	530,865	594,460	63,595
Other Taxes	82,000	98,737	16,737
Licenses Permits	117,200	123,567	6,367
Fines & Forfeits	94,658	75,347	(19,311)
Interest	218,819	144,217	(74,602)
Subventions	61,900	50,588	(11,312)
Charges for Services	218,000	255,873	37,873
Miscellaneous	9,200	8,089	(1,111)
Transfers In	948,475	1,148,505	200,030
Total	**$7,563,933**	**$7,998,073**	**$434,140**

Total General Fund expenses and transfers out were ($469,059) or 5.9% unfavorable to budget. The ending General Fund available fund balance (AFB) is $5,805,990. The AFB is ($122,950) unfavorable to the Final Budget estimate of $4,928,940.

The General Fund net loss from operations for the year was ($446,661). In addition ($88,031) was required to be moved from the AFB to non-spendable and restricted General Fund reserves. As a result the beginning AFB of $5,340,682 declined ($534,692) to $4,805,990.

III. ATTACHMENTS:

Exhibit A

	Budget AFB	Audited AFB	Variance
TOTAL	$8,154,151	$8,502,794	$348,643
GENERAL FUND	4,928,940	4,805,990	(122,950)
TRAFFIC SAFETY FUND	2,238	0	(2,238)
GENERAL RESERVE FUND	1,122,307	1,042,447	(79,860)
REVOLVING FUND	0	0	0
REPLACEMENT FUND	32,238	32,238	0
PARK DEVELOPMENT FUND	0	0	0
PARK MAINTENANCE FUND	0	0	0
GAS TAX FUND	140,498	169,734	29,236
LOCAL TRANSPORTATION FUND	13,630	13,630	0
MEASURE A FUND	356,361	106,969	(249,392)
TIDELANDS TRUST FUND	86,073	56,449	(29,624)
STREET LIGHTING FUND	684,434	769,655	85,221
TRUST & AGENCY FUND	0	0	0
R-O-W ASSESSMENT DIST FUND	0	0	0
PBIA FUND	11,774	19,153	7,379
AB 939 FUND	193,528	259,236	65,708
MEASURE-D FUND	582,130	1,227,293	645,163
CAPITAL IMPROVEMENT FUND	0	0	0
RECREATION SERVICES FUND	0	0	0

Exhibit A