

COMPREHENSIVE  
ANNUAL  
**FINANCIAL**  
REPORT

FISCAL YEAR ENDED  
JUNE 30, 2012

EXTRAORDINARY SERVICE TO THE CITIZENS WE SERVE IS OUR PURPOSE AND PRODUCT



**CITY OF THOUSAND OAKS, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2012**



**Prepared by  
Finance Department**

**John F. Adams  
Finance Director/City Treasurer**

**CITY OF THOUSAND OAKS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For The Fiscal Year Ended June 30, 2012**

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## INTRODUCTORY SECTION

- Letter of Transmittal
- Certificate of Achievement – Government Finance Officers Association
- Organization Chart with City Officials

John F. Adams  
Finance Director/Treasurer

December 17, 2012

Honorable Mayor, Members of the City Council, City Manager,  
and Citizens of Thousand Oaks:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Thousand Oaks, California for the fiscal year ended June 30, 2012. The format and content of this CAFR comply with the principles and standards of accounting and financial reporting adopted by the Governmental Accounting Standards Board (GASB) and contains all information needed for readers to gain a reasonable understanding of City of Thousand Oaks' financial affairs.

## **INTRODUCTION**

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

Lance, Soll and Lunghard, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City's financial statements for the fiscal year ended June 30, 2012. The independent auditors' report is located at the front of the financial section of this report.

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

## **CITY OF THOUSAND OAKS PROFILE**

Located approximately 40 miles northwest of Los Angeles, halfway between the cities of Los Angeles and Santa Barbara, the City of Thousand Oaks is the second largest city in Ventura County, with an estimated population of 128,031, as of January 1, 2012. Twelve miles inland from the Pacific Ocean and nestled against the pristine Santa Monica Mountains to the south, the City is surrounded by a ring of more than

56 square miles of open space with rolling green hills that are legally protected by public ownership from future development.

Thousand Oaks was incorporated on October 7, 1964, as a general law city. The City operates under a City Council - City Manager form of government and provides traditional municipal and public enterprise services, which are listed below:

Municipal Services

Highways and streets  
Public safety  
Library and cultural  
Planning and zoning  
Housing/community development  
General administrative support

Public Enterprise Services

Water  
Wastewater (sewer)  
Golf course  
Transportation  
Solid waste management  
Theatres

The City Council consists of five members elected by the community at large and selects the Mayor from its members, generally, for a one-year term. City Council terms are four years with elections held every two years. The City Council appoints the City Manager and City Attorney. An organization chart listing the names of the City Council members and other City officials, as of June 30, 2012, is included at the back of the Introductory Section of the CAFR.

In December 2011, the California Supreme Court ruled to eliminate redevelopment agencies effective February 1, 2012. The Thousand Oaks Redevelopment Agency (Agency) was a financial reporting component unit of the City. The City reported the first seven months financial activity of the Agency.

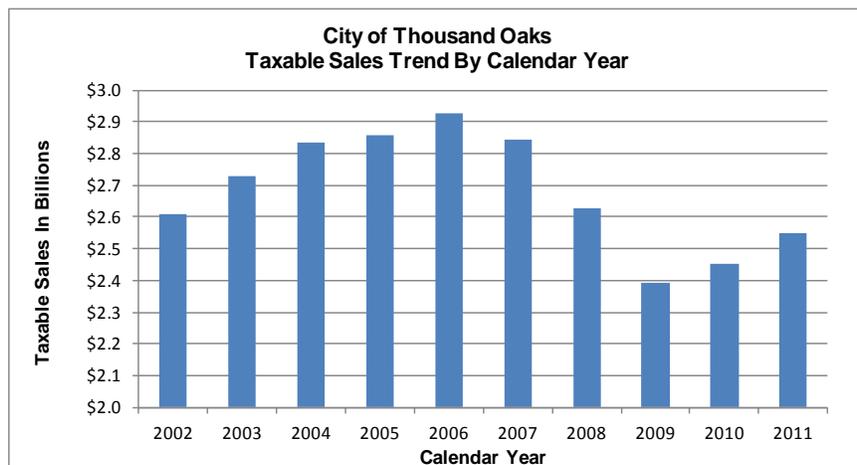
Per the City's Municipal Code, the City Manager is required to "prepare and submit the annual budget to City Council and be responsible for its administration after adoption." The City Manager presents two proposed annual budgets to City Council for review and adoption. The biennial budget is consistent with Generally Accepted Accounting Principles (GAAP). All governmental funds are budgeted and accounted for using the modified accrual basis of accounting. Proprietary fund revenues and expenses are budgeted and recognized on an accrual basis. The budgetary level of control for all governmental fund types is at the fund level.

Primary responsibility for financial administration of the City rests with the Finance Director/City Treasurer. He is appointed by the City Manager and is responsible for establishing and maintaining the accounting and management information systems for the City. He is also responsible for the receipt, investments, and disbursement of all City funds.

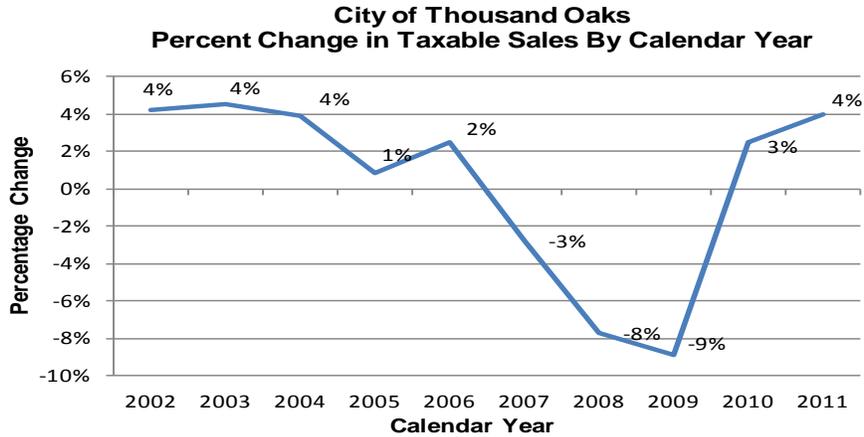
## FISCAL/ECONOMIC CONDITIONS AND OUTLOOK

The City of Thousand Oaks incorporated without a general municipal property tax<sup>1</sup>; however, the City now receives a small portion of the local property tax revenue. Due to this, the City relies on a strong mix of General Fund revenue sources including sales tax, transient occupancy tax, vehicle license fees, business license tax, building/engineering permit fees, service charges, and investment earnings. The Water, Wastewater, Golf Course, Transportation, and Solid Waste Management enterprises are self-sustaining through user fee charges. The Theatres enterprise fund is currently unable to cover operating costs with operating revenues, therefore City Council authorized the General Fund to cover its deferred maintenance, and the Fund's net assets to cover its operating deficit.

Sales tax revenue remains the primary General Fund revenue source and provides for 37 percent of general municipal services such as public safety, street maintenance, and code enforcement. The City has been successful in developing a diverse retail base that maximizes sales tax revenue and generally offsets cyclical economic elasticity. While the City's retail sales began to decline slightly in December 2007, prior to the Great Recession, sales declined significantly in 2008 and 2009 along with the rest of the nation. However, following the end of the recession in June 2009, the strength of the local economy was evident as taxable sales have continued to grow in 2011. The local retail market's taxable sales increased by 4 percent, or \$97 million, from \$2.454 billion in 2010 to \$2.551 billion in 2011, due to improved automotive sales and increased restaurant sales.



<sup>1</sup> The state property tax allocation system developed in 1979 in response to Proposition 13 continues to be the basis for the property tax allocation among local governments today. Since 1979, one significant change to the original property tax shares contained in AB 8, relates to the so-called "no and low property tax cities." Certain cities that did not levy a property tax, levied only a very low property tax, or were not incorporated as cities prior to the passage of Proposition 13 were not allocated a significant share of the property tax under AB 8. The Legislature has acted to gradually increase the share of property taxes going to these cities, including Thousand Oaks. **Source:** State of California Legislative Analyst's Office



Taxable sales data is directly tied to economic activity and trends in the City and the health of the General Fund’s primary revenue source. The current data indicates that consumers are continuing to show confidence and increase their spending slightly over the past year, despite weak job growth and the volatile stock market.

According to MDA DataQuick Information Systems (“DataQuick”), in the six counties that constitute Southern California (Ventura, Imperial, Los Angeles, Orange, Riverside, and San Diego), the median home sales price was \$290,000 in April 2012, a 3.6 percent increase compared to median sales price of \$280,000 in April 2011. April 2011 was the first time in sixteen months that a year-over-year increase in housing prices was recorded. This was 17.4 percent above the low point for the current real estate cycle, \$247,000 in April 2009, yet was still 42.6 percent below the \$505,000 peak in mid 2007.

In Ventura County, the median sales price in April 2012 was \$360,500, representing a 1.5 percent year-over-year increase from the median price of \$355,000 in April 2011. DQnews reported the median sales price for Thousand Oaks at \$491,000 in April 2012, about 2.9 percent more than the median sales price of \$477,000 in April 2011.

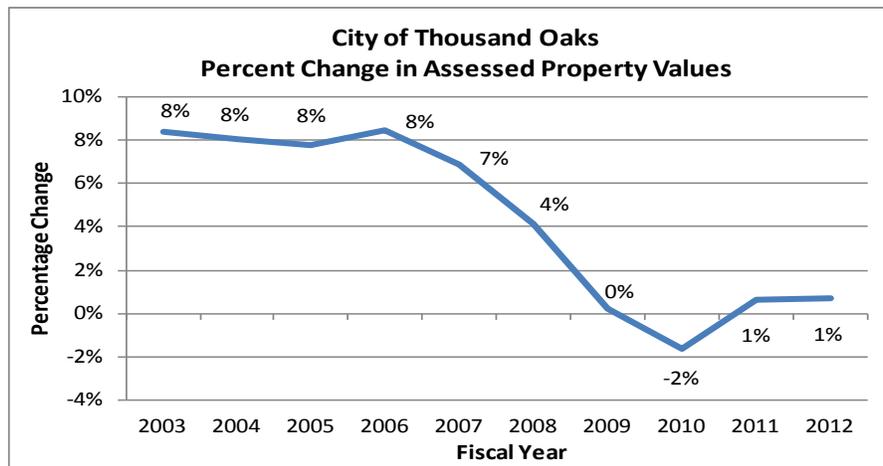
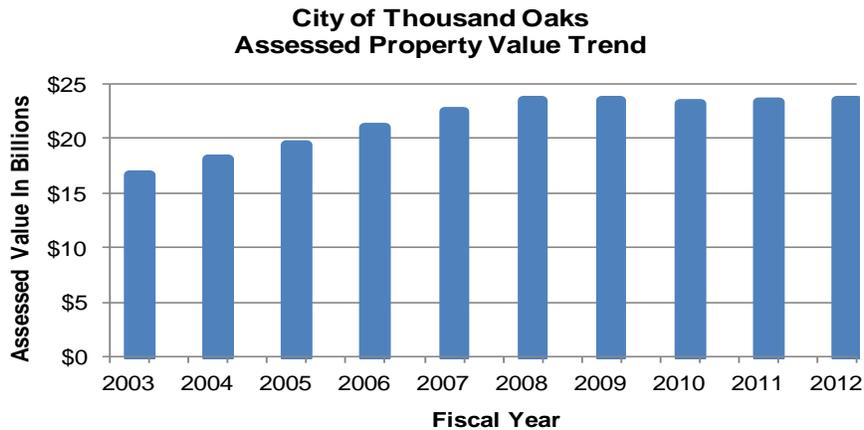
Realty Trac, reported that statewide there was an increase in foreclosure activity of 8 percent in the 1<sup>st</sup> Quarter of 2012, from the 4<sup>th</sup> Quarter of 2011. The current activity level is roughly on par with the 1<sup>st</sup> Quarter of 2011, with foreclosed homes sold constituting 26 percent of all sales activity versus 25 percent in the 1<sup>st</sup> Quarter of 2011.

The Los Angeles Times reported that in April foreclosed home sales constituted 28.6 percent of sales activity in California, down from 33.8 percent a year earlier. By way of comparison, statewide foreclosure activity peaked at 56.7 percent of all sales activity in February 2009.

Distressed sales, the combination of foreclosure resales and “short” sales (a short sale is a sale where the sale price is less than the amount of the balance of the mortgage), made up about 47.0 percent of the resale market in California, the lowest level since April 2008, when figures made up 45.1 percent.

A precursor to foreclosures is Notice of Default (NOD) activity (a NOD is the initiation of the foreclosure process). In a continued positive sign for the County, the number of NODs issued in the County decreased by 11.7 percent from the 1<sup>st</sup> Quarter of 2011 to the 1<sup>st</sup> Quarter of 2012. This followed a 12.5 percent year-over-year decrease from the 1<sup>st</sup> Quarter of 2010 to the 1<sup>st</sup> Quarter of 2011.

As the graphs below indicate, the City of Thousand Oaks’ assessed property has maintained its value quite well compared to other cities across California and the nation. This is due to the slow growth over the last decade, the maturity of the City, and the desirable location.



Foreclosures are diminishing, however they remain at historically high rates, housing prices appear to be stabilizing, and sales activity is increasing, particularly in coastal

counties. Interest rates remain at historic lows, but credit conditions are still relatively tight, particularly in the Jumbo Loan market. Investor and cash sales are still double historic levels. The outlook for sales prices remains uncertain, as does the outlook for the labor market, and overall economic conditions.

Recent economic data has been mixed, calling into question the strength and rate of the recovery going forward. One bright spot has been the continuing strength of auto sales, also evidence that credit conditions have loosened in this area.

The pace of job creation has been muted relative to other post-recession recoveries. Government, traditionally relied on to help sustain recoveries, is actually reducing workers due to ongoing budget problems, which are likely to continue at the national and state level. Until there is a meaningful reduction in unemployment nationwide, there will continue to be a drag on consumer spending, housing purchases, and demand for commercial space. There was a fairly dramatic drop in the County unemployment rate from 9.7 percent in April 2011 to 8.7 percent in April 2012 but this decrease did not have an effect on the nationwide consumer confidence index as it dropped from 73.7 percent in February 2012 to 62.0 percent in June 2012. The recession high for unemployment was over 11 percent. Historically, Ventura County has averaged an unemployment rate of around 6.5 percent.

The economy of Thousand Oaks continues to benefit from the success of the Thousand Oaks Civic Arts Plaza's two professional theatres, the popularity of the Gardens of the World, and the public's increased use of the Santa Monica National Park located on the City's southern periphery. With these attractions, the expansion of the Oaks Mall, and the number of athletic fields, courts, and pools located in the vicinity, the City, along with the Greater Conejo Valley Chamber of Commerce, Westlake Village and Agoura Hills, are in the process of forming a tourism collaborative to add to the economic vitality of the entire Conejo Valley.

As part of the City's plan to maintain its economic vitality through business activity in the various retail, manufacturing and technology fields, the emphasis on economic development will continue in four areas: 1) Business retention, 2) Protection of the community's local retail base, 3) Increase in the local job base, with an emphasis on jobs being filled by local residents, and 4) Provision of specific business assistance services through the Economic Development Collaborative-Ventura County. Business attraction will play a more limited role, with a focus on those companies which, by their presence, will strengthen the existing job base with better paying jobs and/or offer a component to the local economy that enhances its balance.

## **LONG TERM FINANCIAL PLANNING**

In anticipation of the future financial challenges created by reaching build-out, the City adopted a Financial Strategic Plan (Plan) in February 2005 for the General Fund that forecasted activity through fiscal year 2012-13. In June 2007, City Council directed expansion of the Plan to examine the City as a whole and include the City's

major funds. The Plan has proven to be an invaluable tool, providing early warnings of potential structural deficits, allowing staff to analyze and recommend various reductions in allocations to maintain balanced budgets, and providing City Council with time to be proactive and develop the course to maintain services, while reducing costs. As a result, the General Fund experienced an increase in net assets of \$1.6 million in fiscal year 2011-12.

The City's strong creditworthiness is reflected by Standard and Poor's (S&P) AAA and AA+ ratings for its 2010 Wastewater Revenue Refunding Bonds and 2010 Public Financing Authority Refunding Lease Revenue Bonds, respectively, as of June 30, 2012. The rating for the Public Financing Authority Refunding Lease Revenue Bonds was based on the City's strong general creditworthiness and its covenant to budget and appropriate the underlying lease payments. The City's creditworthiness was determined by the stable assessed value of the residential community, above-average income and wealth indicators, and the City's history of strong unreserved fund balance. The rating for the Wastewater Revenue Refunding Bonds was based on a primarily residential system with healthy income indicators, adequate treatment capacity combined with the City's nearly built-out status, and strong debt service coverage and liquidity.

To support the City's commitment to long term financial planning, City Council has adopted extensive financial policies, including a General Fund 20 percent reserve policy (15 percent working capital reserve and a 5 percent emergency reserve) and a new fund balance policy in compliance with GASB Statement No. 54, which provides clearer fund balance classifications. In compliance with the City's Governmental Fund Balance Policy for the General Fund, the City designated \$18.3 million towards reserves, meeting the City's policy objectives.

## **SIGNIFICANT EVENTS AND ACCOMPLISHMENTS**

Thousand Oaks is a self-contained community that meets the commercial, retail, social, cultural, recreational, and educational needs of its citizens and businesses. As a result, entertainment, education, recreational facilities, open space, and attractive, safe streets and neighborhoods are important aspects of our community.

The Thousand Oaks Civic Arts Plaza has been home to City Hall and the performing arts since its opening in October 1994. Even under current economic conditions, the theater complex continues to provide a variety of quality programs including performances of theatre, dance, classical music, popular entertainment, Broadway musicals and other public events. Despite an operating loss of \$0.6 million, or approximately 34.3 percent of total net assets, during the fiscal year, the theatres finished their eighteenth year of operations with net assets of \$1.2 million. To ensure that the theatres are a continuing and viable enterprise, staff has revisited the theatres user fees, production scheduling process, and entertainment selection during this fiscal year.

Recreational facilities remain a priority as evidenced by a close supportive working relationship between the City and the Conejo Recreation and Park District (CRPD). Along with a commitment to parks and recreational facilities, a City priority is the acquisition and preservation of open space. The City and CRPD formed Conejo Open Space Conservation Agency (COSCA), a joint powers authority, entrusted with the responsibility of preserving, protecting and managing open space resources in the Conejo Valley. In total, the City has more than 15,125 acres dedicated to open space, which represents nearly 40 percent of all land in the planning area of the City of Thousand Oaks.

The City's Los Robles Greens Golf Course (LRGGC) provides a high quality facility with reasonable fees for the City's golfers and a beautiful banquet facility for special events. Under the management of EAGLE Golf, LRGGC continues to operate with a modest operating gain, while other municipal facilities struggle for survival. The City is currently working on incorporating an outdoor event area on a parcel of land adjacent to the clubhouse. Amenities will include a restroom/brides room, catering kitchen, stage, and an outdoor patio and dining area.

The City of Thousand Oaks has a strong commitment to its residents' safety, security, well-being, and cultural activities. During the past decade, Thousand Oaks has continually been recognized as one of the safest cities with a population of more than 100,000. In June 2012, the City received the distinction of being the third safest city in California and the sixth safest U.S. city for cities with populations between 100,000 and 500,000 nationwide. This has significant implications as far as attracting and retaining businesses, the community's quality of life, and reduced cost of law enforcement to the City. Additionally, the City actively contributes to the well-being and cultural enhancement of its community as evidenced by the approximately \$185,000 in Social Services and Community Events Endowment Fund grants awarded in fiscal year 2011-12 to a variety of organizations such as Conejo Valley Senior Concerns, Society of Saint Vincent De Paul, Conejo Recreation and Park District, County of Ventura HAS, Manna, Kingsman Shakespeare Company, Cabrillo Music Theatre, New West Symphony, Performances to Grow On, Conejo Civic Ballet, Conejo Schools Foundation, Conejo Valley Youth Orchestra, and to music and sports programs at Thousand Oaks, Newbury Park, and Westlake Village high schools, as well as the City's middle schools.

The City and its citizens also have a commitment to the physical enhancement of Thousand Oaks Boulevard (Boulevard), the community's central core. In January 2005, Boulevard property owners within the three-mile area between Conejo Road on the west and Duesenberg Drive on the east, voted to create a Property-Based Business Improvement District (PBID) to provide a stable revenue source to address the redevelopment of some Boulevard properties, upgrades to others, and needed amenities to the area to make it more appealing to shoppers. In November 2011, City Council adopted the Thousand Oaks Boulevard Specific Plan establishing design, development and land use standards for properties along the Boulevard

between Moorpark Road and Duesenberg Drive, as well as public streetscape improvements.

In June 2012, the City was presented with the 2012 Central Coast American Planning Association Award in the category of “Hard Won Victories.” This award was based on over twenty years of studies and planning efforts by the City to revitalize Thousand Oaks Boulevard. The City then submitted the Thousand Oaks Boulevard Specific Plan to the State American Planning Association and was presented with an award in the same category of “Hard Won Victories” in October 2012.

## **SIGNIFICANT CITY RECOGNITION**

The City’s Grant R. Brimhall Library, which opened in 1982, celebrated its 30<sup>th</sup> anniversary in January 2012. The 62,000 square foot building was expanded in June 2006 (additional 22,000 square feet) to accommodate an improved Children’s Services area, quiet study rooms, and additional seating and shelving capacity.

Hill Canyon Treatment Plant was recognized by the California Occupational Safety and Health Administration (CAL/OSHA) for exemplary safety practices and awarded Safety and Health Achievement Recognition Program (SHARP) status. This award is presented to high-hazard employers who developed and maintained an advanced health and safety program that meets or exceeds State and Federal OSHA requirements. The City of Thousand Oaks is the first public agency in the state of California to receive SHARP status.

In May 2012, Kiplinger.com named the City of Thousand Oaks as its No.4 “Top Ten Great Cities to Raise Your Kids” stating that kids can attend top-rated schools, which California ranks among the top ten percent of schools in the state, have access to the City’s extensive park system and despite the City’s proximity to Los Angeles, crime rates are low.

The Thousand Oaks Wastewater Division was awarded the “Collection System of the Year” Award for a system with over 500 miles of lines by the California Water Environment Association. Judging criteria was primarily based on no loss of staff time due to accidents for over four years, a written emergency plan, safe job practices, standard operating procedures, and over 90 percent of employees professionally certified.

In June 2012, the City of Thousand Oaks won the Western Chapter International Society of Arborist’s (WCISA) Gold Leaf Project of the Year Award for “Outstanding Landscaping Beautification Project.” The award-winning landscape project focused on the City’s most recent removal and replacement of the historic Heritage Valley Oak located at Westlake Boulevard and Triunfo Canyon Road.

## **AWARDS**

### *Comprehensive Annual Financial Report:*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the twenty-second consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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. A copy of the certificate for the fiscal year ended June 30, 2011, is included in the Introductory Section of this CAFR.

### *Operating and Capital Budget:*

The GFOA awarded the Certificate of Achievement for Distinguished Budget Presentation to the City for its Operating and Capital Budgets for fiscal years 2011-12 and 2012-13. In order to be awarded a Certificate of Achievement, a government unit must publish budget documents of the highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's recommended practices on budgeting. The GFOA Certificate of Achievement is valid for the two years of the biennial budgets submitted for the award.

The California Society of Municipal Finance Officers (CSMFO) awarded the Certificate of Excellence in Budgeting to the City for its Operating and Capital Budgets for fiscal years 2011-12 and 2012-13. In order to be awarded a Certificate of Excellence, a government unit must receive a minimum of seventy points out of an eighty point maximum based on guidelines established by the CSMFO. The CSMFO Certificate of Excellence is valid for the two years of the biennial budget submitted for the award.

## **ACKNOWLEDGEMENTS**

Preparation of a financial report of this scope would not be possible without the support and leadership of the City Council, the Finance/Audit Committee, and City management. The cooperation of the various departments and the efforts of the entire staff of the Finance Department, and our auditors, Lance, Soll and Lunghard, LLP. Special thanks must go to Accounting Manager Fay Menkin, Budget Officer Brent Sakaida, Senior Accountants May Ju and Elisa Magana, Senior Financial

Analyst Jaime Boscarino, and Accountant Margarita Barragan for their extensive work in the preparation of this report. Additional thanks go to other members of the Finance Department who assisted with the report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John F. Adams". The signature is fluid and cursive, with a large initial "J" and a long, sweeping horizontal line at the end.

John F. Adams  
Finance Director/City Treasurer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Thousand Oaks  
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.



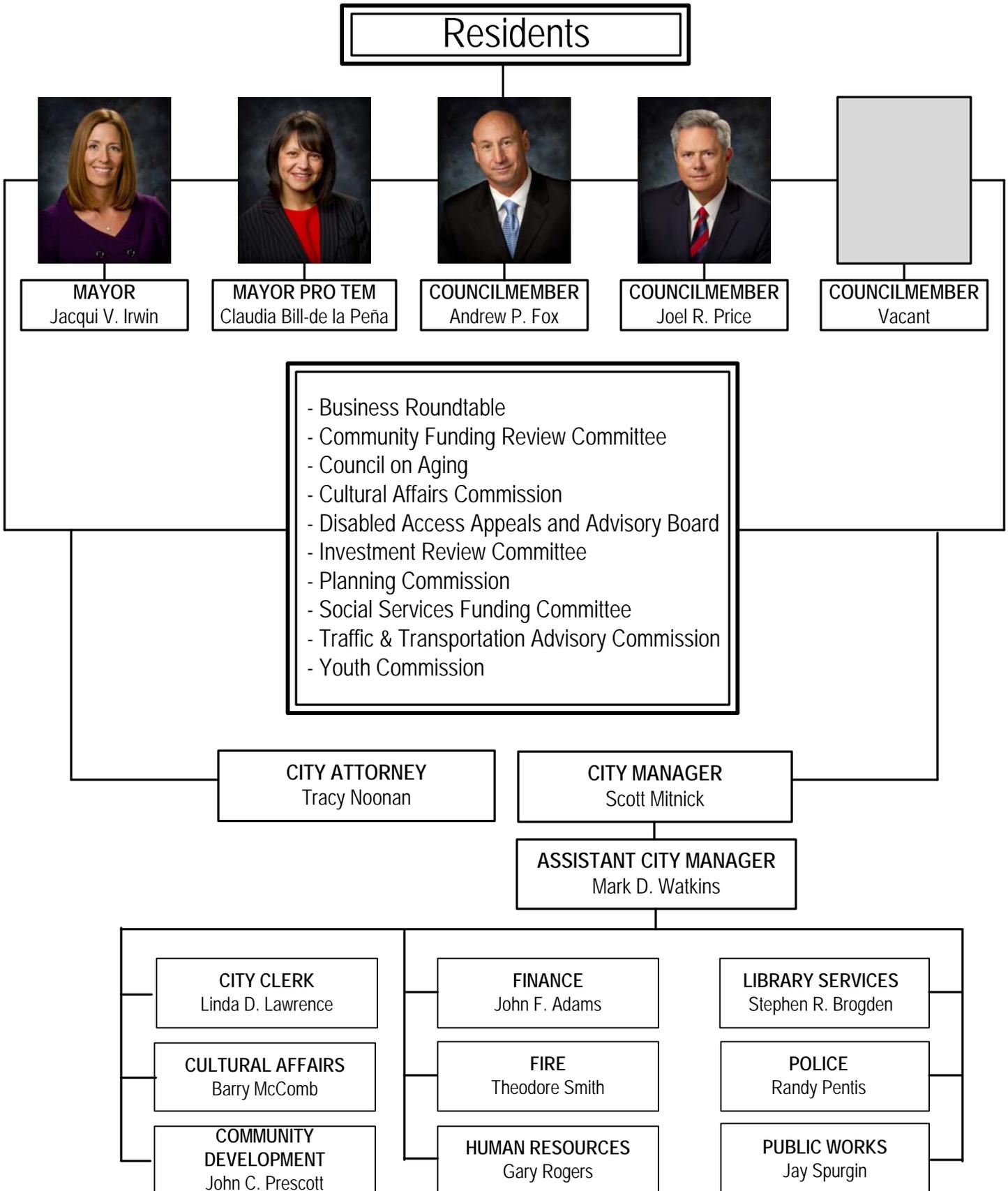
*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director

# CITY OF THOUSAND OAKS





# FINANCIAL SECTION

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining Financial Statements and Schedules

City of Thousand Oaks  
Year Ended June 30, 2012

# **Independent Auditors' Report**



CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP  
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council  
City of Thousand Oaks, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Thousand Oaks, 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 City of Thousand Oaks management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Thousand Oaks, California, as of June 30, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Library and State Gas Tax Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We would like to draw the reader's attention to Note 17 – "Successor Agency Trust for Assets of Former Redevelopment Agency". The note provides information on the dissolution of the Redevelopment Agency and the new formed Successor Agency.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2012, on our consideration of the City of Thousand Oaks, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents 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.



To the Honorable Mayor and Members of the City Council  
City of Thousand Oaks, California

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

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

*Lance, Solt & Loughard, LLP*

Brea, California  
December 17, 2012

# **Management's Discussion and Analysis**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Thousand Oaks (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on pages iii-xiii of this report. Comparative data on the government-wide financial statements is only presented in Management's Discussion and Analysis.

### FINANCIAL HIGHLIGHTS

#### Government-wide

- On June 30, 2012, City assets exceeded its liabilities by \$803.2 million (net assets). Of this amount, \$183.9 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors (Page 7).
- City total net assets decreased \$12.9 million during the fiscal year. Governmental activities net assets decreased \$15.8 million compared to the prior fiscal year's minimal increase of less than \$0.1 million (Pages 8-11). Business-type activities increased \$2.9 million compared to the prior fiscal year's increase of \$3.5 million (Pages 11-13).

#### Fund Based

- At the close of fiscal year 2011-12, governmental funds reported combined ending fund balance of \$135.5 million, a decrease of \$52.6 million compared to the prior fiscal year's decrease of \$3.0 million, primarily due to Thousand Oaks Redevelopment Agency (Agency) dissolution (see note 17 for more details). The ending fund balance is primarily identified as: \$33.5 million restricted (25 percent), \$30.6 million committed (23 percent), and \$69.6 million assigned (51 percent) (Page 13).
- At the close of fiscal year 2011-12, fund balance for the General Fund was \$80.4 million consisting primarily of \$29.1 million in committed funds and \$49.8 million in assigned funds (Pages 13-14).
- At the close of fiscal year 2011-12, General Fund revenues, including transfers and proceeds from sale of properties, were \$68.1 million compared to the final budget of \$65.8 million. Total revenues were \$2.1 million higher than the prior fiscal year's revenues of \$66.0 million (Pages 14-15).
- At the close of fiscal year 2011-12, General Fund expenditures, including transfers out, were \$66.5 million. Fund balance increased by \$1.6 million due to revenues being higher than budget and actual expenditures being less than budgetary estimates (Page 16).

- At the close of fiscal year 2011-12, Library Fund revenue, excluding transfers in, were \$5.8 million. Revenue decreased \$0.4 million primarily due to the elimination of the County Participation agreement (Page 17).
- At the close of fiscal year 2011-12, proprietary funds reported combined ending unrestricted net assets of \$70.6 million, an increase of \$3.0 million compared to the prior fiscal year (Page 18).
- At the close of fiscal year 2011-12, the City had three material construction commitments evidenced by contractual commitments with contractors: 1) \$10.4 million (\$2.6 million spent to date) for Wendy Drive/101 freeway interchange improvements, funded by State Gas Tax revenue, Federal Highway Administration grant, and Wendy Drive/101 freeway interchange developer fee revenue, 2) \$8.6 million (\$8.4 million spent to date) for citywide pavement overlay projects, funded by State Gas Tax revenue and a Proposition 1B grant, and 3) \$1.7 million (no expenses to date) for interceptor improvements phase IV, funded by Wastewater fee revenue.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### **Government-wide financial statements**

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

The statement of net assets presents information on all of the City'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 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 related cash flows. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid (e.g., earned but unused vacation leave or uncollected taxes).

Government-wide financial statements distinguish City governmental activities that are principally supported by taxes and intergovernmental revenues from other business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities of the City and the Thousand Oaks Redevelopment Agency (Agency), a blended component unit, include general government, public safety, transportation, community development, and culture and leisure. Business-type activities of the City include water, wastewater, golf course,

transportation, solid waste management, and theatres operations. The government-wide financial statements can be found on pages 23-25 of this report.

### **Fund financial statements**

Fund financial statements are designed to report information about groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains several individual governmental funds organized by their type (special revenue, debt service, and capital projects funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Library, State Gas Tax, Thousand Oaks Redevelopment Agency Debt Service, Thousand Oaks Redevelopment Agency Capital Projects, Capital Improvements, and Thousand Oaks Housing Successor, funds which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements shown on pages 94-106.

The City adopts a biennial appropriated budget for its General Fund and special revenue funds. Budgetary comparison statements have been provided to demonstrate compliance with this budget on pages 32-34.

The basic governmental funds financial statements can be found on pages 26-31 of this report.

**Proprietary funds** are generally used to account for services for which the City charges outside customers or internal departments of the City. Proprietary funds provide the same type of information as shown in the government-wide statements, only in more detail. The City maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of water, wastewater, golf course, transportation, solid waste management, and theatres.
- **Internal service funds** are used to report activities that provide internal services for the City. The City uses internal service funds to account for its liability, workers' compensation, and vision insurance coverage. Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements found on pages 107-110.

The basic proprietary fund financial statements can be found on pages 35-40 of this report.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the City's own programs.

The basic fiduciary fund financial statements can be found on page 41-42 of this report.

### **Notes to basic financial statements**

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 43-91 of this report.

### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information (RSI) concerning the City's progress in funding its obligation to provide other post-employment pension benefits to its hourly and full-time employees. RSI can be found on pages 92-93 of this report.

Combining statements for non-major governmental funds, internal service funds, and agency funds are presented immediately following the RSI. Combining financial statements and schedules can be found on pages 94-117 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. City assets exceeded liabilities by \$803.2 million at the close of fiscal year 2011-12 as summarized below:

Statement of Net Assets						
June 30, 2012						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Assets:</b>						
Current and other assets	\$ 203,064,369	\$ 259,371,180	\$ 85,670,468	\$ 82,606,560	\$ 288,734,837	\$ 341,977,740
Capital assets (net of depreciation)	<u>437,336,490</u>	<u>469,393,787</u>	<u>184,368,454</u>	<u>187,130,427</u>	<u>621,704,944</u>	<u>656,524,214</u>
Total assets	<u>640,400,859</u>	<u>728,764,967</u>	<u>270,038,922</u>	<u>269,736,987</u>	<u>910,439,781</u>	<u>998,501,954</u>
<b>Liabilities:</b>						
Current and other liabilities	42,278,984	47,456,473	10,009,556	9,754,178	52,288,540	57,210,651
Noncurrent liabilities outstanding	<u>22,648,074</u>	<u>90,016,315</u>	<u>32,316,090</u>	<u>35,141,942</u>	<u>54,964,164</u>	<u>125,158,257</u>
Total liabilities	<u>64,927,058</u>	<u>137,472,788</u>	<u>42,325,646</u>	<u>44,896,120</u>	<u>107,252,704</u>	<u>182,368,908</u>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	424,876,492	436,968,437	153,889,583	153,821,273	578,766,075	590,789,710
Restricted	38,380,982	46,508,324	2,093,726	2,196,556	40,474,708	48,704,880
Unrestricted	<u>112,216,327</u>	<u>107,815,418</u>	<u>71,729,967</u>	<u>68,823,038</u>	<u>183,946,294</u>	<u>176,638,456</u>
Total net assets	<u>\$ 575,473,801</u>	<u>\$ 591,292,179</u>	<u>\$ 227,713,276</u>	<u>\$ 224,840,867</u>	<u>\$ 803,187,077</u>	<u>\$ 816,133,046</u>

The largest portion (72 percent) of the City's net assets reflects its investment of \$578.8 million in capital assets (land, buildings and improvements, equipment, intangibles, infrastructure, and construction in progress, net of accumulated depreciation), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net assets of \$40.5 million (5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$183.9 million (23 percent) may be used to meet the government's ongoing obligations to citizens and creditors, and to meet City imposed designations (e.g., reserves, endowments, pending litigations, contingencies, and capital projects).

Total net assets decreased \$12.9 million primarily due to Agency dissolution, as well as Agency transfer from governmental activities to a fiduciary fund.

At the end of fiscal year 2011-12, the City shows positive balances in all three categories of net assets, for the government as a whole, as well as for its separate governmental activities and business-type activities.

## Statement of Activities

The statement of activities shows how the City's net assets changed during fiscal year 2011-12. Provided below is a summary of changes in net assets.

The City's net assets decreased overall by \$12.9 million during fiscal year 2011-12. These decreases are explained in the governmental and business-type activities on the following pages.

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 18,442,641	\$ 15,435,556	\$ 52,090,859	\$ 51,018,001	\$ 70,533,500	\$ 66,453,557
Operating grants and contributions	13,194,721	13,906,945	4,057,467	3,989,932	17,252,188	17,896,877
Capital grants and contributions	483,744	1,652,089	1,068,810	175,441	1,552,554	1,827,530
General revenues:						
Property tax	25,278,294	34,355,639	-	-	25,278,294	34,355,639
Sales tax	25,957,903	22,123,406	-	-	25,957,903	22,123,406
Transient occupancy tax	2,977,691	2,702,879	-	-	2,977,691	2,702,879
Franchise taxes	5,984,921	5,790,082	-	-	5,984,921	5,790,082
Business tax	1,705,654	1,708,860	-	-	1,705,654	1,708,860
Property transfer tax	634,332	588,295	-	-	634,332	588,295
Unrestricted intergovernmental	9,707,468	10,302,283	-	-	9,707,468	10,302,283
Contributions, unrestricted	3,989,070	1,535,345	-	-	3,989,070	1,535,345
Unrestricted invest./interest earnings	1,342,253	931,529	-	-	1,342,253	931,529
<b>Total revenues</b>	<b>109,698,692</b>	<b>111,032,908</b>	<b>57,217,136</b>	<b>55,183,374</b>	<b>166,915,828</b>	<b>166,216,282</b>
Expenses:						
General government	14,996,258	15,818,365	-	-	14,996,258	15,818,365
Public safety	27,853,732	27,165,601	-	-	27,853,732	27,165,601
Transportation	25,844,691	27,308,063	-	-	25,844,691	27,308,063
Community development	19,757,842	26,004,932	-	-	19,757,842	26,004,932
Culture and leisure	10,435,600	10,880,231	-	-	10,435,600	10,880,231
Interest on long-term debt	1,845,302	3,672,066	-	-	1,845,302	3,672,066
Water	-	-	20,779,897	19,430,010	20,779,897	19,430,010
Wastewater	-	-	19,022,278	18,565,664	19,022,278	18,565,664
Golf course	-	-	4,918,517	4,923,681	4,918,517	4,923,681
Transportation	-	-	4,097,237	3,764,116	4,097,237	3,764,116
Solid waste management	-	-	1,571,469	1,424,288	1,571,469	1,424,288
Theatres	-	-	4,101,536	3,716,595	4,101,536	3,716,595
<b>Total expenses</b>	<b>100,733,425</b>	<b>110,849,258</b>	<b>54,490,934</b>	<b>51,824,354</b>	<b>155,224,359</b>	<b>162,673,612</b>
Excess in net assets before other items	8,965,267	183,650	2,726,202	3,359,020	11,691,469	3,542,670
Extraordinary item - RDA dissolution (note 17)	(25,137,438)	-	-	-	(25,137,438)	-
Miscellaneous revenue	500,000	-	-	-	500,000	-
Transfers	(146,207)	(121,293)	146,207	121,293	-	-
Change in net assets	(15,818,378)	62,357	2,872,409	3,480,313	(12,945,969)	3,542,670
Net assets - beginning, as restated	591,292,179	591,229,822	224,840,867	221,360,554	816,133,046	812,590,376
<b>Net assets - ending</b>	<b>\$ 575,473,801</b>	<b>\$ 591,292,179</b>	<b>\$ 227,713,276</b>	<b>\$ 224,840,867</b>	<b>\$ 803,187,077</b>	<b>\$ 816,133,046</b>

A more detailed statement of activities is shown on pages 24-25.

**Governmental activities** decreased the City's net assets \$15.8 million compared to the prior fiscal year's minimal increase of less than \$0.1 million. Key elements of the decrease in net assets are as follows:

**Program revenues** increased \$1.1 million due to an increase of \$3.0 million in charges for services, offset by \$1.2 million decrease in capital grants and contributions and \$0.7 million decrease in operating grants and contributions. The major changes are highlighted below:

- Charges for services increased \$3.0 million primarily due to: \$1.2 million payment received in the Housing Trust Fund from developers in lieu of providing affordable housing; \$0.7 million increase in reimbursements for street-related expenses; \$0.3 million increase in cost allocation fees as a result of refining allocation factors; \$0.3 million revenue recognition for the reverse contract billing provided by Ventura County Sheriff's department; and \$0.3 million rental revenue from an affordable housing project in the Thousand Oaks Housing Successor Fund.
- Capital grants and contributions decreased \$1.2 million primarily due to the decline in developer fees. The City is reaching build-out and thus, developer activity is declining, leading to decreased developer fee revenue.
- Operating grants and contributions decreased \$0.7 million primarily due to decreased gas tax revenues of \$0.9 million, decreased Agency revenue of \$0.5 million as the result of decreased interest revenue and Agency dissolution, and \$0.3 million decrease due to the elimination of the County Participation agreement. These decreases were offset by \$0.7 million increase in American Recovery and Reinvestment Act (ARRA) grant revenue reimbursement for 401/403 Hillcrest solar project and \$0.5 million in law enforcement grants.

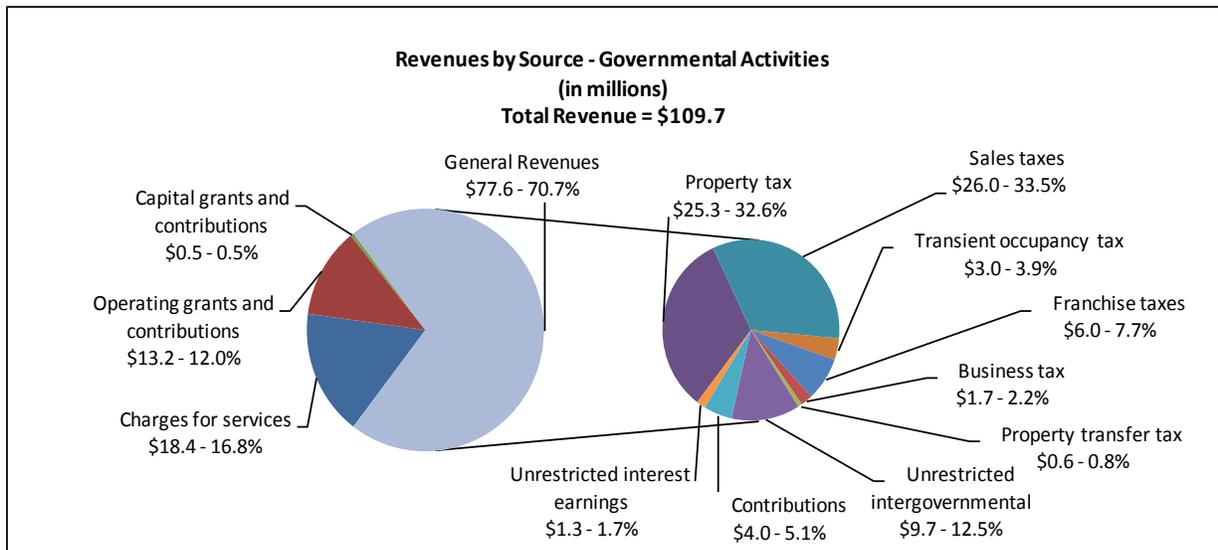
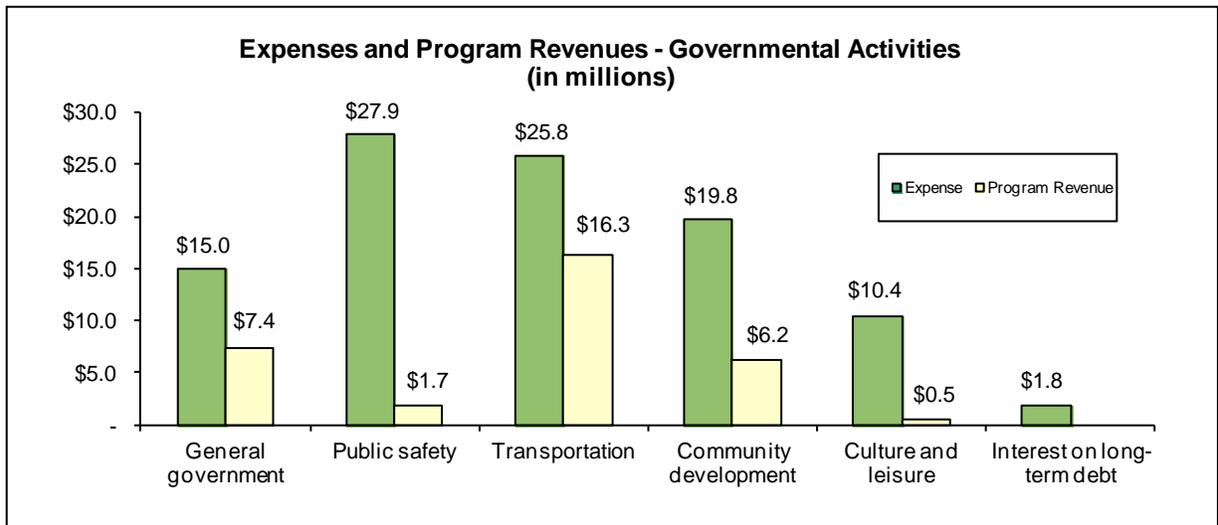
**General revenues** decreased \$2.5 million primarily due to \$9.1 million decrease in property taxes, offset by an increase of \$3.8 million in sales taxes, and \$2.5 million increase in contributions, which are highlighted below:

- Property tax revenue decreased \$9.1 million primarily due to Agency dissolution. Effective February 1, 2012, redevelopment related property tax revenues were allocated to, and recognized separately, by the Thousand Oaks Successor Agency.
- Sales tax revenue increased \$3.8 million primarily due to timing issues created by the State of California's Triple Flip which includes wide variances due to estimates and late reconciliations.
- Contributions not restricted for specific programs, consisting of City acceptance of developer donations, increased \$2.5 million compared to the prior fiscal year, primarily due to an overall increase in developer donations.

**Expenses** decreased \$10.1 million primarily due to decreases of \$6.2 million in community development, \$1.8 million in interest on long-term debt, \$1.5 million in transportation, \$0.8 million in general government, \$0.4 million in culture and leisure, offset by \$0.7 million increase in public safety. These changes are highlighted below.

- Community development expenses decreased \$6.2 million primarily due to a \$4.0 million decrease in Agency tax increment pass-throughs as a result of the Agency dissolution effective February 1, 2012. The decrease is also due to a \$1.5 million reduction in maintenance and operation costs associated with an undergrounding project that was completed in fiscal year 2010-11 and a \$0.4 million decrease in personnel costs as a result of a reduced workforce.
- Interest on long-term debt decreased \$1.8 million primarily due to tax allocation bond interest expense subsequent to February 1, 2012 being recognized separately in the Thousand Oaks Successor Agency Fund as the result of the Agency dissolution.
- Transportation expenses decreased \$1.5 million primarily due to: \$0.7 million decrease in maintenance costs from slurry seal and sidewalk repairs compared to prior fiscal year, \$0.3 million decrease in salaries and benefits due to vacant positions, and \$0.2 million decrease in Internal Service Fund expense allocation.
- General government expenses decreased \$0.8 million primarily due to a \$0.5 million decrease in amortization expenses from the Agency's deferred charges being amortized separately in the Thousand Oaks Successor Agency Fund effective February 1, 2012, and \$0.2 million decrease in fixed asset replacement charges.
- Culture and leisure expenses decreased \$0.4 million primarily due to a \$0.2 million decrease in library charges and a \$0.2 million decrease in use of asset replacement due to less equipment purchases.
- Public safety expenses increased \$0.7 million primarily due to a \$1.0 million increase in Ventura County Sheriff's department contract for police services, offset by a \$0.1 million decrease in Los Angeles County contract for animal control services.

As shown on the following page, public safety is the largest program (\$27.9 million), followed by transportation (\$25.8 million), community development, which includes the Agency, (\$19.8 million), general government (\$15.0 million), culture and leisure (\$10.4 million) and interest on long-term debt (\$1.8 million). General revenues, such as property and sales tax, are not shown by program, but are effectively used to support program activities citywide.

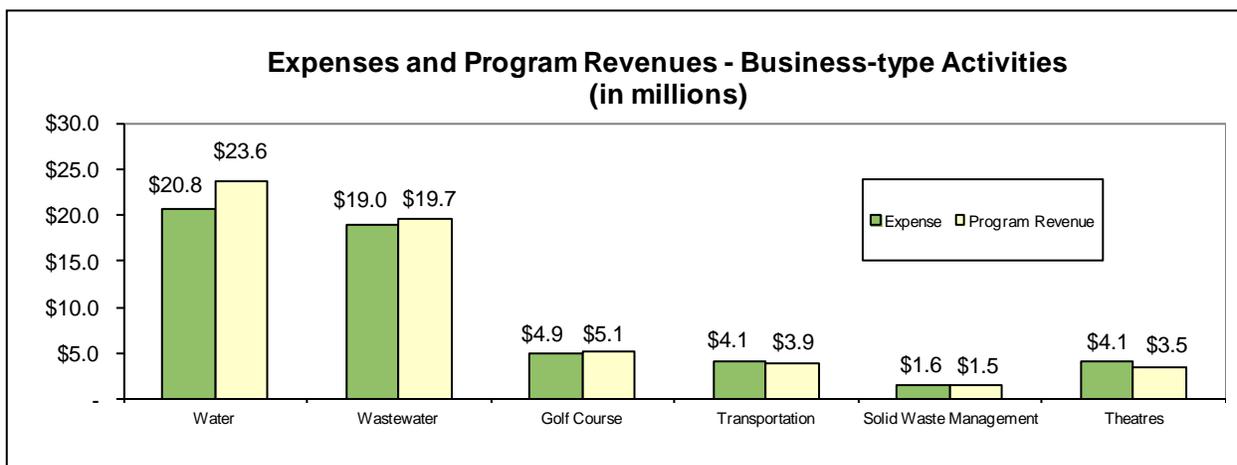


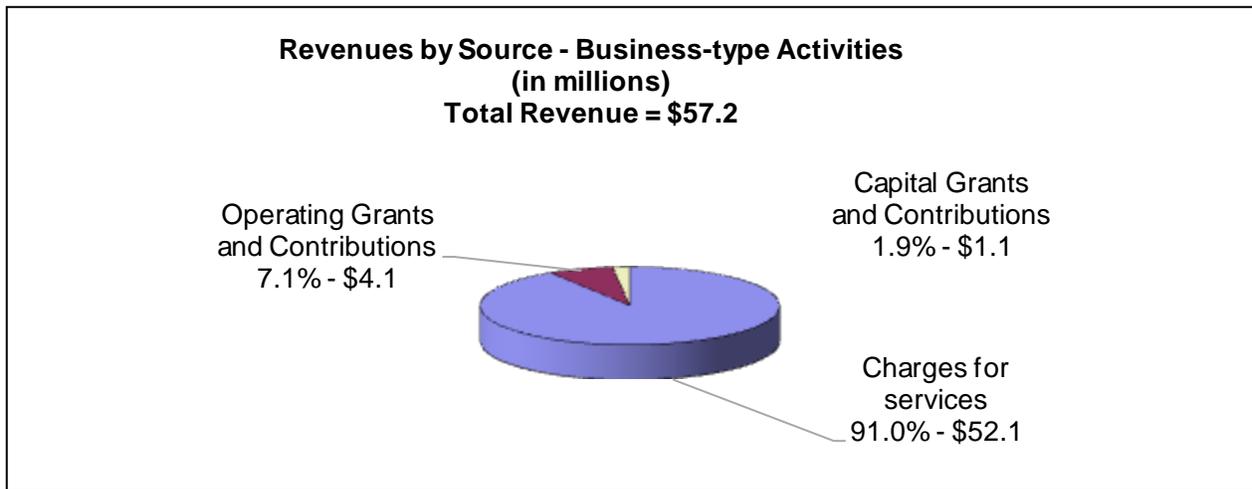
**Business-type activities** increased the City's net assets by \$2.9 million, compared to prior fiscal year's increase of \$3.5 million. This was the result of \$57.4 million in program revenues, capital contributions, and transfers, and \$54.5 million in expenses. Key elements of net asset changes from the prior fiscal year are as follows:

- Water Utility Fund's net assets increased \$2.9 million, or 5.2 percent, compared to the prior fiscal year's increase of \$2.0 million. The \$0.9 million net increase was primarily due to \$1.6 million increase in sales of water services resulting from increased water rates and \$0.5 million decrease in legal expenses, offset by \$1.3 million increase in cost of purchased water.
- Wastewater Utility Fund's net assets increased \$0.7 million, or 0.5 percent, compared to prior fiscal year's increase of \$2.0 million. This \$1.3 million net decrease was primarily the result of a \$1.2 million decrease in residential and commercial connections fees due to decreased local construction activities.

- Golf Course Fund’s net assets increased \$0.2 million, or 1.7 percent, compared to prior fiscal year’s decrease of \$0.1 million. The \$0.3 million net increase is primarily due to an increase in revenues of \$0.2 million resulting from an increase in green fees of 4.1 percent, and an increase in food and beverage sales of 7.2 percent, offset by a decrease in transfers out of \$0.1 million.
- Transportation Fund’s net assets decreased less than \$0.1 million, compared to prior fiscal year’s increase of \$0.1 million. This \$0.2 million net decrease is primarily the result of a \$0.1 million increase in bus and taxi fares offset by an overall \$0.3 million increase in operating expenses.
- Solid Waste Fund’s net assets decreased less than \$0.1 million compared to prior fiscal year. While revenues increased 6.0 percent from \$1.3 million to \$1.4 million, expenses increased 10.6 percent from \$1.4 million to \$1.6 million, primarily due to overall increases in contracted services and salary and benefit expenses.
- Theatres Fund’s net assets decreased \$0.6 million, or 34.3 percent, which is higher than the prior fiscal year’s decrease of \$0.2 million. The \$0.4 million net decrease was due to \$0.4 million increase in expenses: \$0.1 million increase in salary and benefits, due to one-time accrual pay outs related to staff retirements; \$0.1 million awarded in theater credits to local community groups, new in fiscal year 2011-12; \$0.1 million increase in advertising, part of the effort to increase attendance; and \$0.1 million increase in theater maintenance costs charged back from the General Fund, due to a slight increase in the number of shows.
- Internal Service Funds (ISF) allocation of operating loss decreased net assets of business-type activities by \$0.1 million, which is lower than the prior fiscal year’s decrease of \$0.3 million. The \$0.2 million net increase is primarily due to an operating profit in the Liability Insurance Fund, as opposed to the operating loss it experienced in the prior fiscal year, which reduced the total ISF expense allocation.

As shown below, and on the next page, Water and Wastewater funds have the greatest total expenses with \$20.8 million and \$19.0 million, respectively, out of \$54.5 million in total business-type expenses. For all the business-type activities below, fees provide the largest share of revenues (91 percent), except for the Transportation Fund with revenues primarily from State of California Transportation Development Act funds.





## FINANCIAL ANALYSIS OF CITY FUNDS

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

### **Governmental funds**

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

At the close of fiscal year 2011-12, City governmental funds reported a combined ending fund balance of \$135.5 million, a decrease of \$52.6 million in comparison with the prior fiscal year balance of \$188.1 million. The decrease in fund balance is primarily due to the transfer of net assets from the Agency to the Thousand Oaks Successor Agency as the result of the dissolution. Approximately \$100.2 million, or 74 percent, includes \$30.6 million in committed fund balance and \$69.6 million in assigned fund balance. Refer to pages 26-34 for more detail of governmental funds.

### ***General Fund – Fund Balance Analysis***

The General Fund is the chief operating fund of the City. As of June 30, 2012, ending fund balance increased \$1.6 million, to \$80.4 million, compared to prior fiscal year's decrease of slightly under \$0.1 million.

General Fund's fund balance consists of \$0.5 million in nonspendable inventories, \$29.1 million in funds committed to grant endowments, emergency reserve, working capital reserve, and capital projects, and \$49.8 million in assigned funds for compensated absences, continuing appropriations, encumbrances, legal contingency, loans and notes receivable, and public building replacement/maintenance. The remaining \$1.0 million is unassigned. Refer to page 70 for more detail of fund balance.

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

	Changes to General Fund Balance by Fiscal Year				
	2011-12	2010-11	2009-10	2008-09	2007-08
General Fund					
Revenues	\$ 66,153,220	\$ 64,130,607	\$ 60,948,544	\$ 64,538,551	\$ 72,602,769
Expenditures	(63,146,824)	(64,072,723)	(62,209,415)	(66,826,411)	(67,045,535)
Financing sources (uses)	(1,374,732)	(136,165)	(1,040,193)	(1,079,399)	(2,008,782)
Operating surplus/(deficit)	1,631,664	(78,281)	(2,301,064)	(3,367,259)	3,548,452
Beginning fund balance	78,815,832	78,894,113	81,195,177	84,562,436	81,013,984
Ending fund balance	<u>\$ 80,447,496</u>	<u>\$ 78,815,832</u>	<u>\$ 78,894,113</u>	<u>\$ 81,195,177</u>	<u>\$ 84,562,436</u>
Fund balance categories:					
Nonspendable	\$ 458,467	\$ 386,487			
Restricted	-	-			
Committed	29,133,665	30,382,360			
Assigned	49,836,670	47,971,223			
Unassigned	1,018,694	75,762			
Fund balance	<u>\$ 80,447,496</u>	<u>\$ 78,815,832</u>			

Note: Fund balance categories implemented in fiscal year 2010- 11 and any data prior to this is not available.

### **General Fund – Revenue and Expenditure Analysis**

**General Fund Revenues** for fiscal year 2011-12, including transfers in, were \$68.1 million, an increase of 3.3 percent, or \$2.1 million, compared to prior fiscal year. The chart below compares General Fund revenues for the past two fiscal years followed by key information:

	Comparison of General Fund Revenues				
	Fiscal Year 2011-12	Fiscal Year 2010-11	Variance Over/(Under) last year	% of increase (decrease) over prior year	% of total
Property tax	\$ 6,694,181	\$ 6,326,650	\$ 367,531	5.81%	9.8%
Sales tax	24,403,317	24,999,316	(595,999)	-2.38%	35.8%
Transient occupancy tax	2,977,691	2,702,879	274,812	10.17%	4.4%
Franchise tax	5,984,920	5,790,082	194,838	3.37%	8.8%
Property transfer tax	634,332	588,294	46,038	7.83%	0.9%
Business license	1,933,084	1,926,804	6,280	0.33%	2.8%
License & permits	3,111,911	2,902,400	209,511	7.22%	4.6%
Intergovernmental	10,657,993	11,336,082	(678,089)	-5.98%	15.7%
Charges for services	5,477,981	4,907,062	570,919	11.63%	8.0%
Use of money & property	1,987,734	1,465,506	522,228	35.63%	2.9%
Fines and forfeitures	386,692	332,962	53,730	16.14%	0.6%
Other revenue	1,903,384	852,570	1,050,814	123.25%	2.8%
Other financing sources	1,959,230	1,839,836	119,394	6.49%	2.9%
Total Revenues	<u>\$ 68,112,450</u>	<u>\$ 65,970,443</u>	<u>\$ 2,142,007</u>	<u>3.25%</u>	<u>100%</u>

- Tax revenue increased \$0.3 million primarily due to an increase of \$0.4 million in property tax attributed to a slight increase in taxable assessed values, and \$0.3 million in transient occupancy tax attributed to an overall increase in hotel occupancy, offset by a decrease of \$0.6 million in sales tax, of which \$0.8 million is attributed to the State of California's Triple Flip which creates wide variances due to payments made from outdated estimates and reconciling payments or reductions for prior year activities.
- License and permits increased \$0.2 million primarily due to an increase in building permit construction activity. Conversely, however, other licenses and permits, such as: electrical, mechanical, and plumbing, experienced a 4.8 percent decline in permits issued.
- Intergovernmental revenue decreased \$0.7 million due to new legislation effective July 1, 2011, which redirected an estimated \$0.4 million annually in motor vehicle license fees to public safety programs and a one-time payment received in fiscal year 2010-11 of \$0.3 million in delinquent motor vehicle in-lieu fees for fiscal years 2005-06 through 2009-10.
- Charges for services increased \$0.6 million primarily due to \$0.3 million in revenue recognition for the reverse contract billing from Ventura County Sheriff's department public safety contract and an increase of \$0.3 million in cost allocation charges due to further refinement to appropriately allocate central service expenditures.
- Use of money and property increased by \$0.5 million primarily due to the City recording a \$0.6 million net unrealized loss in the prior fiscal year compared to \$0.2 million net unrealized gain in the current fiscal year, creating a \$0.8 million increase to the net fair value of investments. This was offset by a decrease in investment returns of \$0.3 million due to the investment portfolio rate of return decrease from 1.442 percent in fiscal year 2010-11 to 1.234 percent in the current fiscal year.
- Other revenue increased \$1.1 million primarily due to \$0.8 million increase in street related project reimbursements, \$0.5 million increase in a one-time payment for proceeds from legal procedures related to Borchard Road/101 freeway drainage improvement project, offset by \$0.1 million in a non-recurring reimbursement realized in the prior fiscal year for the purchase of Thousand Oaks T.V. (TOTV) equipment financed by the Public Access Trust Fund.

**General Fund Expenditures** for fiscal year 2011-12, including transfers, increased \$0.4 million, or 0.7 percent. The chart below compares general fund expenditures for the last two fiscal years followed by key information:

Comparison of General Fund Expenditures

	Fiscal Year 2011-12	Fiscal Year 2010-11	Variance Over/(Under) last year	% of increase (decrease) over prior year	% of total
General government	\$ 14,531,843	\$ 14,133,840	\$ 398,003	2.8%	21.9%
Public safety	26,183,186	25,557,048	626,138	2.4%	39.4%
Transportation	9,015,535	9,374,810	(359,275)	-3.8%	13.6%
Community development	8,936,625	11,493,063	(2,556,438)	-22.2%	13.4%
Culture and leisure	1,427,031	1,377,371	49,660	3.6%	2.1%
Capital outlay	3,052,604	2,136,591	916,013	42.9%	4.6%
Other financing uses	3,333,962	1,976,001	1,357,961	68.7%	5.0%
<b>Total Expenditures</b>	<b>\$ 66,480,786</b>	<b>\$ 66,048,724</b>	<b>\$ 432,062</b>	<b>0.7%</b>	<b>100%</b>

- General government expenditures increased by 2.8 percent, or \$0.4 million, compared to prior fiscal year. This is primarily attributed to an increase in grants and donations of \$0.3 million, a one-time chargeback of \$0.3 million processed in the prior fiscal year to reduce expenditures in General Fund for the Liability Insurance Fund, offset with a reduction in general liability claims of \$0.1 million.
- Public safety expenditures increased 2.4 percent, or \$0.6 million, compared to prior fiscal year. The increase is primarily due to an increase of \$0.9 million, or 3.6 percent, in police contract services. Included in the \$0.9 million increase is a cost saving strategy the Ventura County Sheriff's department recommended and implemented in fiscal year 2011-12, a reverse contract savings of \$0.3 million that is recorded as revenue.
- Community development expenditures decreased 22.2 percent, or \$2.6 million, primarily due to a one-time payment of \$1.5 million for undergrounding of electrical lines processed in the prior fiscal year and \$0.7 million decrease in salaries and benefits due to staff reductions.
- Capital outlay expenditures increased 42.9 percent, or \$0.9 million, due to the rehabilitation and upgrade of 401/403 Hillcrest Center roof deck.
- Transfers out of \$3.3 million include the Library Fund subsidy of \$2.2 million and debt service of \$1.2 million. Overall transfers increased \$1.4 million primarily due to an increase in the Library Fund subsidy as the fund had reserves of \$1.0 million that were only available in fiscal year 2010-11. The prior fiscal year reserve was due to a non-recurring payment received in fiscal year 2009-10 for library services provided to unincorporated areas which was authorized to be carried forward for use in fiscal year 2010-11.

### ***Library Fund***

The Library Fund provides for the operation of the City's library system. Property taxes, library assistance from the State of California, and other revenues are restricted for library operations and maintenance expenditures. Due to a General Fund subsidy for the Library Fund to balance program appropriations, fund balance is always zero unless it is to account for encumbrances.

Revenues (excluding transfers in) decreased \$0.4 million primarily due to the elimination of the County Participation agreement, which reimbursed the City an estimated \$0.3 million for services provided to residents of unincorporated areas and \$0.1 million decrease in pass-through revenue due to the elimination of the Agency. Operating expenditures decreased \$0.2 million primarily due to a decrease of \$0.3 million in salaries and benefits realized from staffing reductions and salary savings from vacant positions due to retirements, offset by an increase of \$0.1 million in other maintenance and operations expenditures.

### ***State Gas Tax Fund***

The State Gas Tax Fund accounts for revenues derived from gasoline purchases which are restricted for the construction and maintenance of City streets and other street related projects.

The City's State Gas Tax Fund fund balance decreased \$6.5 million compared to prior fiscal year's decrease of \$1.0 million. The net decrease in fund balance of \$5.5 million was due to an increase in expenditures of \$7.0 million for street projects primarily including: pavement overlay for \$4.0 million, Wendy Drive/101 Interchange for \$2.2 million, and \$1.1 million for curb ramps. The increase in expenditures was offset by an increase in intergovernmental federal grant revenue of \$1.5 million.

### ***Redevelopment Agency Debt and Capital Funds***

The Redevelopment Agency Debt and Capital Funds account for incremental property tax revenues from the project areas which are used to finance the activities of the Agency including capital projects, the accumulation of resources and payments of principal and interest for the Agency's project areas, and to account for the financial activities of the Agency.

The Agency was dissolved as of February 1, 2012, through the Supreme Court decision on Assembly Bill X1 26. See Note 17 for more information on the dissolution.

### ***Capital Improvements Fund***

The Capital Improvements Fund accounts for developer agreement and developer impact fee revenues which are used to finance road improvements, bridge improvements, undergrounding of utilities, as well as capital facilities fees restricted for public facilities.

The fund balance of the Capital Improvements Fund decreased \$1.8 million compared to a minimal decrease during the prior fiscal year primarily due to a decrease in fee revenue. The City is reaching build-out and thus, developer activity is declining, leading to decreased developer fee revenue.

### **Proprietary funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements in greater detail.

Unrestricted net assets, change in unrestricted net assets and change in total net assets for the Water, Wastewater, Golf Course, Transportation, Solid Waste Management, and Theatres funds, are detailed below.

City of Thousand Oaks  
Proprietary Funds  
Fiscal Year Ended June 30, 2012

Fund	Unrestricted Net Assets	Change in Unrestricted Net Assets	Change in Total Net Assets
Water	\$ 19,270,346	\$ 2,953,129	\$ 2,850,126
Wastewater	44,121,099	440,092	731,473
Golf Course	965,802	295,908	155,499
Transportation	9,698	22	(34,289)
Solid Waste Management	5,723,433	(117,831)	(85,505)
Theatres	512,359	(546,325)	(626,829)
Total	<u>\$ 70,602,737</u>	<u>\$ 3,024,995</u>	<u>\$ 2,990,475</u>

Other factors concerning the finances of these six funds have been addressed in the discussion of the City's business-type activities on pages 11-13. Proprietary financial statements can be found on pages 35-40.

## **BUDGETARY HIGHLIGHTS**

### ***General Fund***

The General Fund budget and actual report can be found on page 32. The \$14.8 million decrease in ending fund balance between the original and final budget is the result of City Council approved budget adjustments. Major budget adjustments include the following increases: \$8.7 million for capital project carryovers; \$5.5 million in grant funded carryovers, and \$0.3 million in maintenance and operations carryovers.

- Revenues, including transfers in, are \$2.3 million, or 3.5 percent, higher than budgetary estimates as a result of receiving greater than anticipated revenue in the following: licenses and permits of \$0.7 million primarily due to unexpected increase in construction activity, transient tax of \$0.5 million due to overall increase in hotel occupancy, miscellaneous revenue of \$1.0 million primarily due to non-recurring street related reimbursements of \$0.5 million and one-time proceeds from legal procedures of \$0.5 million, franchise fees of \$0.4 million, and charges for current services of \$0.1 million. These revenue increases were

offset by the following lower than anticipated budget estimates: transfers in from other funds of \$0.2 million primarily due to a decrease in traffic fines and gas tax revenue, sales tax of \$0.2 million primarily due to a retroactive adjustment that negatively impacted results, and intergovernmental revenue of \$0.1 million.

- Actual expenditures are less than budgetary estimates by \$20.0 million primarily due to \$4.1 million in operating expenditure savings including major non-recurring items, \$15.5 million in unspent capital outlay, and \$0.4 million decrease in General Fund transfers primarily due to \$0.3 million to the County Flood Control Fund not necessary to meet the fund's obligations.
- Of the \$4.1 million savings in operating expenditures, \$2.3 million will be carried over to fiscal year 2012-13 and include: encumbrances of \$1.2 million, \$1.0 million in maintenance and operations projects, and \$0.1 million in grants. Of the \$15.5 million in unspent capital outlay, \$15.4 million will be carried over to fiscal year 2012-13.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital assets

Investments in capital assets for governmental and business-type activities as of June 30, 2012 totaled \$621.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, infrastructure, intangibles, and construction in progress. The total decrease in capital assets for fiscal year 2011-12 was \$34.8 million, which includes a 6.8 percent decrease for governmental activities and a 5.3 percent decrease for business-type activities. Additional information on the City's capital assets can be found on pages 63-67 in the notes to basic financial statements. Capital assets are summarized as follows:

City of Thousand Oaks  
Capital Assets (net of accumulated depreciation)  
June 30, 2012

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 112,011,644	\$ 128,271,100	\$ 5,772,176	\$ 5,770,967	\$ 117,783,820	\$ 134,042,067
Intangibles, non-depreciable	289,297	285,297	135,338	135,338	424,635	420,635
Buildings and improvements	91,915,574	114,756,731	172,790,111	176,714,217	264,705,685	291,470,948
Equipment	3,709,896	3,139,960	3,653,675	3,228,165	7,363,571	6,368,125
Intangibles, depreciable	287,515	323,843	310,647	358,876	598,162	682,719
Infrastructure	218,985,080	210,795,662	-	-	218,985,080	210,795,662
Construction in progress	10,137,484	11,821,194	1,706,507	922,864	11,843,991	12,744,058
Total capital assets, net	<u>\$ 437,336,490</u>	<u>\$ 469,393,787</u>	<u>\$ 184,368,454</u>	<u>\$ 187,130,427</u>	<u>\$ 621,704,944</u>	<u>\$ 656,524,214</u>

Major capital asset events during fiscal year 2011-12 included the following:

- The \$16.3 million net decrease in governmental activity land is primarily due to the transfer of land from the Agency to the Thousand Oaks Successor Agency.

- The \$22.8 million net decrease in governmental activity buildings and improvements is primarily due to the transfer of buildings and improvements from the Agency to the Thousand Oaks Successor Agency.
- The \$8.2 million net increase in governmental activity infrastructure is primarily due to pavement overlay and developer donations for street signs, traffic signals, roads, sidewalks, and storm drains.
- The \$3.9 million net decrease in business-type activity buildings and improvements is primarily due to depreciation of existing capital assets.
- The \$0.8 million increase in business-type activity is primarily due to continued improvements at the Hill Canyon Treatment Plant, interceptor improvements, reservoir improvements, and design work for an event facility at the Los Robles Greens Golf Course.

**Long-term debt**

At the end of fiscal year 2011-12, the City had total bonded debt outstanding of \$25.5 million. Of this amount, \$15.3 million was secured by the City’s obligation to pay the Public Financing Authority (Authority) lease payments for occupancy and use of specified properties, and \$10.3 million was secured by net revenues from the City’s wastewater system operation. In addition to ongoing debt service payments, the \$66.0 million decrease in bonded debt was primarily the result of the transfer of the Agency indebtedness to the Thousand Oaks Successor Agency. See Note 17 for disclosures on Thousand Oaks Successor Agency indebtedness. Additional information on long-term liabilities can be found on pages 71-75 in the notes to basic financial statements. Bonded debt outstanding is summarized below:

City of Thousand Oaks' Outstanding Bonded Debt  
June 30, 2012

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Tax allocation bonds (RDA)	\$ -	\$64,340,000	\$ -	\$ -	\$ -	\$ 64,340,000
Lease revenue bonds*	15,259,998	15,760,748	-	-	15,259,998	15,760,748
Revenue bonds*	-	-	10,276,714	11,396,335	10,276,714	11,396,335
Total outstanding debt	<u>\$15,259,998</u>	<u>\$80,100,748</u>	<u>\$10,276,714</u>	<u>\$11,396,335</u>	<u>\$ 25,536,712</u>	<u>\$ 91,497,083</u>

\*Net of unamortized discounts and deferred amounts

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The focus of this annual report is the economic condition of the City as of June 30, 2012; however, since global, national, and local economic conditions continued to struggle over the past fiscal year, it is critical that the economic impacts be addressed.

Ben Bernanke, Chairman of the Federal Reserve, explained in October 2012 that “the U.S. economy has faced significant headwinds, and, although the economy has been expanding since mid-2009, the pace of recovery has been frustratingly slow. The federal deficit fell to \$1.1 trillion in fiscal year 2011-12, down from about \$1.3 trillion a

year earlier. That is the smallest deficit since 2008, but represents the fourth year in a row that the deficit has exceeded \$1 trillion.

In September 2012, the Federal Open Market Committee (FOMC) released its statement anticipating the federal funds rate will remain at exceptionally low levels through mid-2015. The actions of the Federal Reserve have created an extremely low interest rate environment reducing the City's interest revenue. The City's June 2012 yield on its investments was 1.234 percent, down 21 basis points from the prior fiscal year and 73 basis points from fiscal year 2009-10.

The State of California's recurring inability to balance its budget continues to have negative impacts on local governments. In response to prior fiscal year take-aways from cities, California voters passed Proposition 22 by an overwhelming majority in November 2010. The intent of this measure was to stop future State raids of local government funds. Despite this clear voter mandate, in December 2011, the California Supreme Court upheld AB X1 26 (elimination of local redevelopment agencies) and struck down AB X1 27 (payment to avoid the AB X1 26 elimination), effectively eliminating redevelopment agencies. The State also diverted approximately \$130 million from local cities to a special law enforcement account beginning July 1, 2011.

Proposition 30, a sales and income tax increase initiative, was placed on the November 6, 2012 ballot and passed with a "Yes" vote of 55.3 percent. The Legislative Analyst Office (LAO) estimates revenues to increase by approximately \$6.0 billion by increasing personal income tax on annual earnings over \$250,000 for seven years and increasing sales & use tax by ¼ cent for four years. Due to the passage of Proposition 30, the Governor's planned spending reduction triggers, primarily to education programs, were not implemented.

The state legislature passed a pension reform measure titled, "California Public Employees' Pension Reform Act of 2013 (PEPRA)." PEPRA will raise the retirement age and reduce benefits for newly hired employees.

The California Public Employees Retirement System's (CalPERS) investment portfolio reported a preliminary one percent return for the fiscal year ended June 30, 2012, down from the 21.7 percent return for fiscal year 2010-11. CalPERS one percent rate of return is below the 7.5 percent discount rate. This will have an impact on the City's future employer contribution rates. The City's employer contribution rate for fiscal year 2012-13 increased to 14.749 percent from 13.849. In fiscal year 2013-14, the employer contribution rate is anticipated to increase to 16.140 percent (dependant on CalPERS phasing in the two-year adjustment due to the change in discount rate from 7.75 to 7.5 percent), with another projected increase to 17.300 percent in fiscal year 2014-15.

On June 14, 2011, City Council adopted a structurally balanced Operating Budget and Capital Improvements Program Budget for fiscal year 2011-12 and fiscal year 2012-13. City Council and staff have worked proactively throughout the recession and recovery to ensure that, with the reduction in revenues, the City could still provide the essential services that residents have come to depend on. These efforts included: voluntary retirement incentives, innovative reductions in law enforcement contract costs, additional reductions in maintenance & operations allocations, and the cooperation of

dedicated employees who have forgone cost of living increases and absorbed holiday closures.

On June 26, 2012, City Council re-adopted a revised fiscal year 2012-13 General Fund Budget due to the dissolution of Agency and reductions in various City revenues. To make up for the loss in revenues, City Council made some difficult decisions in eliminating eleven positions, reducing maintenance & operations allocations, and reducing law enforcement contract costs.

As a result of those efforts, the re-adopted fiscal year 2012-13 General Fund budget is \$66.5 million, which is \$0.1 million less (or 0.1 percent) than fiscal year 2011-12 actual expenditures of \$66.6 million and includes more than \$3 million in non-recurring expenditures funded with reserves.

The re-adopted fiscal year 2012-13 General Fund operating revenues are projected at \$65.5 million, which is a \$2.1 million decrease (or 3.1 percent) from prior fiscal year actual operating revenues of \$67.6 million. As discussed on pages 14-15, sales tax revenue in fiscal year 2011-12 was \$24.4 million, \$0.6 million less than the previous fiscal year, due to a timing issue with the City's triple-flip calculation. For fiscal year 2012-13, sales tax is budgeted at \$25.2 million.

In summary, with global and national economic projections showing slow growth due to concerns with the situation in European markets, a weak housing market, tight credit conditions, the State's difficulty to balance its budget, consumer confidence has remained at a relatively low level. Going forward, staff foresees slight increases in Sales and Property Taxes, with reductions in development related revenues and interest earnings. With the information available, staff will proceed with a conservative budget. City Council has been responsive to changes made over the past several years and has guided the City to what is now considered the "New Normal." Due to the fluctuations in the economy, the City of Thousand Oaks has had its challenges, like many California cities, but continues to proceed into the next fiscal year with a structurally balanced budget.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of City finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Thousand Oaks, 2100 Thousand Oaks Boulevard, Thousand Oaks, California 91362, or call (805) 449-2200, or e-mail [finance@toaks.org](mailto:finance@toaks.org). This report is also available online at the City's website at [www.toaks.org](http://www.toaks.org).

# **Basic Financial Statements**

- Government-wide Financial Statements
- Governmental Fund Financial Statements
- Proprietary Fund Financial Statements
- Fiduciary Fund Financial Statement
- Notes to Basic Financial Statements

# Government-wide Financial Statements

**CITY OF THOUSAND OAKS**  
**Statement of Net Assets**  
**June 30, 2012**

	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash and investments (notes 1 and 2)	\$ 146,376,110	76,299,382	222,675,492
Receivables (notes 1 and 3):			
Accounts	2,501,968	7,524,290	10,026,258
Accrued interest	3,229,763	141,078	3,370,841
Intergovernmental	11,444,569	514,802	11,959,371
Notes/loans	30,431,336	-	30,431,336
Assets held for resale (note 4)	671,083	-	671,083
Internal balances	2,007,770	(2,007,770)	-
Inventories - supplies (note 1)	458,467	506,773	965,240
Prepaid items and other assets (note 1)	6,910	195,135	202,045
Noncurrent assets:			
Deferred charges	230,333	138,044	368,377
Restricted cash and investments (notes 1 and 2)	1,166,952	1,313,968	2,480,920
Net OPEB asset (note 14)	4,539,108	1,044,766	5,583,874
Capital assets (notes 1 and 5):			
Land	112,011,644	5,772,176	117,783,820
Intangibles, non-depreciable	289,297	135,338	424,635
Buildings and improvements	129,836,927	266,456,081	396,293,008
Equipment	10,599,247	8,043,824	18,643,071
Intangibles, depreciable	789,947	482,291	1,272,238
Infrastructure	411,298,703	-	411,298,703
Construction in progress	10,137,484	1,706,507	11,843,991
Accumulated depreciation	(237,626,759)	(98,227,763)	(335,854,522)
Total assets	<u>640,400,859</u>	<u>270,038,922</u>	<u>910,439,781</u>
<b>Liabilities:</b>			
Accounts payable (note 1)	11,352,444	4,087,211	15,439,655
Accrued liabilities (note 1)	53,109	345,764	398,873
Due to other agencies (note 1)	262,692	25,229	287,921
Unearned revenue (note 1)	30,610,739	4,750,112	35,360,851
Deposits (note 1)	-	801,240	801,240
Noncurrent liabilities (note 8):			
Due within one year	3,153,958	3,501,342	6,655,300
Due in more than one year	19,494,116	28,814,748	48,308,864
Total liabilities	<u>64,927,058</u>	<u>42,325,646</u>	<u>107,252,704</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	424,876,492	153,889,583	578,766,075
Restricted for:			
Street related purposes	26,399,087	-	26,399,087
Assessment districts	6,821,469	-	6,821,469
Culture and leisure	360,824	-	360,824
Community development	3,387,807	-	3,387,807
Debt service	-	2,093,726	2,093,726
Public safety	1,198,148	-	1,198,148
Transportation	213,647	-	213,647
Unrestricted	112,216,327	71,729,967	183,946,294
Total net assets	<u>\$ 575,473,801</u>	<u>227,713,276</u>	<u>803,187,077</u>

See accompanying notes to basic financial statements.

**CITY OF THOUSAND OAKS**  
**Statement of Activities**  
**Year ended June 30, 2012**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs</b>				
Governmental activities:				
General government	\$ 14,996,258	6,606,146	746,395	1,482
Public safety	27,853,732	849,732	860,395	29,810
Transportation	25,844,691	5,949,669	9,974,593	409,014
Community development	19,757,842	4,694,052	1,542,615	263
Culture and leisure	10,435,600	343,042	70,723	43,175
Interest on long-term debt	1,845,302	-	-	-
Total governmental activities	<u>100,733,425</u>	<u>18,442,641</u>	<u>13,194,721</u>	<u>483,744</u>
Business-type activities:				
Water	20,779,897	22,828,323	171,317	601,960
Wastewater	19,022,278	19,091,002	127,500	466,850
Golf Course	4,918,517	5,074,016	-	-
Transportation	4,097,237	457,938	3,458,650	-
Solid Waste Management	1,571,469	1,484,372	-	-
Theatres	4,101,536	3,155,208	300,000	-
Total business-type activities	<u>54,490,934</u>	<u>52,090,859</u>	<u>4,057,467</u>	<u>1,068,810</u>
Total government	<u>\$ 155,224,359</u>	<u>70,533,500</u>	<u>17,252,188</u>	<u>1,552,554</u>

General revenues:

    Taxes:

        Property tax

        Sales taxes

        Transient occupancy tax

        Franchise taxes

        Business tax

        Property transfer tax

    Unrestricted intergovernmental revenue

    Miscellaneous Revenue

    Contributions not restricted for specific programs

    Unrestricted investment/interest earnings

    Extraordinary item - RDA dissolution (note 17)

    Transfers, net (note 6)

        Total general revenues, transfers and special items

        Change in net assets

    Net assets - beginning

    Net assets - ending

See accompanying notes to basic financial statements.

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
(7,642,235)	-	(7,642,235)
(26,113,795)	-	(26,113,795)
(9,511,415)	-	(9,511,415)
(13,520,912)	-	(13,520,912)
(9,978,660)	-	(9,978,660)
(1,845,302)	-	(1,845,302)
<u>(68,612,319)</u>	<u>-</u>	<u>(68,612,319)</u>
-	2,821,703	2,821,703
-	663,074	663,074
-	155,499	155,499
-	(180,649)	(180,649)
-	(87,097)	(87,097)
-	(646,328)	(646,328)
-	<u>2,726,202</u>	<u>2,726,202</u>
<u>(68,612,319)</u>	<u>2,726,202</u>	<u>(65,886,117)</u>
25,278,294	-	25,278,294
25,957,903	-	25,957,903
2,977,691	-	2,977,691
5,984,921	-	5,984,921
1,705,654	-	1,705,654
634,332	-	634,332
9,707,468	-	9,707,468
500,000	-	500,000
3,989,070	-	3,989,070
1,342,253	-	1,342,253
(25,137,438)	-	(25,137,438)
(146,207)	146,207	-
<u>52,793,941</u>	<u>146,207</u>	<u>52,940,148</u>
(15,818,378)	2,872,409	(12,945,969)
591,292,179	224,840,867	816,133,046
<u>\$ 575,473,801</u>	<u>227,713,276</u>	<u>803,187,077</u>

# Governmental Fund Financial Statements

**CITY OF THOUSAND OAKS**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2012**

Page 1 of 2

	General Fund	Library	State Gas Tax	Thousand Oaks Redevelopment Agency Debt Service
<b><u>Assets</u></b>				
Cash and investments	\$ 72,820,519	21,493	9,554,011	-
Receivables:				
Accounts	1,924,620	46,928	-	-
Accrued interest	154,917	-	18,021	-
Intergovernmental	6,294,933	186,992	3,701,349	-
Notes/loans	530,274	-	-	-
Assets held for resale	-	-	-	-
Interfund receivables	4,699,124	-	-	-
Inventories - supplies	458,467	-	-	-
Advances to other funds	1,166,952	-	-	-
Restricted cash and investments	-	-	-	-
<b>Total assets</b>	<b>\$ 88,049,806</b>	<b>255,413</b>	<b>13,273,381</b>	<b>-</b>
<b><u>Liabilities and Fund Balance</u></b>				
Liabilities:				
Accounts payable	\$ 4,344,800	254,518	1,466,244	-
Due to other agencies	8,092	-	-	-
Interfund payables	-	-	349,181	-
Unearned revenue	3,249,418	895	3,162,539	-
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b>7,602,310</b>	<b>255,413</b>	<b>4,977,964</b>	<b>-</b>
Fund balances:				
Nonspendable	458,467	-	-	-
Restricted	-	-	8,295,417	-
Committed	29,133,665	-	-	-
Assigned	49,836,670	-	-	-
Unassigned	1,018,694	-	-	-
<b>Total fund balances</b>	<b>80,447,496</b>	<b>-</b>	<b>8,295,417</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 88,049,806</b>	<b>255,413</b>	<b>13,273,381</b>	<b>-</b>

See accompanying notes to basic financial statements.

Thousand Oaks Redevelopment Agency Capital Projects	Capital Improvements	Thousand Oaks Housing Successor	Other Governmental Funds	Total Governmental Funds
-	23,598,080	301,943	27,624,146	133,920,192
-	1,482	64,422	464,516	2,501,968
-	45,417	2,667,902	319,946	3,206,203
-	-	-	1,261,295	11,444,569
-	-	28,646,462	1,254,600	30,431,336
-	-	671,083	-	671,083
-	-	-	-	4,699,124
-	-	-	-	458,467
-	-	-	-	1,166,952
-	-	-	1,166,952	1,166,952
-	23,644,979	32,351,812	32,091,455	189,666,846
-	58,031	1,001	5,038,085	11,162,679
-	-	-	254,600	262,692
-	655,681	-	559,262	1,564,124
-	-	31,344,364	2,256,805	40,014,021
-	-	-	1,166,952	1,166,952
-	713,712	31,345,365	9,275,704	54,170,468
-	-	671,083	-	1,129,550
-	14,941,131	94,912	10,165,510	33,496,970
-	-	-	1,484,061	30,617,726
-	7,990,136	240,452	11,570,212	69,637,470
-	-	-	(404,032)	614,662
-	22,931,267	1,006,447	22,815,751	135,496,378
-	23,644,979	32,351,812	32,091,455	189,666,846

**CITY OF THOUSAND OAKS**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**To the Statement of Net Assets**  
**June 30, 2012**

Amounts reported for governmental activities in the statement of net assets (page 23) are different because:

Total fund balances - total governmental funds (page 27)	\$ 135,496,378
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	437,336,490
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	14,173,126
Internal service funds are used by management to account for the cost of providing liability, workers' compensation, and vision insurance coverage on a Citywide basis. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	9,115,486
Long-term liabilities, including compensated absences, bonds payable, and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(20,647,679)
Net assets of governmental activities (page 23)	\$ 575,473,801

See accompanying notes to basic financial statements.

**CITY OF THOUSAND OAKS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year ended June 30, 2012**

Page 1 of 2

	General Fund	Library	State Gas Tax	Thousand Oaks Redevelopment Agency Debt Service
<b>Revenues:</b>				
Taxes	\$ 40,694,441	5,485,016	978,124	9,078,599
Licenses and permits	5,044,995	-	-	-
Fines and forfeitures	386,692	167,523	-	-
Use of money and property	1,987,734	11,705	161,415	16
Charges for current services	5,477,981	15,408	-	-
Intergovernmental revenue	10,657,993	14,290	6,260,151	-
Other	1,903,384	63,896	30	-
<b>Total Revenues</b>	<b><u>66,153,220</u></b>	<b><u>5,757,838</u></b>	<b><u>7,399,720</u></b>	<b><u>9,078,615</u></b>
<b>Expenditures:</b>				
Current:				
General government	14,531,843	-	-	-
Public safety	26,183,186	-	-	-
Transportation	9,015,535	-	12,926,323	-
Community development	8,936,625	-	-	6,782,493
Culture and leisure	1,427,031	7,551,253	-	-
Debt service:				
Principal	-	-	-	4,405,000
Interest	-	-	-	1,437,867
Capital Outlay	3,052,604	380,139	-	-
<b>Total expenditures</b>	<b><u>63,146,824</u></b>	<b><u>7,931,392</u></b>	<b><u>12,926,323</u></b>	<b><u>12,625,360</u></b>
Excess (deficiency) of revenues over (under) expenditures	<u>3,006,396</u>	<u>(2,173,554)</u>	<u>(5,526,603)</u>	<u>(3,546,745)</u>
<b>Other financing sources (uses):</b>				
Extraordinary item	-	-	-	(15,155,705)
Transfers in	1,944,620	2,173,554	-	2,528,490
Transfers out	(3,333,962)	-	(947,581)	-
Proceeds from sale of property	14,610	-	-	-
<b>Total other financing sources (uses)</b>	<b><u>(1,374,732)</u></b>	<b><u>2,173,554</u></b>	<b><u>(947,581)</u></b>	<b><u>(12,627,215)</u></b>
Net change in fund balance	1,631,664	-	(6,474,184)	(16,173,960)
Fund balance-beginning	<u>78,815,832</u>	<u>-</u>	<u>14,769,601</u>	<u>16,173,960</u>
Fund balance-ending	<b><u>\$ 80,447,496</u></b>	<b><u>-</u></b>	<b><u>8,295,417</u></b>	<b><u>-</u></b>

See accompanying notes to basic financial statements.

Thousand Oaks Redevelopment Agency Capital Projects	Capital Improvements	Thousand Oaks Housing Successor	Other Governmental Funds	Total Governmental Funds
2,269,650	-	-	1,760,949	60,266,779
-	-	-	-	5,044,995
-	-	-	697,835	1,252,050
130,689	277,536	317,764	164,626	3,051,485
-	170,137	-	5,095,132	10,758,658
-	-	-	3,720,157	20,652,591
-	1,743	6,000	1,744,441	3,719,494
<u>2,400,339</u>	<u>449,416</u>	<u>323,764</u>	<u>13,183,140</u>	<u>104,746,052</u>
-	-	-	147,332	14,679,175
-	-	-	1,439,237	27,622,423
-	121,300	-	7,340,369	29,403,527
1,772,652	194,319	230,235	1,639,176	19,555,500
-	-	-	35,164	9,013,448
-	-	-	505,000	4,910,000
-	-	-	652,462	2,090,329
8,895,920	1,376,531	-	830,184	14,535,378
<u>10,668,572</u>	<u>1,692,150</u>	<u>230,235</u>	<u>12,588,924</u>	<u>121,809,780</u>
<u>(8,268,233)</u>	<u>(1,242,734)</u>	<u>93,529</u>	<u>594,216</u>	<u>(17,063,728)</u>
(21,123,229)	-	912,918	-	(35,366,016)
-	-	-	1,520,403	8,167,067
(2,678,490)	(605,475)	-	(747,766)	(8,313,274)
-	-	-	-	14,610
<u>(23,801,719)</u>	<u>(605,475)</u>	<u>912,918</u>	<u>772,637</u>	<u>(35,497,613)</u>
(32,069,952)	(1,848,209)	1,006,447	1,366,853	(52,561,341)
<u>32,069,952</u>	<u>24,779,476</u>	<u>-</u>	<u>21,448,898</u>	<u>188,057,719</u>
<u>-</u>	<u>22,931,267</u>	<u>1,006,447</u>	<u>22,815,751</u>	<u>135,496,378</u>

**CITY OF THOUSAND OAKS**  
**Reconciliation of Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**Year Ended June 30, 2012**

Amounts reported for governmental activities in the statement of activities (page 25) are different because:

Net change in fund balances - total governmental funds (page 30)	\$ (52,561,341)
--	-----------------

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays were exceeded by depreciation in the current period.	14,327,406
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(46,384,703)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,432,008
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The issuance of long-term debt (i.e., bonds, loans payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items.	65,503,971
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Some expenses (i.e., long and short-term compensated absences and insurance) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	958,836
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Internal service funds are used by management to account for the cost of providing general liability, workers' compensation, and vision insurance coverage on a City-wide basis. The net revenue of certain activities of internal service funds is reported with governmental activities.	(94,555)
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Change in net assets of governmental activities (page 25)	<u><u>\$ (15,818,378)</u></u>
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See accompanying notes to basic financial statements.

**CITY OF THOUSAND OAKS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**Year ended June 30, 2012**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 39,919,815	39,919,815	40,694,441	774,626
Licenses and permits	4,355,500	4,355,500	5,044,995	689,495
Fines and forfeitures	307,520	307,520	386,692	79,172
Use of money and property	1,989,550	1,989,550	1,987,734	(1,816)
Charges for current services	5,337,060	5,337,060	5,477,981	140,921
Intergovernmental revenue	10,843,284	10,786,023	10,657,993	(128,030)
Other	346,500	899,698	1,903,384	1,003,686
<b>Total Revenues</b>	<u>63,099,229</u>	<u>63,595,166</u>	<u>66,153,220</u>	<u>2,558,054</u>
<b>Expenditures:</b>				
Current:				
General government	15,775,825	15,985,279	14,531,843	1,453,436
Public safety	26,637,825	26,615,383	26,183,186	432,197
Transportation	9,563,879	10,124,875	9,015,535	1,109,340
Community development	9,492,556	9,396,738	8,936,625	460,113
Culture and leisure	1,904,650	2,064,651	1,427,031	637,620
Capital Outlay	4,125,572	18,576,752	3,052,604	15,524,148
<b>Total expenditures</b>	<u>67,500,307</u>	<u>82,763,678</u>	<u>63,146,824</u>	<u>19,616,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,401,078)</u>	<u>(19,168,512)</u>	<u>3,006,396</u>	<u>22,174,908</u>
<b>Other financing sources (uses):</b>				
Transfers in	2,174,641	2,174,641	1,944,620	(230,021)
Transfers out	(3,687,376)	(3,722,376)	(3,333,962)	388,414
Proceeds from sale of property	15,000	15,000	14,610	(390)
<b>Total other financing sources (uses)</b>	<u>(1,497,735)</u>	<u>(1,532,735)</u>	<u>(1,374,732)</u>	<u>158,003</u>
Net change in fund balance	(5,898,813)	(20,701,247)	1,631,664	22,332,911
Fund balance-beginning	<u>78,815,832</u>	<u>78,815,832</u>	<u>78,815,832</u>	<u>-</u>
Fund balance-ending	<u>\$ 72,917,019</u>	<u>58,114,585</u>	<u>80,447,496</u>	<u>22,332,911</u>

See accompanying notes to basic financial statements.

**CITY OF THOUSAND OAKS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Library Special Revenue Governmental Fund**  
**Year ended June 30, 2012**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 5,722,150	5,722,150	5,485,016	(237,134)
Fines and forfeitures	180,000	180,000	167,523	(12,477)
Use of money and property	35,700	35,700	11,705	(23,995)
Charges for current services	15,000	15,000	15,408	408
Intergovernmental revenue	45,000	45,000	14,290	(30,710)
Other	43,200	63,200	63,896	696
Total Revenues	<u>6,041,050</u>	<u>6,061,050</u>	<u>5,757,838</u>	<u>(303,212)</u>
<b>Expenditures:</b>				
Current:				
Culture and leisure	7,639,217	7,646,998	7,551,253	95,745
Capital Outlay	673,399	1,738,869	380,139	1,358,730
Total expenditures	<u>8,312,616</u>	<u>9,385,867</u>	<u>7,931,392</u>	<u>1,454,475</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,271,566)</u>	<u>(3,324,817)</u>	<u>(2,173,554)</u>	<u>1,151,263</u>
<b>Other financing sources (uses):</b>				
Transfers in	2,140,355	2,175,355	2,173,554	(1,801)
Total other financing sources (uses)	<u>2,140,355</u>	<u>2,175,355</u>	<u>2,173,554</u>	<u>(1,801)</u>
Net change in fund balance	(131,211)	(1,149,462)	-	1,149,462
Fund balance-beginning	-	-	-	-
Fund balance-ending	<u>\$ (131,211)</u>	<u>(1,149,462)</u>	<u>-</u>	<u>1,149,462</u>

See accompanying notes to basic financial statements.

**CITY OF THOUSAND OAKS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**State Gas Tax Fund**  
**Year ended June 30, 2012**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 700,000	700,000	978,124	278,124
Use of money and property	113,750	113,750	161,415	47,665
Intergovernmental revenue	3,513,105	7,224,760	6,260,151	(964,609)
Other	-	-	30	30
Total Revenues	<u>4,326,855</u>	<u>8,038,510</u>	<u>7,399,720</u>	<u>(638,790)</u>
<b>Expenditures:</b>				
Current:				
Transportation	19,746,378	37,925,689	12,926,323	24,999,366
Capital Outlay	2,081,697	2,081,697	-	2,081,697
Total expenditures	<u>21,828,075</u>	<u>40,007,386</u>	<u>12,926,323</u>	<u>27,081,063</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,501,220)</u>	<u>(31,968,876)</u>	<u>(5,526,603)</u>	<u>26,442,273</u>
<b>Other financing sources (uses):</b>				
Transfers out	(999,721)	(999,721)	(947,581)	52,140
Total other financing sources (uses)	<u>(999,721)</u>	<u>(999,721)</u>	<u>(947,581)</u>	<u>52,140</u>
Net change in fund balance	(18,500,941)	(32,968,597)	(6,474,184)	26,494,413
Fund balance-beginning	<u>14,769,601</u>	<u>14,769,601</u>	<u>14,769,601</u>	<u>-</u>
Fund balance-ending	<u>\$ (3,731,340)</u>	<u>(18,198,996)</u>	<u>8,295,417</u>	<u>26,494,413</u>

See accompanying notes to basic financial statements.

# Proprietary Fund Financial Statements

**CITY OF THOUSAND OAKS**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

Page 1 of 2

	Business-type Activities			
	Water Utility	Wastewater Utility	Golf Course	Transportation
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 18,621,354	42,930,276	4,008,392	2,113,427
Receivables:				
Accounts	3,981,950	2,667,400	258,945	89,837
Accrued interest	34,719	79,772	7,200	3,051
Intergovernmental	163,817	2,579	-	348,406
Inventories - supplies	154,625	287,234	64,914	-
Prepaid items	-	-	129,232	-
<b>Total current assets</b>	<b>22,956,465</b>	<b>45,967,261</b>	<b>4,468,683</b>	<b>2,554,721</b>
Noncurrent assets:				
Restricted cash and investments	-	1,313,968	-	-
Deferred charges	-	138,044	-	-
Net OPEB asset	301,902	574,670	-	9,698
Capital assets:				
Land	2,344,632	1,463,180	1,217,610	-
Intangibles, non-depreciable	45,473	89,865	-	-
Buildings and improvements	57,870,671	196,654,029	10,495,253	534,442
Equipment	897,642	2,898,760	1,041,427	2,699,780
Intangibles, depreciable	482,291	-	-	-
Construction in progress	407,496	586,616	190,166	143,882
Less accumulated depreciation	(23,571,358)	(68,251,143)	(4,665,547)	(1,127,197)
<b>Total noncurrent assets</b>	<b>38,778,749</b>	<b>135,467,989</b>	<b>8,278,909</b>	<b>2,260,605</b>
<b>Total assets</b>	<b>61,735,214</b>	<b>181,435,250</b>	<b>12,747,592</b>	<b>4,815,326</b>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	2,632,452	589,549	197,088	412,836
Accrued liabilities	-	345,764	-	-
Due to other agencies	-	-	25,229	-
Interfund payables	-	-	3,135,000	-
Unearned revenue	-	-	145,564	2,126,143
Deposits	800,275	500	-	-
Compensated absences - current	184,954	319,619	-	10,196
Notes/loans payable - current	-	1,644,079	-	-
Revenue bonds payable - current	-	1,149,622	-	-
Capital lease payable - current	-	-	61,231	-
<b>Total current liabilities</b>	<b>3,617,681</b>	<b>4,049,133</b>	<b>3,564,112</b>	<b>2,549,175</b>
Noncurrent liabilities:				
Claims payable	-	-	-	-
Compensated absences	370,340	523,686	-	5,546
Notes/loans payable	-	18,450,367	-	-
Revenue bonds payable, (net of unamortized discounts and deferred amounts)	-	9,127,092	-	-
Capital lease payable	-	-	46,480	-
<b>Total noncurrent liabilities</b>	<b>370,340</b>	<b>28,101,145</b>	<b>46,480</b>	<b>5,546</b>
<b>Total liabilities</b>	<b>3,988,021</b>	<b>32,150,278</b>	<b>3,610,592</b>	<b>2,554,721</b>
<b>Net assets:</b>				
Invested in capital assets, net of related debt	38,476,847	103,070,147	8,171,198	2,250,907
Restricted for fiscal agent bond repayment	-	2,093,726	-	-
Unrestricted	19,270,346	44,121,099	965,802	9,698
<b>Total net assets</b>	<b>\$ 57,747,193</b>	<b>149,284,972</b>	<b>9,137,000</b>	<b>2,260,605</b>

See accompanying notes to basic financial statements.

Business-type Activities			Govt. Activities - Internal Service Funds
Solid Waste Management	Theatres	Total	
5,616,953	3,008,980	76,299,382	12,455,918
323,900	202,258	7,524,290	-
11,002	5,334	141,078	23,560
-	-	514,802	-
-	-	506,773	-
-	65,903	195,135	6,508
<u>5,951,855</u>	<u>3,282,475</u>	<u>85,181,460</u>	<u>12,485,986</u>
-	-	1,313,968	-
-	-	138,044	-
43,936	114,560	1,044,766	-
746,754	-	5,772,176	-
-	-	135,338	-
156,000	745,686	266,456,081	-
14,500	491,715	8,043,824	-
-	-	482,291	-
378,347	-	1,706,507	-
(63,653)	(548,865)	(98,227,763)	-
<u>1,275,884</u>	<u>803,096</u>	<u>186,865,232</u>	<u>-</u>
<u>7,227,739</u>	<u>4,085,571</u>	<u>272,046,692</u>	<u>12,485,986</u>
112,761	142,525	4,087,211	148,370
-	-	345,764	-
-	-	25,229	-
-	-	3,135,000	-
56,251	2,422,154	4,750,112	-
-	465	801,240	-
42,760	88,881	646,410	-
-	-	1,644,079	-
-	-	1,149,622	-
-	-	61,231	-
<u>211,772</u>	<u>2,654,025</u>	<u>16,645,898</u>	<u>148,370</u>
-	-	-	2,094,900
60,586	230,651	1,190,809	-
-	-	18,450,367	-
-	-	9,127,092	-
-	-	46,480	-
<u>60,586</u>	<u>230,651</u>	<u>28,814,748</u>	<u>2,094,900</u>
<u>272,358</u>	<u>2,884,676</u>	<u>45,460,646</u>	<u>2,243,270</u>
1,231,948	688,536	153,889,583	-
-	-	2,093,726	-
5,723,433	512,359	70,602,737	10,242,716
<u>6,955,381</u>	<u>1,200,895</u>	<u>226,586,046</u>	<u>10,242,716</u>
		1,127,230	Adjustment to reflect accumulated internal service fund profit related to enterprise funds
		<u>227,713,276</u>	Net assets of business-type activities (page 23)

**CITY OF THOUSAND OAKS**  
**Statement of Revenues, Expenses, and Changes In Fund Net Assets**  
**Proprietary Funds**  
**Year ended June 30, 2012**

Page 1 of 2

	Business-type Activities			
	Water Utility	Wastewater Utility	Golf Course	Transportation
<b>Operating revenues:</b>				
Sales of water and wastewater services	\$ 22,068,368	17,663,438	-	-
Theatre rentals and fees	-	-	-	-
Charges for services and supplies	-	-	-	-
Bus and subsidized taxi fares	-	-	-	346,921
Green fees, cart rentals and course memberships	-	-	4,443,747	-
Recycling fees	-	-	-	-
Fees for service	420,143	747,934	-	-
Other	64,662	23,618	580,104	67,039
<b>Total operating revenues</b>	<u>22,553,173</u>	<u>18,434,990</u>	<u>5,023,851</u>	<u>413,960</u>
<b>Operating expenses:</b>				
Salaries and employee benefits	3,207,092	5,986,109	-	135,466
Contract services	1,822,790	3,984,733	4,350,628	2,654,928
Utilities	430,630	1,004,008	-	3,810
Purchase of water	12,869,101	-	-	-
Materials and supplies	514,039	1,734,356	-	880,090
Claims expenses	-	-	-	-
Administrative expenses	173,221	242,349	11,607	135,384
Depreciation	1,742,601	5,208,839	437,068	287,406
<b>Total operating expenses</b>	<u>20,759,474</u>	<u>18,160,394</u>	<u>4,799,303</u>	<u>4,097,084</u>
<b>Operating income (loss)</b>	<u>1,793,699</u>	<u>274,596</u>	<u>224,548</u>	<u>(3,683,124)</u>
<b>Nonoperating revenues (expenses):</b>				
Gain on sale of property	8,000	57,000	-	-
Interest income	247,194	604,412	50,165	18,127
Interest expense	-	(832,281)	(119,214)	-
Bond issuance costs	-	(18,204)	-	-
Donations	-	-	-	-
Rental of facilities	27,956	51,600	-	25,851
Federal assistance	171,317	127,500	-	493,014
State tax subventions	-	-	-	2,965,636
<b>Total nonoperating revenues (expenses)</b>	<u>454,467</u>	<u>(9,973)</u>	<u>(69,049)</u>	<u>3,502,628</u>
<b>Income (loss) before contributions and transfers</b>	<u>2,248,166</u>	<u>264,623</u>	<u>155,499</u>	<u>(180,496)</u>
<b>Capital contributions</b>	<u>601,960</u>	<u>466,850</u>	<u>-</u>	<u>-</u>
<b>Transfers in</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,207</u>
<b>Change in net assets</b>	<u>2,850,126</u>	<u>731,473</u>	<u>155,499</u>	<u>(34,289)</u>
<b>Total net assets - beginning</b>	<u>54,897,067</u>	<u>148,553,499</u>	<u>8,981,501</u>	<u>2,294,894</u>
<b>Total net assets - ending</b>	<u>\$ 57,747,193</u>	<u>149,284,972</u>	<u>9,137,000</u>	<u>2,260,605</u>

See accompanying notes to basic financial statements.

Business-type Activities			Govt. Activities - Internal Service Funds
Solid Waste Management	Theatres	Total	
-	-	39,731,806	-
-	2,773,661	2,773,661	-
-	-	-	670,205
-	-	346,921	-
-	-	4,443,747	-
1,224,652	-	1,224,652	-
-	-	1,168,077	-
181,748	338,160	1,255,331	-
<u>1,406,400</u>	<u>3,111,821</u>	<u>50,944,195</u>	<u>670,205</u>
710,413	2,031,150	12,070,230	-
658,544	1,201,349	14,672,972	-
38,630	325,192	1,802,270	-
-	-	12,869,101	-
83,554	39,252	3,251,291	-
-	-	-	1,025,355
74,154	404,590	1,041,305	-
4,582	80,504	7,761,000	-
<u>1,569,877</u>	<u>4,082,037</u>	<u>53,468,169</u>	<u>1,025,355</u>
<u>(163,477)</u>	<u>(970,216)</u>	<u>(2,523,974)</u>	<u>(355,150)</u>
-	-	65,000	-
77,972	43,387	1,041,257	142,529
-	-	(951,495)	-
-	-	(18,204)	-
-	300,000	300,000	-
-	-	105,407	-
-	-	791,831	-
-	-	2,965,636	-
<u>77,972</u>	<u>343,387</u>	<u>4,299,432</u>	<u>142,529</u>
(85,505)	(626,829)	1,775,458	(212,621)
-	-	1,068,810	-
-	-	146,207	-
(85,505)	(626,829)	2,990,475	(212,621)
<u>7,040,886</u>	<u>1,827,724</u>		<u>10,455,337</u>
<u>6,955,381</u>	<u>1,200,895</u>		<u>10,242,716</u>
		(118,066)	Adjustment to reflect internal service fund loss related to enterprise funds
		<u>2,872,409</u>	Change in net assets of business-type activities (Page 25)

**CITY OF THOUSAND OAKS**  
**Statement of Cash Flows - Proprietary Funds**  
**Year ended June 30, 2012**

	Business-type Activities			
	Water Utility	Wastewater Utility	Golf Course	Transportation
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 21,784,192	18,158,977	4,945,936	349,042
Cash payments for goods and services	(15,599,902)	(6,880,301)	(4,551,541)	(3,476,413)
Cash payments to employees	(3,179,229)	(5,997,012)	-	(137,799)
Net cash provided by (used for) operating activities	<u>3,005,061</u>	<u>5,281,664</u>	<u>394,395</u>	<u>(3,265,170)</u>
<b>Cash flows from noncapital financing activities:</b>				
Property taxes and state tax subventions received	-	-	-	2,965,636
Federal assistance	171,317	127,500	-	493,014
Donations	-	-	-	-
Transfers in	-	12,570,415	-	146,207
Transfers out	-	(12,570,415)	-	-
Net cash provided by noncapital financing activities	<u>171,317</u>	<u>127,500</u>	<u>-</u>	<u>3,604,857</u>
<b>Cash flows from capital and related financing activities:</b>				
Payments for capital acquisitions	(1,037,637)	(2,415,363)	(187,213)	(253,095)
Proceeds from sale of property	8,000	57,000	-	-
Principal repayments	-	(2,720,836)	-	-
Capital lease obligation repayments	-	-	(109,447)	-
Interest paid	-	(832,281)	(119,214)	-
Net cash used for capital and related financing activities	<u>(1,029,637)</u>	<u>(5,911,480)</u>	<u>(415,874)</u>	<u>(253,095)</u>
<b>Cash flows from investing activities:</b>				
Interest received	253,031	629,608	52,171	19,257
Rental payments received	27,956	51,600	-	25,851
Net cash provided by investing activities	<u>280,987</u>	<u>681,208</u>	<u>52,171</u>	<u>45,108</u>
Net increase (decrease) in cash and cash equivalents	2,427,728	178,892	30,692	131,700
Cash and cash equivalents, beginning of year (including \$1,313,974 for the Wastewater Utility fund reported in restricted accounts)	16,193,626	44,065,352	3,977,700	1,981,727
Cash and cash equivalents, end of year (including \$1,313,968 for the Wastewater Utility fund reported in restricted accounts)	<u>\$ 18,621,354</u>	<u>44,244,244</u>	<u>4,008,392</u>	<u>2,113,427</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 1,793,699	274,596	224,548	(3,683,124)
<b>Adjustments to reconcile operating loss to net cash used for operating activities:</b>				
Depreciation expense	1,742,601	5,208,839	437,069	287,407
(Increase) decrease in accounts/notes receivable	(646,712)	(168,676)	(32,139)	(41,428)
(Increase) decrease in due from other governments	(163,817)	12,663	-	26,171
Decrease in inventories	22,824	113,677	9,043	-
(Increase) decrease in prepaid expenses	-	-	(75,367)	-
(Increase) decrease in net OPEB asset	(568)	(1,051)	-	(22)
Increase (decrease) in accounts payables	187,054	(3,401)	61,903	197,797
(Decrease) in accrued liabilities	-	(25,131)	-	-
Increase in due to other agencies	-	-	10,115	-
(Decrease) in due to other funds	-	-	(195,000)	-
Increase (decrease) in compensated absences	28,431	(9,852)	-	(2,311)
Increase (decrease) in unearned revenue and deposits	41,549	(120,000)	(45,777)	(49,660)
(Decrease) in claims payable	-	-	-	-
Total adjustments	<u>1,211,362</u>	<u>5,007,068</u>	<u>169,847</u>	<u>417,954</u>
Net cash provided by (used for) operating activities	<u>\$ 3,005,061</u>	<u>5,281,664</u>	<u>394,395</u>	<u>(3,265,170)</u>
<b>Noncash investing, capital, and financing activities:</b>				
Contributions of property, plant and equipment from developers and other funds	601,960	466,850	-	-

See accompanying notes to basic financial statements.

Business-type Activities			Govt. Activities
Solid Waste Management	Theatres	Total	Internal Service Funds
1,342,956	3,232,696	49,813,799	670,246
(908,209)	(1,961,071)	(33,377,437)	(1,170,414)
(706,731)	(2,047,031)	(12,067,802)	-
(271,984)	(775,406)	4,368,560	(500,168)
-	-	2,965,636	-
-	-	791,831	-
-	300,000	300,000	-
-	-	12,716,622	-
-	-	(12,570,415)	-
-	300,000	4,203,674	-
(36,908)	-	(3,930,216)	-
-	-	65,000	-
-	-	(2,720,836)	-
-	-	(109,447)	-
-	-	(951,495)	-
(36,908)	-	(7,646,994)	-
81,687	45,725	1,081,479	150,997
-	-	105,407	-
81,687	45,725	1,186,886	150,997
(227,205)	(429,681)	2,112,126	(349,171)
5,844,158	3,438,661	75,501,224	12,805,089
5,616,953	3,008,980	77,613,350	12,455,918
(163,477)	(970,216)	(2,523,974)	(355,150)
4,581	80,504	7,761,001	-
(48,207)	57,918	(879,244)	41
-	-	(124,983)	-
-	-	145,544	-
-	2,776	(72,591)	(6,508)
(115)	(247)	(2,003)	-
(53,326)	6,538	396,565	56,249
-	-	(25,131)	-
-	-	10,115	-
-	-	(195,000)	-
3,797	(15,634)	4,431	-
(15,237)	62,955	(126,170)	-
-	-	-	(194,800)
(108,507)	194,810	6,892,534	(145,018)
(271,984)	(775,406)	4,368,560	(500,168)
-	-	1,068,810	-

# Fiduciary Fund Financial Statements

**CITY OF THOUSAND OAKS**  
**Statement of Fiduciary Assets and Liabilities - Fiduciary Funds**  
**June 30, 2012**

	Agency Funds	Thousand Oaks Redevelopment Successor Agency	Defined Benefits Trust Fund
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 5,695,243	44,889,681	23,224
Receivables:			
Accounts	95,813	10,159	-
Accrued interest	9,583	19,479	-
Intergovernmental	-	73,540	-
Investments at fair value:			
Dreyfus cash management fund	-	-	423,500
California State general obligation bonds	-	-	1,027,297
Total current assets	<u>5,800,639</u>	<u>44,992,859</u>	<u>1,474,021</u>
Noncurrent assets:			
Deferred charges	-	1,110,146	-
Capital assets:			
Land	-	20,163,290	-
Buildings and improvements	-	25,799,767	-
Infrastructure	-	4,391,713	-
Construction in progress	-	120,473	-
Less accumulated depreciation	-	(394,934)	-
Total noncurrent assets	<u>-</u>	<u>51,190,455</u>	<u>-</u>
Total assets	<u>5,800,639</u>	<u>96,183,314</u>	<u>1,474,021</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	26,212	3,250,406	23,698
Accrued liabilities	-	255,002	-
Due to other agencies	5,690	5,693,260	-
Deposits	5,768,737	69,200	-
Notes/loans payable - current	-	4,700,000	-
Total current liabilities	<u>5,800,639</u>	<u>13,967,868</u>	<u>23,698</u>
Noncurrent liabilities:			
Notes/loans payable, less current portion	-	57,080,468	-
Total liabilities	<u>5,800,639</u>	<u>71,048,336</u>	<u>23,698</u>
<b>Net assets:</b>			
Held in trust for pension benefits	-	-	1,450,319
Held in trust for other purposes	-	25,134,978	-
Total net assets	<u>\$ -</u>	<u>25,134,978</u>	<u>1,450,319</u>

See accompanying notes to basic financial statements.

**CITY OF THOUSAND OAKS**  
**Statement of Changes in Fiduciary Net Assets - Fiduciary Funds**  
**June 30, 2012**

	Thousand Oaks Redevelopment Successor Agency	Defined Benefits Trust Fund
<b>Additions:</b>		
Property taxes	\$ 6,010,532	-
Contributions:		
Employer	-	168,677
Employee	-	74,803
Investment earnings	75,143	18,206
Other	48,359	-
Total Additions	<u>6,134,034</u>	<u>261,686</u>
<b>Deductions:</b>		
Program expenses of former redevelopment agency	5,618,573	-
Benefits	-	159,477
Administrative expenses	117,686	42,199
Interest and fiscal agency expenses of former redevelopment agency	5,301	-
Depreciation	394,934	-
Total Deductions	<u>6,136,494</u>	<u>201,676</u>
Extraordinary gain	25,137,438	-
Changes in net assets	<u>25,134,978</u>	<u>60,010</u>
Net assets - beginning	\$ -	1,390,309
Net assets - ending	<u>\$ 25,134,978</u>	<u>1,450,319</u>

## Notes to Basic Financial Statements

# CITY OF THOUSAND OAKS

## *Notes to Basic Financial Statements (Continued)*

June 30, 2012

### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Description of Reporting Entity

The City of Thousand Oaks (City), California, was incorporated in 1964 and is a general law city covering approximately 56 square miles. The City operates under a City Council-City Manager form of government.

The Thousand Oaks Redevelopment Agency (Agency) was established pursuant to the Community Redevelopment Law of California as modified in Part I of Division 24 of the State of California Health and Safety Code. The Agency is broadly empowered to engage in the general economic revitalization and redevelopment of the City through acquisition and development of property in those areas of the City determined to be in a declining condition.

The Thousand Oaks Public Financing Authority (Authority) was formed for the acquisition, improvement, and construction of various capital improvements, which are leased by the City. The Authority is a joint powers authority between the City and the Agency.

The Agency and the Authority are included in the accompanying financial statements. The criteria used in determining the scope of the reporting entity are based on the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The Agency and the Authority have been accounted for as "blended" component units of the City. The following specific criteria were used in determining that the Agency and the Authority were "blended" component units:

- The members of the City Council also act as the governing bodies of the Agency and the Authority.
- The Agency and the Authority are managed by employees of the City.

The City and the Agency are financially interdependent. The City makes loans to the Agency to use on redevelopment projects. Property tax revenues of the Agency are used to repay the loans from the City. The Authority issues indebtedness, which is used to purchase assets leased to the City. Lease payments from the City to the Authority are used for the Authority's debt service.

Despite being legally separate, these entities are so intertwined with the City that they are, in substance, part of the City's operations. Accordingly, the balances and transactions of these component units are reported within the funds of the City. Separate financial statements for the Agency may be obtained from the City of Thousand Oaks' Finance Department at City Hall. The City does not issue separate financial statements for the Authority.

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements* *(Continued)*

June 30, 2012

The Agency's debt service and capital projects funds are reported as major governmental funds and are located within the basic financial statements section. The Authority's debt service and capital projects funds are reported as nonmajor governmental funds and are located within the combining financial statements and schedules section.

The Agency was dissolved as of February 1, 2012, through the Supreme Court decision on Assembly Bill X1 26. See Note 17 for more information on the dissolution.

#### **(b) Implementation of New Accounting Principles**

Effective July 1, 2011, the City adopted the provisions of GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The objective of GASB Statement No. 57 is to address issues related to the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans and the use of the alternative measurement method.

GASB Statement No. 57 amends Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, to allow an agent employer with an individual-employer OPEB plan with less than 100 plan members to use the alternative measurement method at its option. This Statement also amends Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, requirement that a defined benefit OPEB plan obtain an actuarial valuation and instead allows for eligible individual-employer OPEB plans to report an aggregation of results of actuarial valuations of the individual employer OPEB plans or measurements resulting from the use of the alternative measurement method. Also, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan, those measures should be determined as of a common date and at a minimum frequency.

GASB Statement No. 57 improves financial reporting by allowing more agent employers to use the alternative measurement method which could reduce the cost of compliance with Statement No. 45 while still achieving an appropriate balance between the goals of reliable measurement and reasonable cost. In addition, it will improve the consistency of reporting with regard to funded status and funding progress information.

Effective July 1, 2011, the City adopted the provisions of GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*. The objective of GASB Statement No. 64 is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. The Statement also sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

June 30, 2012

GASB Statement No. 64 improves financial reporting by enhancing comparability and clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced.

#### **(c) Government-wide and Fund Financial Statements**

The government-wide financial statements consist of the statement of net assets and statement of activities, as well as, report information on all of the nonfiduciary activities of the City and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, with the exception of interfund services provided and used, which are not eliminated in the process of consolidation. All internal balances in the statement of net assets have been eliminated, with the exception of those representing balances between governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct and indirect 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. Indirect expenses are allocated based on the annual citywide cost allocation plan. 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, including special assessments, 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major proprietary funds are reported as separate columns in the fund financial statements.

In accordance with GASB Statement No. 34, reconciliations of the differences between the fund and government-wide financial statements are provided on pages 28 and 31.

#### **(d) 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. Under the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

June 30, 2012

accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets regardless of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered “available spendable resources” since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of other long-term receivables are offset by fund balance relative to imposed constraints and classified accordingly.

Under the modified accrual basis of accounting, revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the City considers property taxes and taxpayer assessed taxes, such as sales taxes and gas taxes, as available if they are collected within 60 days of the end of the fiscal year. Other revenues treated as susceptible to accrual consist of franchise taxes, special assessments, licenses, charges for services, interest, and grant revenues. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

The City reports the following major governmental funds:

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

The **Library Fund** provides for administration of the City’s library system. Property taxes, library assistance from the State of California, and other revenues are restricted for library maintenance and operations expenditures in this fund.

The **State Gas Tax Fund** accounts for revenues derived from gasoline purchases and are restricted for the construction and maintenance of City streets and other street related projects.

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

June 30, 2012

The **Thousand Oaks Redevelopment Agency Debt Service Fund** is used to account for the accumulation of resources and payment of principal and interest for the Agency's project areas.

The **Thousand Oaks Redevelopment Agency Capital Projects Fund** is used to account for the financial activities of the Agency. Although the Agency is a unit of government legally distinct from the City, the City Council serves as its governing body and has continuing oversight responsibility for its operation and financial management.

The **Capital Improvements Fund** accounts for developer agreement funds and developer impact fees collected for road improvements, bridge improvements, and undergrounding of utilities, as well as capital facilities fees restricted for public facilities.

The **Thousand Oaks Housing Successor Fund** accounts for specific revenues that are legally restricted to expenditures for housing functions performed by the Agency.

The City reports the following major enterprise funds:

The **Water Utility Fund** accounts for the operation of the City's water utility, a self-supporting activity, which renders services on a user-charge basis to residents and businesses located in Thousand Oaks.

The **Wastewater Utility Fund** accounts for the operation of the City's wastewater utility, a self-supporting activity, which renders services on a user-charge basis to residents and businesses located in Thousand Oaks.

The **Golf Course Fund** accounts for the operation of the Los Robles Greens Golf Course.

The **Transportation Fund** accounts for the operation of the Thousand Oaks transit system. Fare revenues and transfers from the City are recognized in this fund.

The **Solid Waste Management Fund** accounts for the solid waste management activities of the City, which includes recycling, source reduction, hazardous waste disposal, and composting.

The **Theatres Fund** accounts for the operation of the 1,800 seat Kavli Performing Arts Theatre and the 400 seat Scherr Forum Theatre. The theatres began operations in October 1994.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for specific revenues that are legally restricted to expenditures for particular purposes.

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

June 30, 2012

The **Debt Service Funds** account for the accumulation of resources and payment of principal and interest of the Authority.

The **Capital Projects Funds** account for the City's equipment replacement program and other capital expenditures.

The **Internal Service Funds** account for the cost of providing general liability, workers' compensation, and vision insurance coverage.

The **Fiduciary Funds** account for the resources held by the City in a fiduciary capacity for individuals, governmental entities, and others.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. For proprietary fund type activities, the City has elected to apply all applicable GASB pronouncements, as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB), or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The City has elected not to follow subsequent private sector guidance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City's fiduciary funds include trust funds and agency funds. Trust funds are used to report the resources held and administered by the City when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. Trust funds are presented in the basic fiduciary fund financial statements on pages 41-42 of this report. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are presented in the aggregate on page 41 and by fund in the combining statements on pages 111-117. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City currently reports the following fiduciary funds:

The **Thousand Oaks Redevelopment Successor Agency Trust Fund** is used to account for the assets and liabilities of the Agency and is allocated revenue to pay

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

June 30, 2012

estimated installment payments of enforceable obligations until obligations of former Agency are paid in full and assets have been liquidated.

The **Defined Benefits Trust Fund** is used to accumulate resources for defined benefits for hourly/part-time employees that are not members in CalPERS.

The **Strong Motion Instrumentation Fund** is used to collect fees from applicants for building permits that are used to regulate the statewide strong motion instrumentation program, which accumulates information needed to make homes and other structures safe from destructive earthquakes.

The **County Flood Zone Fund** is used to collect flood control fees and charges as a condition of land development in order to derive revenue to be used for certain flood control purposes.

The **Environmental Impact Reports Fund** accumulates deposits to reimburse the City for costs incurred in the preparation and/or processing of environmental review documents.

The **Planning Security Deposits Fund** accounts for deposits placed with the City as required by the Planning Commission. The deposits are performance-oriented and are refunded to the depositor upon successful completion of required services or conditions.

The **Public Works Deposits Fund** accounts for a wide variety of deposits placed with the City. Many of these deposits are performance-oriented and are refunded to the depositor upon successful completion of required services or conditions.

The **Public Access Television Fund** accounts for money collected to promote and encourage the use of Public Access Television.

The **Law Enforcement Fund** accounts for Drug Abuse Resistance Education (DARE) donations and state drug seizure funds.

The **Thousand Oaks Plan Assist School Sites (TOPASS) Fund** is used to account for the activities of TOPASS which is a non-profit foundation. The City invests and has physical custody of the funds which were initially a donation from the City. Interest earnings on the principal are used for school improvements.

The **Conejo Open Space Conservation Agency (COSCA) Fund** is used to account for the activities of COSCA which is a joint powers agreement between the City and Conejo Recreation and Park District. The City acts as treasurer for COSCA for funds received on COSCA's behalf.

The **Miscellaneous Flow Through Fund** is used to account for miscellaneous fees collected that are passed through to other agencies.

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

June 30, 2012

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted first, and then unrestricted resources as they are needed.

#### **(e) Fund Balance Reporting and Governmental Fund Type Definitions**

As of June 30, 2012, governmental funds are made up of the following fund balance categories:

**Nonspendable Fund Balance** cannot be converted to cash (i.e., prepaid items and inventories of supplies) and will not be converted to cash soon enough to affect the current period.

**Restricted Fund Balance** has externally enforceable limitations on the use (i.e., limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments, and limitations imposed by law through constitutional provisions or enabling legislation).

**Committed Fund Balance** has self-imposed limitations on use set in place prior to the end of the fiscal year and imposed at the highest level of decision making (City Council) that requires formal action at the same level to remove (for example: resolution and ordinance).

**Assigned Fund Balance** has limitations resulting from intended use established by the highest level of decision making, by a body designated for that purpose, or by an official designated for that purpose (delegated by the City Council to the City Manager as per the Governmental Fund Balance Policy approved July 26, 2011).

**Unassigned Fund Balance** is comprised of the excess of nonspendable, restricted, committed, and assigned total fund balance (i.e., residual net resources).

The accounting policies of the City consider restricted fund balance spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

#### **(f) Cash and Investments**

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, the City's investments are stated at fair value.

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

June 30, 2012

As of June 30, 2012, the aggregate unrealized gain for the City's entire investment portfolio across all funds was \$717,610, with \$401,954 of that amount in the General Fund.

The City manages the cash activity of all funds daily, allowing for maximum investment of available unrestricted cash balances. In accordance with state law and the City's formal investment policy, available cash and investment balances consist primarily of collateralized and/or insured certificates of deposit, U.S. Government and Federal Agency obligations, and the State Treasurer's Local Agency Investment Fund (LAIF). LAIF operates in accordance with appropriate state laws and regulations and audit oversight by the California Bureau of Audits and the State Controller's Office. A substantial portion of the City's investments are in short-term, highly liquid instruments, with original maturities of three months or less (including \$52,767,726 of funds on deposit with LAIF). Fair value is determined annually and is based on current market prices received from the securities custodian. The fair value of participants' position in the pool is substantially the same as the value of the pool shares. The City's policy is to hold investments until maturity, or until market values equal or exceed cost.

For purposes of the statement of cash flows, all cash and investments held by the proprietary funds are classified as cash and cash equivalents. The proprietary funds participate in the City's pooled investments, including highly liquid investments, such as the LAIF and money market (Invesco Aim) funds.

#### **(g) Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as "interfund receivables/payables". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Property taxes attach as an enforceable lien on property as of January 1. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The County of Ventura bills and collects property taxes on behalf of the City. Delinquent property taxes receivable as of June 30, 2012, was \$249,745.

Rebatable arbitrage earnings from the investment of tax exempt securities are treated as a reduction in investment revenue. The liability is recorded within accrued liabilities in the fund that has incurred the rebatable arbitrage. As of June 30, 2012, the City did not have a liability due.

#### **(h) Inventories and Prepaid Items**

Inventories held by enterprise funds are stated at average cost, which approximates a first-in, first-out (FIFO) basis. Inventories in the enterprise funds include various accessories used for water and wastewater service repair and maintenance. Inventories held by governmental funds are accounted for utilizing the consumption method. Inventories in the

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements* *(Continued)*

June 30, 2012

General Fund consist principally of fuel, auto parts, and other miscellaneous materials and are stated at average cost. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The inventories and prepaid items recorded in the governmental funds do not reflect current appropriable resources and therefore, an equivalent portion of fund balance is nonspendable.

#### **(i) Restricted Cash and Investments**

Some debt covenants require resources to be set aside as restricted assets to cover one annual principal and interest payment. As required, amounts are set aside in the Thousand Oaks Redevelopment Successor Agency Trust Fund and Wastewater Utility Fund.

#### **(j) Capital Assets**

Capital assets are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Included in capital assets are land, buildings and improvements, equipment, intangibles, infrastructure, and construction in progress. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Capital outlay is recorded as expenditures in the General, special revenue, and capital projects funds, and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and Improvements – 20 to 50 years  
Equipment – 3 to 15 years  
Intangibles – 2 to 50 years  
Infrastructure – 10 to 50 years

#### **(k) Self-insurance**

The City provides vision insurance under a self-insurance plan and is self-insured for workers' compensation and general liability claims below the insured limits. The City contracts with outside agencies to supervise and administer the self-insurance programs. Estimated liabilities related to outstanding workers' compensation and general liability claims (including estimates for incurred but not reported claims) are based upon actuarial valuations and are recorded in the internal service funds.

#### **(l) Compensated Absences**

Compensated absences is paid time off made available to employees in connection with accrued vacation, miscellaneous, and sick leave. Accrued sick leave is available for use only during each employee's tenure with the City, except for credit on accumulated sick leave, which is applied to an employee's service time upon retirement. The City accrues for

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

compensated absences in the government-wide and proprietary fund statements of net assets. In prior fiscal years, the liability for compensated absences in the governmental funds has been liquidated primarily by the General Fund and the Library Fund.

Detail of compensated absences recorded in the government-wide statement of net assets as of June 30, 2012, is as follows:

Fund Type	Fiscal Year 2011-12			Fiscal Year 2010-11
	Current Portion	Noncurrent Portion	Total	Total
<b>Governmental Activities:</b>				
General Fund	\$ 1,663,399	\$ 2,594,101	\$ 4,257,500	\$ 4,440,729
Library	244,971	612,660	857,631	927,546
County Flood Control Benefit Assessment	24,320	28,777	53,097	52,134
Landscape and Lighting Districts	53,265	71,683	124,948	111,306
Redevelopment Agency	-	-	-	196,684
<b>Total Governmental Activities</b>	<b>\$ 1,985,955</b>	<b>\$ 3,307,221</b>	<b>\$ 5,293,176</b>	<b>\$ 5,728,399</b>
<b>Business-type Activities:</b>				
Water	184,954	370,340	555,294	526,863
Wastewater	319,619	523,686	843,305	853,157
Transportation	10,196	5,546	15,742	18,053
Solid Waste	42,760	60,586	103,346	99,549
Theatres	88,881	230,651	319,532	335,166
<b>Total Business-type Activities</b>	<b>\$ 646,410</b>	<b>\$ 1,190,809</b>	<b>\$ 1,837,219</b>	<b>\$ 1,832,788</b>
<b>Total Compensated Absences</b>	<b>\$ 2,632,365</b>	<b>\$ 4,498,030</b>	<b>\$ 7,130,395</b>	<b>\$ 7,561,187</b>

**(m) Long-term Liabilities**

In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net assets. Bond premiums, discounts, issuance costs, and gain or loss on defeasance are deferred and amortized over the life of the bonds. Bond payables are reported net of the applicable bond premiums, discounts, and gain or loss on defeasance, while bond issuance costs are reported as deferred charges.

In the fund financial statements, the governmental funds recognize bond premiums, discounts, issuance costs, and gain or loss on defeasance during the current period. The face amount of debt issued and premiums are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In prior fiscal years, any net pension obligation has been primarily liquidated by the General Fund. The City has not liquidated any net other postemployment benefit obligation in the past as the City reports a net other postemployment benefit asset.

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2012

### (n) Reconciliation of Government-wide and Fund Financial Statements

#### Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of the reconciliation explains that “long-term liabilities, including compensated absences, and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this (\$20,647,679) difference are as follows:

Lease Revenue bonds payable	(\$15,259,998)
Compensated absences	(5,293,176)
Interest payable	(53,109)
Termination Benefits	<u>(41,396)</u>
Net adjustment to decrease fund balance - <i>total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<b><u>(\$20,647,679)</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 a 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 the reconciliation explains that “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 and reported as depreciation expense.” This is the amount by which capital outlay exceeded depreciation in the current period. The details of this \$14,327,406 difference are as follows:

Capital Outlay	\$27,985,035
Depreciation Expense	<u>(13,657,629)</u>
Net adjustment to increase net <i>changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<b><u>\$14,327,406</u></b>

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

June 30, 2012

Another element of the reconciliation states that “the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.” The details of this (\$46,384,703) difference are as follows:

In the statement of activities, only the gain (loss) on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. The change in net assets differs from the change in fund balance by the cost of the capital assets sold.	\$101,470
Extraordinary loss on capital assets transferred to Thousand Oaks Successor Agency	(50,475,243)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources	<u>3,989,070</u>
Net adjustments to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u><b>(\$46,384,703)</b></u>

Another element of the reconciliation states that “the issuance of long-term debt (bonds, certificates of participation, loans payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$65,503,971 difference are as follows:

Tax allocation bonds principal payments	\$4,405,000
Lease revenue bonds principal payments	505,000
Extraordinary gain on long-term debt transferred to Thousand Oaks Successor Agency	60,703,821
Amortization of debt issuance costs, premiums, and discounts	<u>(109,850)</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><b>\$65,503,971</b></u>

Another element of the reconciliation states that “some expenses (i.e., long and short-term compensated absences and insurance) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$958,836 difference are as follows:

Compensated absences	\$435,223
Accrued interest	273,027
Termination benefits	(41,396)
Net change in prepaid expense	<u>291,982</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><b>\$958,836</b></u>

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

June 30, 2012

#### **(o) Budgetary Data**

The City is a general law city in the State of California (State) and does not legally require a budget. However, City Council biennially reviews and adopts an annual budget for the major governmental funds: General, Library, State Gas Tax, Thousand Oaks Redevelopment Agency Debt Service, Thousand Oaks Redevelopment Agency Capital Projects, and Capital Improvements. Historically, the City has not presented budgetary comparisons for capital project and debt service funds. City Council also biennially reviews and adopts an annual budget for the following nonmajor governmental funds: Landscape and Lighting Districts, Traffic and Bicycle Safety, Community Facilities Districts, HOME and Community Development Block Grant, and County Flood Control Benefit Assessment funds. No budgetary comparisons are presented for the Federal Asset Seizure, American Recovery and Reinvestment Act, Thousand Oaks Housing Successor, and Housing Trust special revenue funds, the Thousand Oaks Public Financing Authority debt service fund, and the Fixed Asset Replacement, Community Recreation and Open Space Endowment, and Thousand Oaks Public Financing Authority capital projects funds, as no budget was adopted.

Consistent with generally accepted accounting principles, the modified accrual basis is used during the budget process. Operating appropriations lapse at the end of each fiscal year. The budgetary level of control for all governmental fund types is the fund level. The City Manager has the discretion to transfer appropriations between departments within a fund, but changes to the total appropriation of a fund or transfers between funds must be approved by City Council.

Budgetary data is presented in the basic financial statements, pages 32-34, and combining financial statements and schedules sections, pages 102-106.

#### **(p) Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in all governmental funds. Amounts encumbered at the end of the current fiscal year that are not included in restricted or committed fund balance shall be considered assigned and will be reported by function. Encumbrances are not included in reported expenditures.

#### **(q) Use of Estimates**

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosure of contingent assets and liabilities on the financial statements. Actual results could differ from those estimates.

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**(2) CASH AND INVESTMENTS**

Cash and investments as of June 30, 2012, are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 222,675,492
Restricted cash and investments	2,480,920
Fiduciary Funds:	
Cash and investments	5,695,243
Successor agency cash and investments	44,889,681
Pension trust cash and investments	1,474,021
Total cash and investments	\$ 277,215,357

Cash and investments as of June 30, 2012, consist of the following:

Cash on hand	\$ 106,345
Deposits with financial institutions	99,016,963
Investments held by City and bond trustee	176,641,251
Investments held by pension plan	1,450,798
Total cash and investments	\$ 277,215,357

**(a) Investments Authorized by the California Government Code and the City's Investment Policy**

The table below identifies the **investment types** that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address **interest rate risk**, **credit risk**, and **concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustee that are governed by the provision of debt agreements of the City, rather than by the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	N/A
U.S. Agencies	5 years	None	None
City of Thousand Oaks Debt Obligations	5 years	None	N/A
State of California Debt Obligations	5 years	None	N/A
State of California Local Agency Debt Obligations	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper*	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	10%	5%
Collateralized Bank Deposits	5 years	None	None
Repurchase Agreements	30 days	None	None
Medium-Term Notes	5 years	30%	10%
Mutual Funds	N/A	15%	10%
Money Market Funds	N/A	15%	None
Local Agency Investment Fund (LAIF)	N/A	None	N/A

\*City may not purchase more than 10% of the outstanding commercial paper of a single issuer.

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**(b) Investments Authorized by Debt Agreements**

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the **investment types** that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address **interest rate risk, credit risk, and concentration of credit risk.**

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	N/A
U.S. Agencies	None	None	None
U.S. Dollar Denominated Deposit Accounts, Federal Funds, and Banker's Acceptances	1 year	None	None
Commercial Paper	270 days	None	None
FDIC Insured Certificates of Deposit	None	None	None
State Obligations	None	None	None
Pre-refunded Municipal Obligations	None	None	None
Money Market Funds	N/A	None	None
Investment Contracts	None	None	None
LAIF	N/A	None	N/A

**(c) Disclosures relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

<u>Investment Type</u>		<u>Weighted Average Maturity (in years)</u>
U.S. Agencies – Fixed Coupons	\$ 88,736,220	3.75
U.S. Agencies – Step-Up Coupons	6,019,197	4.66
Municipal Bonds	7,796,853	2.26
LAIF	52,767,726	0.74
GNMA Passthrough Securities	1,311	4.04
Held by Fiscal Agent:		
Money Market Funds	7,957,059	0.14
U.S. Agencies – Fixed Coupons	1,312,696	0.72
LAIF	<u>12,050,189</u>	0.74
Total	<u>\$176,641,251</u>	

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**(d) Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (Standard & Poor's). Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type:

<u>Investment Type</u>		Minimum Legal Rating	<u>AAA</u>	<u>AA/A</u>	<u>Unrated</u>
U.S. Agencies – Fixed Coupons	\$88,736,220	None		\$88,736,220	
U.S. Agencies – Step-Up Coupons	6,019,197	None		6,019,197	
Municipal Bonds	7,796,853	A		7,796,853	
LAIF	52,767,726	None			\$52,767,726
GNMA Passthrough Securities	1,311	None	\$ 1,311		
Held by Fiscal Agent:					
Money Market Funds	7,957,059	AAA/Aaa	7,957,059		
U.S. Agencies – Fixed Coupons*	1,312,696	AAA/Aaa		1,312,696	
LAIF	<u>12,050,189</u>	None			12,050,189
Total	<u>\$176,641,251</u>				

\*Minimum legal rating required for Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) only.

**(e) Custodial Credit Risk**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of June 30, 2012, \$99,016,963 of the City's deposits or investments were exposed to custodial credit risk.

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. The Treasurer may waive the security for that portion of the total amount on deposit which is insured pursuant to Federal law. Although the standard insurance amount is \$250,000 per depositor, from December 31, 2010, through December 31, 2012, deposits held in non-

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

interest bearing transaction accounts are fully insured regardless of the amount. As of June 30, 2012, the City had \$99,016,963 in deposits collateralized by securities held by a third party trust department.

**(f) Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represent 5 percent or more of total City investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Bank	Coupon Securities	\$17,303,406
Federal Farm Credit Bank	Coupon Securities	\$18,000,000
Federal Home Loan Mortgage Corporation	Coupon Securities	\$33,060,000
Federal National Mortgage Association	Coupon Securities	\$26,998,500
Comerica Bank	Collateralized Deposits	\$27,000,000
Community Bank	Collateralized Deposits	\$23,000,000
Santa Barbara Bank & Trust	Collateralized Deposits	\$32,001,734

**(g) Investment in State Investment Pool**

The City is a voluntary participant in LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized cost basis.

**(h) Investments in Hourly/Part-time Defined Benefit Pension Plan**

The City's Hourly/Part-time Defined Benefit Pension Plan (Plan) investments are not covered by the City's Investment Policy. Investment guidelines for the Plan are detailed in the trust agreement and include bonds, mortgages, notes, common or preferred stock, other securities, life insurance policies, annuity contracts, and property (personal, real or mixed, and tangible or intangible).

A summary of the investments held and the percentage of the Plan portfolio as of June 30, 2012, are as follows:

<u>Pension Plan Trust Fund Investments</u>	<u>Fair Value</u>	<u>Percent of Portfolio</u>
Dreyfus Govt. Cash Management	423,500	29%
Municipal Bonds – CA State	<u>1,027,298</u>	<u>71%</u>
Total	<u>\$1,450,798</u>	<u>100%</u>

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**(3) LOANS AND NOTES RECEIVABLE**

The Agency engaged in projects designed to improve, construct, and preserve low and moderate income housing units. Under these projects, loans were provided under favorable terms to non-profit organizations or developers who agree to comply with the Agency's terms. As a result of the dissolution of the Agency as of February 1, 2012, the loans and notes were transferred to the Thousand Oaks Housing Successor Fund. As of June 30, 2012, loans and notes receivable totaling \$28,646,462 are as follows:

Shadows Apartments	\$ 6,900,000
Los Feliz Drive	6,600,000
Hillcrest Drive	7,056,500
Bella Vista Apartments	4,139,200
Oak Creek Senior Villas	2,450,000
Hacienda de Feliz	600,000
Warwick Apartments	420,000
Housing Rehabilitation	369,046
Others	<u>111,716</u>
Total loans/notes receivable	<u>\$28,646,462</u>

Major loan projects the Thousand Oaks Housing Successor Fund is involved in are described as follows:

**Shadows Apartments**

During fiscal year 2006-07, the Agency entered into a \$6.9 million loan agreement with Shadows TC Investors for the acquisition, rehabilitation, and operation of Shadows Apartments, a 148 unit low and very-low income housing project. The outstanding balance of the loan bears interest at a rate of 3 percent per annum. The repayment on the loan shall be made from residual receipts and the Thousand Oaks Housing Successor Agency expects the loan to be repaid in full by April 1, 2062.

**Los Feliz Drive**

During fiscal year 2006-07, the Agency entered into a \$5.9 million loan agreement with Area Housing Authority of the County of Ventura for the acquisition and pre-development of a 60 unit low and very-low income housing project on five parcels located on Los Feliz Drive. During February 2010, an Owner Participation Agreement was executed and an additional \$0.7 million loan was issued to fund pre-development costs. Pending revised loan terms, the loan will be due on September 30, 2013, unless financing is approved and construction is ready to commence by the same date, or later, upon mutual agreement.

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

June 30, 2012

#### **Hillcrest Drive**

During fiscal years 2006-07 and 2007-08, the Agency entered into a \$5.6 million loan agreement with Many Mansions for the acquisition and pre-development of five parcels located on Hillcrest Drive and Los Feliz Drive. The project will be developed with 60 units with an affordability level targeted to a mix of low, very low, and extremely low income families. During fiscal years 2009-10 and 2011-12, an additional \$1.5 million in loans was issued to fund the project, for a total of \$7.1 million. Loan repayment shall be made from residual receipts and the loan is expected to be repaid in full within 55 years from project completion.

#### **Bella Vista Apartments**

During fiscal year 2004-05, the Agency entered into a \$4.1 million loan agreement with Many Mansions for the acquisition, rehabilitation, and operation of Bella Vista Apartments, a 72 unit low and very-low income housing project. The outstanding balance of the loan bears interest at a rate of 3 percent per annum. Loan repayment shall be made from residual receipts and the loan is expected to be repaid in full by June 29, 2060.

#### **Oak Creek Senior Villas**

During fiscal year 2004-05, the Agency entered into a \$2.4 million loan agreement with Oak Creek Housing Investors, L.P. for the development and construction of Oak Creek Senior Villas, a 57 unit low and very-low income senior housing project. The outstanding balance of the loan bears interest at a rate of 3 percent per annum. Loan repayment shall be made from residual receipts and the loan is expected to be repaid in full by December 18, 2057.

#### **(4) ASSETS HELD FOR RESALE**

As part of Low and Moderate Income Housing Fund activities, the Agency exercises its option to acquire restricted properties for resale to preserve affordable housing units. These properties are subsequently resold to income eligible homebuyers, in accordance with the affordable housing program, at below market value. As a result of the Agency dissolution, these properties were transferred to the Housing Successor Fund on February 1, 2012, and are accounted for at the lower of cost or market value with an equivalent portion of fund balance identified as nonspendable.

As of June 30, 2012, assets held for resale totaling \$0.7 million consist of two Park Lane Condominiums acquired during fiscal years 2005-06 through 2006-07.

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**(5) CAPITAL ASSETS**

**(a) Governmental Activities:**

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

<b>Capital Assets Governmental Activity</b>					
	Balance at July 1, 2011	Additions	Disposals	Transfer to Successor Agency*	Balance at June 30, 2012
<b>Capital assets, not being depreciated:</b>					
Land	\$ 128,271,100	\$ 3,903,834	\$ -	\$ 20,163,290	\$ 112,011,644
Intangibles	285,297	4,000	-	-	289,297
Construction in progress	11,821,194	4,762,332	4,435,080	2,010,962	10,137,484
Total	<u>140,377,591</u>	<u>8,670,166</u>	<u>4,435,080</u>	<u>22,174,252</u>	<u>122,438,425</u>
<b>Capital assets, being depreciated:</b>					
Buildings and improvements	163,683,828	6,267,576	29,028	40,085,449	129,836,927
Equipment	10,192,503	1,285,796	879,052	-	10,599,247
Intangibles	734,487	55,460	-	-	789,947
Infrastructure	394,156,331	20,297,827	218,613	2,936,842	411,298,703
Total	<u>568,767,149</u>	<u>27,906,659</u>	<u>1,126,693</u>	<u>43,022,291</u>	<u>552,524,824</u>
Less accumulated depreciation for:					
Buildings and improvements	48,927,097	3,308,966	29,028	14,285,682	37,921,353
Equipment	7,052,543	817,808	981,000	-	6,889,351
Intangibles	410,644	91,788	-	-	502,432
Infrastructure	183,360,669	9,439,067	50,495	435,618	192,313,623
Total	<u>239,750,953</u>	<u>13,657,629</u>	<u>1,060,523</u>	<u>14,721,300</u>	<u>237,626,759</u>
Total, net depreciation	<u>329,016,196</u>	<u>14,249,030</u>	<u>66,170</u>	<u>28,300,991</u>	<u>314,898,065</u>
<b>Total capital assets, net</b>	<b><u>\$ 469,393,787</u></b>	<b><u>\$ 22,919,196</u></b>	<b><u>\$ 4,501,250</u></b>	<b><u>\$ 50,475,243</u></b>	<b><u>\$ 437,336,490</u></b>

\*As a result of the dissolution of the Agency, assets of the Agency were transferred to the Thousand Oaks Successor Agency. See Note 17 for additional information.

Land additions of \$3.9 million resulted primarily from the purchase of the Westside Properties in a prior fiscal year being reclassified from assets held for resale to land. As a result of the dissolution of the Agency, this land was then transferred to the Thousand Oaks Redevelopment Successor Agency. See Note 17 for additional information.

Construction in progress additions of \$4.8 million resulted primarily from \$2.7 million for Wendy Drive/101 Freeway Interchange improvements and \$1.5 million for 401/403 Hillcrest Center roof deck. The remaining \$0.6 million resulted from various projects such as: Erbes Road improvements, Municipal Service Center expansion, and pavement overlay.

Buildings and improvements additions of \$6.3 million resulted primarily from \$4.9 million for Schillo Gardens apartments being reclassified from assets held for resale to buildings and \$0.6 million for library improvements. The remaining \$0.8 million resulted from various projects such as improvements to City facilities communication system and security camera system.

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

Infrastructure additions of \$20.3 million resulted primarily from \$9.3 million of street overlay, \$4.0 million in developer donations for street signs, traffic signals, roads, sidewalks, and storm drains, \$1.4 million for the installation of solar panels, \$1.3 million for the installation of traffic signals and related infrastructure, \$1.2 million for storm drains, and \$1.1 million for the installation of curb ramps. The remaining \$2.0 million resulted from various projects such as bike paths, street signs, and sidewalks.

**(b) Business-type Activities:**

Water Fund buildings and improvements additions of \$1.5 million were primarily for installation of water lines for \$1.3 million. The additional \$0.2 million was for meters and a security camera system at reservoirs.

Wastewater Fund buildings and improvements additions of \$1.6 million were primarily for installation of wastewater lines for \$0.9 million, installation of manholes for \$0.3 million, and installation of a sewer siphon for \$0.2 million. The additional \$0.2 million was for miscellaneous improvements.

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

	<b>Capital Asset Business-type Activity</b>			
	Balance at July 1, 2011	Additions	Disposals	Balance at June 30, 2012
<b>Water Utility Fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,343,423	\$ 1,209	\$ -	\$ 2,344,632
Intangibles	45,473	-	-	45,473
Construction in progress	322,108	275,139	189,751	407,496
Total	<u>2,711,004</u>	<u>276,348</u>	<u>189,751</u>	<u>2,797,601</u>
Capital assets, being depreciated:				
Buildings and improvements	56,440,577	1,496,499	66,405	57,870,671
Equipment	890,431	88,796	81,585	897,642
Intangibles	482,291	-	-	482,291
Total	<u>57,813,299</u>	<u>1,585,295</u>	<u>147,990</u>	<u>59,250,604</u>
Less accumulated depreciation for:				
Buildings and improvements	21,166,127	1,623,333	34,111	22,755,349
Equipment	654,911	71,039	81,585	644,365
Intangibles	123,415	48,229	-	171,644
Total	<u>21,944,453</u>	<u>1,742,601</u>	<u>115,696</u>	<u>23,571,358</u>
Total, net depreciation	<u>35,868,846</u>	<u>(157,306)</u>	<u>32,294</u>	<u>35,679,246</u>
<b>Water Utility Fund net capital assets</b>	<b><u>\$ 38,579,850</u></b>	<b><u>\$ 119,042</u></b>	<b><u>\$ 222,045</u></b>	<b><u>\$ 38,476,847</u></b>

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**Capital Asset Business-type Activity  
(continued)**

	Balance at July 1, 2011	Additions	Disposals	Balance at June 30, 2012
<b>Wastewater Utility Fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,463,180	\$ -	\$ -	\$ 1,463,180
Intangibles	89,865	-	-	89,865
Construction in progress	141,081	484,616	39,081	586,616
Total	<u>1,694,126</u>	<u>484,616</u>	<u>39,081</u>	<u>2,139,661</u>
Capital assets, being depreciated:				
Buildings and improvements	195,107,974	1,557,485	11,430	196,654,029
Equipment	2,426,971	879,488	407,699	2,898,760
Total	<u>197,534,945</u>	<u>2,436,973</u>	<u>419,129</u>	<u>199,552,789</u>
Less accumulated depreciation for:				
Buildings and improvements	61,740,001	5,044,125	11,136	66,772,990
Equipment	1,721,138	164,714	407,699	1,478,153
Total	<u>63,461,139</u>	<u>5,208,839</u>	<u>418,835</u>	<u>68,251,143</u>
Total, net depreciation	<u>134,073,806</u>	<u>(2,771,866)</u>	<u>294</u>	<u>131,301,646</u>
<b>Wastewater Utility Fund net capital assets</b>	<b><u>\$ 135,767,932</u></b>	<b><u>\$ (2,287,250)</u></b>	<b><u>\$ 39,375</u></b>	<b><u>\$ 133,441,307</u></b>
<b>Golf Course Fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,217,610	\$ -	\$ -	\$ 1,217,610
Construction in progress	2,954	187,212	-	190,166
Total	<u>1,220,564</u>	<u>187,212</u>	<u>-</u>	<u>1,407,776</u>
Capital assets, being depreciated:				
Buildings and improvements	10,495,253	-	-	10,495,253
Equipment	1,041,427	-	-	1,041,427
Total	<u>11,536,680</u>	<u>-</u>	<u>-</u>	<u>11,536,680</u>
Less accumulated depreciation for:				
Buildings and improvements	3,465,458	314,509	-	3,779,967
Equipment	763,021	122,559	-	885,580
Total	<u>4,228,479</u>	<u>437,068</u>	<u>-</u>	<u>4,665,547</u>
Total, net depreciation	<u>7,308,201</u>	<u>(437,068)</u>	<u>-</u>	<u>6,871,133</u>
<b>Golf Course Fund net capital assets</b>	<b><u>\$ 8,528,765</u></b>	<b><u>\$ (249,856)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,278,909</u></b>
<b>Transportation Fund:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 115,282	\$ 28,600	\$ -	\$ 143,882
Total	<u>115,282</u>	<u>28,600</u>	<u>-</u>	<u>143,882</u>
Capital assets, being depreciated:				
Buildings and improvements	418,936	115,506	-	534,442
Equipment	2,590,791	108,989	-	2,699,780
Total	<u>3,009,727</u>	<u>224,495</u>	<u>-</u>	<u>3,234,222</u>
Less accumulated depreciation for:				
Buildings and improvements	27,374	19,828	-	47,202
Equipment	812,417	267,578	-	1,079,995
Total	<u>839,791</u>	<u>287,406</u>	<u>-</u>	<u>1,127,197</u>
Total, net depreciation	<u>2,169,936</u>	<u>(62,911)</u>	<u>-</u>	<u>2,107,025</u>
<b>Transportation Fund net capital assets</b>	<b><u>\$ 2,285,218</u></b>	<b><u>\$ (34,311)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,250,907</u></b>

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**Capital Asset Business-type Activity  
(continued)**

	Balance at July 1, 2011	Additions	Disposals	Balance at June 30, 2012
<b>Solid Waste Management Fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 746,754	\$ -	\$ -	\$ 746,754
Construction in progress	341,439	36,908	-	378,347
Total	<u>1,088,193</u>	<u>36,908</u>	<u>-</u>	<u>1,125,101</u>
Capital assets, being depreciated:				
Buildings and improvements	156,000	-	-	156,000
Equipment	14,500	-	-	14,500
Total	<u>170,500</u>	<u>-</u>	<u>-</u>	<u>170,500</u>
Less accumulated depreciation for:				
Buildings and improvements	53,319	3,144	-	56,463
Equipment	5,752	1,438	-	7,190
Total	<u>59,071</u>	<u>4,582</u>	<u>-</u>	<u>63,653</u>
Total, net depreciation	<u>111,429</u>	<u>(4,582)</u>	<u>-</u>	<u>106,847</u>
<b>Solid Waste Fund net capital assets</b>	<b><u>\$ 1,199,622</u></b>	<b><u>\$ 32,326</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,231,948</u></b>
<b>Theatres Fund:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 745,686	\$ -	\$ -	\$ 745,686
Equipment	491,715	-	-	491,715
Total	<u>1,237,401</u>	<u>-</u>	<u>-</u>	<u>1,237,401</u>
Less accumulated depreciation for:				
Buildings and improvements	197,930	56,069	-	253,999
Equipment	270,431	24,435	-	294,866
Total	<u>468,361</u>	<u>80,504</u>	<u>-</u>	<u>548,865</u>
Total, net depreciation	<u>769,040</u>	<u>(80,504)</u>	<u>-</u>	<u>688,536</u>
<b>Theatres Fund net capital assets</b>	<b><u>\$ 769,040</u></b>	<b><u>\$ (80,504)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 688,536</u></b>
<b>Total capital assets, net</b>	<b><u>\$ 187,130,427</u></b>	<b><u>\$ (2,500,553)</u></b>	<b><u>\$ 261,420</u></b>	<b><u>\$ 184,368,454</u></b>

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**(c) Depreciation Expense**

Depreciation expense charged to functions/programs of the primary government as of June 30, 2012, was as follows:

Governmental activities:	
General government	\$ 1,647,784
Public safety	301,571
Transportation	9,778,611
Community development	360,905
Culture and leisure	1,568,758
Total depreciation expense - governmental activities	<u>\$ 13,657,629</u>
Business-type activities:	
Water	\$ 1,742,601
Wastewater	5,208,839
Golf Course	437,068
Transportation	287,406
Solid Waste Management	4,582
Theatres	80,504
Total depreciation expense - business-type activities	<u>\$ 7,761,000</u>

**(d) Construction and Significant Commitments**

As of June 30, 2012, the City had three material construction commitments evidenced by contractual commitments with contractors: 1) \$10.4 million (\$2.6 million spent to date) for Wendy Drive/101 freeway interchange improvements, funded by State Gas Tax revenue, Federal Highway Administration grant, and Wendy Drive/101 freeway interchange developer fee revenue, 2) \$8.6 million (\$8.4 million spent to date) for citywide pavement overlay projects, funded by State Gas Tax revenue and a Proposition 1B grant, and 3) \$1.7 million (no expenses to date) for interceptor improvements phase IV, funded by Wastewater fee revenue.

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**(6) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**(a) Interfund Receivables and Payables**

Total interfund receivables and payables as of June 30, 2012, are as follows:

Receivable Fund:	Payable Fund:	Purpose	Amount
General	Golf Course	Internal loan	\$ 3,135,000
	Capital Improvement	Interest due	9
	Capital Improvement	Internal loan	655,672
	State Gas Tax	Advance payments	349,181
	Other governmental	Advance payments	559,262
Total Interfund Receivables/Payables			\$ 4,699,124

Interfund receivable/payable of \$3,135,000 between the Golf Course Fund and General Fund will be paid as follows:

On February 1, 2005, the Los Robles Golf Course Fund borrowed \$4,290,000 from the General Fund to redeem in full all outstanding 1999 Los Robles Golf Course Lease Revenue Bonds. The Golf Course loan is properly recorded as an interfund payable in the proprietary funds and as an interfund receivable in the General Fund. Annual loan payments ranging from \$135,000 to \$330,000 are due June 30 of each year starting 2006 through 2024. An initial interest rate of 2.9 percent due June 30 of each year starting 2005 was adjusted on July 1, 2010, to 3.58 percent, and each five years thereafter to ½ of one percent greater than the City’s investment portfolio monthly yield. As of June 30, 2012, \$3,135,000 was outstanding.

Interfund receivable/payable of \$655,672 between the Developer Fee Fund and General Fund will be paid as follows:

On December 6, 2011, the Wendy Drive/US 101 Freeway Interchange Developer Fee Fund borrowed \$655,672 from the General Fund to cover the project’s cash flow needs due to insufficient developer fees collected to fund the project. The Developer Fee loan is properly recorded as an interfund payable in the Wendy Drive/US 101 Freeway Interchange Developer Fee Fund and as an interfund receivable in the General Fund. The loan repayment shall commence on June 30 following the completion of the project. Available cash from the Wendy Drive/US 101 Freeway Interchange Developer Fee Fund shall be applied first to interest accrued on the loan for the year and then to the loan principal balance. Any unpaid interest shall be added to the principal as of June 30 following completion of the project. A simple annual interest rate of 3.58 percent based on the five year average of the City portfolio’s annual rate of return was applied for the period of July 2005 through June 2010. The rate shall be reset July 1, 2015, based on the preceeding five year average of the City portfolio’s annual rate of return, and every five years thereafter. As of June 30, 2012, \$655,672 was outstanding.

**CITY OF THOUSAND OAKS**

***Notes to Basic Financial Statements  
(Continued)***

**June 30, 2012**

**(b) Interfund Transfers**

The following interfund transfers are reflected in the fund financial statements for governmental and proprietary funds for the year ended June 30, 2012:

From Fund:	To Fund:	Purpose	Amount
General	Library	Library subsidy	\$ 2,173,554
General	Other governmental funds	COP debt service payment	1,152,832
		Open space transfer	7,576
RDA capital*	RDA debt*	Debt service transfer	2,528,490
RDA capital	Other governmental funds	Housing trust fund funding requirement	150,000
State Gas Tax	General	Reimbursement for engineering expenditures	947,581
Other governmental funds	General	Reimbursement for traffic enforcement expenditures and reimbursement of administrative costs	747,766
Capital Improvement	Transportation	Transportation subsidy	146,207
Capital Improvement	General	Reimbursement for engineering expenditures, Library facility transfer and Police facility transfer	249,273
Capital Improvement	Other governmental funds	Reimbursement for signal maintenance	209,995
Total Transfers In/Out			<u>\$ 8,313,274</u>

\* Low & Moderate Income Housing Capital Projects and Debt Service Funds

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**(7) FUND BALANCES FOR GOVERNMENTAL FUNDS**

Fund balances as of June 30, 2012, for the governmental funds are categorized as nonspendable, restricted, committed, assigned or unassigned for the following purposes:

	Major Funds				Total Other Governmental Funds	Total Governmental Funds
	General Fund	State Gas Tax Fund	Capital Improvements Fund	TO Housing Successor Fund		
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Inventories	\$ 458,467	\$ -	\$ -	\$ -	\$ -	\$ 458,467
Assets held for resale	-	-	-	671,083	-	671,083
<b>Subtotal</b>	458,467	-	-	671,083	-	1,129,550
<b>Restricted for:</b>						
Capital projects	-	8,295,417	14,941,131	-	556,004	23,792,552
Debt service	-	-	-	-	1,097	1,097
Housing & community dev.	-	-	-	94,912	2,365,704	2,460,616
Law enforcement	-	-	-	-	249,136	249,136
Special assessment districts	-	-	-	-	6,993,569	6,993,569
<b>Subtotal</b>	-	8,295,417	14,941,131	94,912	10,165,510	33,496,970
<b>Committed to:</b>						
Capital projects	2,797,250	-	-	-	1,484,061	4,281,311
Grant endowments	8,000,000	-	-	-	-	8,000,000
Emergency reserve	4,584,104	-	-	-	-	4,584,104
Working capital reserve	13,752,311	-	-	-	-	13,752,311
<b>Subtotal</b>	29,133,665	-	-	-	1,484,061	30,617,726
<b>Assigned to:</b>						
Equipment replacement	-	-	-	-	11,570,212	11,570,212
Capital projects	-	-	7,990,136	-	-	7,990,136
Compensated absences	5,115,131	-	-	-	-	5,115,131
Continuing appropriations	17,558,001	-	-	-	-	17,558,001
Encumbrances	1,197,462	-	-	-	-	1,197,462
Legal contingency	2,500,000	-	-	-	-	2,500,000
Loans and notes receivable	5,866,076	-	-	-	-	5,866,076
Public bldg replacement/mtnc	17,600,000	-	-	-	-	17,600,000
Housing repairs	-	-	-	240,452	-	240,452
<b>Subtotal</b>	49,836,670	-	7,990,136	240,452	11,570,212	69,637,470
<b>Unassigned:</b>	1,018,694	-	-	-	(404,032)	614,662
<b>Total fund balances</b>	\$ 80,447,496	\$ 8,295,417	\$22,931,267	\$ 1,006,447	\$ 22,815,751	\$ 135,496,378

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**(8) LONG-TERM LIABILITIES**

The following is a summary of changes in the City's long-term liabilities for the year ended June 30, 2012:

	Balance at July 1, 2011	Additions	Disposals	Transferred to Successor Agency	Balance at June 30, 2012	Due Within One Year
<b>Governmental Activities</b>						
Claims payable (1)	\$ 2,289,700	\$ 678,033	\$ 872,833	\$ -	\$ 2,094,900	\$ 652,253
Compensated absences (1)	5,728,399	3,035,375	3,470,598	-	5,293,176	1,985,955
Matured unpaid interest (4)	297,468	28,000	-	325,468	-	-
Notes/loans payable (4)	1,600,000	-	-	1,600,000	-	-
Tax allocation bonds payable (4)	64,340,000	-	4,405,000	59,935,000	-	-
Lease revenue bonds (2)	15,760,748	10,308	511,058	-	15,259,998	515,750
<b>Total</b>	<b>\$ 90,016,315</b>	<b>\$ 3,751,716</b>	<b>\$ 9,259,489</b>	<b>\$61,860,468</b>	<b>\$ 22,648,074</b>	<b>\$3,153,958</b>
<b>Business-type Activities:</b>						
Water Utility Fund:						
Compensated absences (1)	\$ 526,863	\$ 226,717	\$ 198,286	\$ -	\$ 555,294	\$ 184,954
Wastewater Utility Fund:						
Compensated absences (1)	853,157	68,711	78,563	-	843,305	319,619
Notes/loans payable	21,695,661	-	1,601,215	-	20,094,446	1,644,079
Revenue refunding bonds (3)	11,396,335	-	1,119,621	-	10,276,714	1,149,622
Golf Course Fund:						
Capital lease payable	217,158	-	109,447	-	107,711	61,231
Transportation Fund:						
Compensated absences (1)	18,053	16,118	18,429	-	15,742	10,196
Solid Waste Management Fund:						
Compensated absences (1)	99,549	30,278	26,481	-	103,346	42,760
Theatres Fund:						
Compensated absences (1)	335,166	109,036	124,670	-	319,532	88,881
<b>Total</b>	<b>\$ 35,141,942</b>	<b>\$ 450,860</b>	<b>\$ 3,276,712</b>	<b>\$ -</b>	<b>\$ 32,316,090</b>	<b>\$3,501,342</b>

(1) Refer to note 10 for additional detail of insurance claims payable and note 1(l) for additional detail of compensated absences.

(2) Lease revenue bonds of \$15,259,998 consist of par amount of \$16,405,000 and unamortized capitalized issue premium of \$121,151, net of unamortized capitalized loss on defeasance of \$206,153 and cumulative principal payments of \$1,060,000.

(3) Revenue refunding bonds of \$10,276,714 consist of par amount of \$11,690,000 and unamortized capitalized issue premium of \$641,714, net of cumulative principal payments of \$2,055,000.

(4) As a result of the dissolution of the Agency as of February 1, 2012, indebtedness of the Agency was transferred to the Thousand Oaks Successor Agency. See Note 17 for disclosures for indebtedness.

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**(a) Governmental Activities – Lease Revenue Bonds**

**Thousand Oaks Public Financing Authority – 2010 Refunding Lease Revenue Bonds**

On June 29, 2010, the Authority issued \$16,405,000 2010 Refunding Lease Revenue Bonds. The purpose of the bonds is to redeem the Authority's 2002 Refunding Certificates of Participation and provide reserves for the 2010 bondholder payments. These bonds are payable solely from and secured by a pledge of revenues consisting primarily of lease payments to be made by the City pursuant to a lease agreement. The bonds mature annually in amounts ranging from \$555,000 on June 1, 2011, to \$1,105,000 in 2032. Interest on the bonds is payable on June 1 and December 1 of each year, with interest rates ranging from 2 percent to 5 percent. As of June 30, 2012, \$15,345,000 was outstanding.

**Future Debt Payments – Refunding Lease Revenue Bonds**

As of June 30, 2012, the total future debt payments for the 2010 Refunding Lease Revenue Bonds, including interest thereon, are as follows:

Year Ending June 30,	2010 Refunding Lease Revenue Bonds		
	Principal	Interest	Total
2013	\$ 520,000	\$ 637,313	\$ 1,157,313
2014	535,000	621,713	1,156,713
2015	560,000	600,313	1,160,313
2016	580,000	577,913	1,157,913
2017	600,000	554,713	1,154,713
2018-2022	3,380,000	2,397,713	5,777,713
2023-2027	4,105,000	1,676,325	5,781,325
2028-2032	5,065,000	715,300	5,780,300
Total	<u>\$ 15,345,000</u>	<u>\$ 7,781,303</u>	<u>\$ 23,126,303</u>

**(b) Business-type Activities – Notes/Loans Payable**

**State of California – 1999 State Water Resources Control Board**

On March 12, 1999, the State Water Resources Control Board (SWRCB) authorized a State of California loan to the City. The purpose of the loan is for operational improvements to the Hill Canyon Wastewater Treatment Plant (HCTP) to comply with all waste discharge requirements and to prepare for the capacity expansion of the HCTP. On October 5, 1999, the City borrowed \$2,355,514. The interest rate on the loan is 2.4 percent and the loan is to be repaid in twenty equal installments (principal and interest) each June 15 beginning 2000 through 2019, with the exception of 2002. As of June 30, 2012, \$947,373 was outstanding.

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**State of California – 2000 State Water Resources Control Board**

On January 11, 2000, the SWRCB authorized a State of California loan to the City. The purpose of the loan is for operational improvements to the HCTP to comply with all waste discharge requirements and to prepare for the capacity expansion of the HCTP. In fiscal year 2000-01, the City borrowed \$20,100,000 and in fiscal year 2001-02, the City borrowed an additional \$8,751,032. During fiscal year 2002-03, the City borrowed an additional \$976,474 that resulted in a total state loan of \$29,827,506. The interest rate on the loan is 2.7 percent. Accrued interest accumulated during construction, in the amount of \$1,308,946, was transferred to the principal balance increasing the total amount owed to the state to \$31,136,452. The loan is to be repaid in twenty annual installments (principal and interest) beginning in fiscal year 2003-04. As of June 30, 2012, \$19,147,073 was outstanding.

**Future Debt Payments – 1999-2000 State Water Resources Control Board Loan Payable**

As of June 30, 2012, the total future debt payments for the SWRCB loan payable, including interest thereon, are as follows:

Year Ending June 30,	1999 SWRCB Loan			2000 SWRCB Loan		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 125,920	\$ 22,737	\$ 148,657	\$ 1,518,159	\$ 516,971	\$ 2,035,130
2014	128,942	19,715	148,657	1,559,150	475,981	2,035,131
2015	132,037	16,620	148,657	1,601,247	433,884	2,035,131
2016	135,206	13,451	148,657	1,644,480	390,650	2,035,130
2017	138,450	10,206	148,656	1,688,881	346,249	2,035,130
2018-2022	286,818	10,365	297,183	9,153,531	1,022,120	10,175,651
2023-2027	-	-	-	1,981,625	53,504	2,035,129
Total	<u>\$ 947,373</u>	<u>\$ 93,094</u>	<u>\$1,040,467</u>	<u>\$ 19,147,073</u>	<u>\$ 3,239,359</u>	<u>\$ 22,386,432</u>

**(c) Business-type Activities – Revenue Refunding Bonds**

**2010 Wastewater Revenue Refunding Bonds**

On January 28, 2010, the City issued \$11,690,000 revenue refunding bonds. The purpose of the bonds is to redeem the City's 1998 Wastewater System Certificates of Participation and provide reserves for the 2010 Bondholder payments. These bonds are payable from and secured solely by net revenues derived from the operation of the City's wastewater system. The bonds mature annually in amounts ranging from \$1,020,000 on October 1, 2010, to \$1,370,000 in fiscal year 2019-20. Interest on the bonds is payable on April 1 and October 1 of each year, with interest rates ranging from 1.5 percent to 5 percent. As of June 30, 2012, amounts outstanding with and without amortized premiums were \$10,276,714 and \$9,635,000, respectively.

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**Future Debt Payments – 2010 Wastewater Revenue Refunding Bonds**

As of June 30, 2012, the total future debt payments for the 2010 Wastewater Revenue Refunding Bonds, including interest thereon, are as follows:

Year Ending June 30,	2010 Wastewater Revenue Refunding Bonds		
	Principal	Interest	Total
2013	\$ 1,065,000	\$ 333,138	\$ 1,398,138
2014	1,090,000	306,263	1,396,263
2015	1,115,000	281,425	1,396,425
2016	1,160,000	238,488	1,398,488
2017	1,220,000	178,988	1,398,988
2018-2020	3,985,000	199,831	4,184,831
Total	<u>\$ 9,635,000</u>	<u>\$ 1,538,133</u>	<u>\$ 11,173,133</u>

**(d) Business-type Activities Capital Lease Payable**

Effective January 1, 2007, the Golf Course Fund entered into a management agreement with Evergreen Alliance Golf LLP (EAGL), which included capital lease obligations for equipment. As of June 30, 2012, lease agreements covering Toro equipment package, golf carts, Prolink Prostar GPS, John Deere tractor, a Club Car Café Express beverage cart, and a rotary mower and six utility carts totaled \$798,849. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the lease inception date.

The assets acquired through capital leases are as follows:

Year Ending June 30, 2012	Golf Course
Asset:	
Toro equipment package	\$ 297,958
Golf carts	227,946
Prolink Prostar GPS	185,671
John Deere tractor	12,805
Club Car Café Express beverage cart	12,398
Rotary mower & six utility carts	62,071
Less: Accumulated depreciation	(694,776)
Total	<u>\$ 104,073</u>

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012, were as follows:

<u>Year Ending June 30,</u>	<u>Golf Course</u>
2013	\$ 69,806
2014	49,212
Total minimum lease payments	119,018
Less: Interest	(11,307)
Present value of minimum lease payments	<u>\$ 107,711</u>

The \$3,638 difference between the \$104,073 net book value of the assets and the \$107,711 present value of the capital lease obligation is due to the timing difference between straight line depreciation and scheduled lease payments. The depreciation schedule adopted matches the useful lives of the assets to the remaining term of the lease obligation.

**(9) NON-OBLIGATORY DEBT**

**(a) Assessment Debt**

There are various special assessment districts in the City that have issued special assessment debt. Mello-Roos Bonds have been issued for improvements in these special assessment districts. The bonds are liabilities of the property owners and are secured by liens against the assessed property. The City acts merely as the fiscal agent for the collection of principal and interest payments from the property owners, disbursement of such monies to the bondholders and, if appropriate, beginning foreclosures. As such, these bonds in the outstanding amount of \$29,527,538 at June 30, 2012, are not considered obligations of the City and are not reflected in the accompanying basic financial statements.

**(b) Multifamily Housing Mortgage Revenue Bonds**

Multifamily Housing Mortgage Revenue Bonds provide financing for multifamily rental projects. The bonds are secured by payments made by the project owner and by the underlying property. The bonds are also secured by third-party guarantees for the unequivocal and timely payment of the principal and interest on the bonds.

Multifamily Housing Mortgage Revenue Bonds in the outstanding amount of \$11,402,222 at June 30, 2012, are not considered obligations of the City and are not reflected in the accompanying basic financial statements.

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**(10) RISK MANAGEMENT**

The City maintains self-insurance programs for general liability, workers' compensation, and vision claims. The City contracts with an actuarial consultant to calculate estimated reserve requirements for general liability and workers' compensation claims on an annual basis. The actuarially determined liabilities at June 30, 2012, were \$433,900 for general liability and \$1,661,000 for workers' compensation, which included estimates for incurred, but not reported, claims. No liability has been accrued for vision claims, as any accrued claims are deemed immaterial. Liability insurance has been purchased for general liability claims in excess of \$1,000,000 per occurrence to a maximum of \$20,000,000. A workers' compensation policy has been purchased for claims in excess of \$500,000. The coverage is statutory. A reserve has been accumulated in the Vision Insurance Fund equal to one year of claims experience.

All applicable funds of the City participate in the workers' compensation, general liability, and vision insurance programs and make payments to the respective internal service funds based upon loss experience and exposure.

The claims liability (claims payable) reported at June 30, 2012, is in compliance with the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. There were no claims paid in the previous three fiscal years that exceeded insurance coverage limits.

Changes in the General Liability and Workers' Compensation funds aggregate undiscounted outstanding claims liability for fiscal years 2011-12 and 2010-11 are presented as follows:

2011-12	Claims Payable Balance July 1, 2011	Current Fiscal Year Claims & Changes in Estimates	Current Fiscal Year Claims Payments	Claims Payable Balance June 30, 2012
General Liability	\$ 622,900	\$ 236,299	\$ (425,299)	\$ 433,900
Workers' Compensation	1,666,800	441,734	(447,534)	1,661,000
Total	<u>\$ 2,289,700</u>	<u>\$ 678,033</u>	<u>\$ (872,833)</u>	<u>\$ 2,094,900</u>
2010-11	Claims Payable Balance July 1, 2010	Current Fiscal Year Claims & Changes in Estimates	Current Fiscal Year Claims Payments	Claims Payable Balance June 30, 2011
General Liability	\$ 540,000	\$ 678,098	\$ (595,198)	\$ 622,900
Workers' Compensation	1,737,500	548,881	(619,581)	1,666,800
Total	<u>\$ 2,277,500</u>	<u>\$ 1,226,979</u>	<u>\$ (1,214,779)</u>	<u>\$ 2,289,700</u>

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**(11) JOINTLY GOVERNED ORGANIZATION**

**(a) Conejo Open Space Conservation Agency (COSCA)**

In 1977, the City entered into a Joint Powers Agreement with the Conejo Recreation and Park District (CRPD) to form COSCA. The Agency is governed by a five-member board consisting of two City Council members, two CRPD members, and one private citizen of the City. Expenses of COSCA are shared equally between the City and CRPD. The City is responsible for the fiscal management of COSCA activities. The City has an equity interest in COSCA of fifty percent. The equity interest has been recorded in capital assets in the statement of net assets, because the amount is material to the City. Separate audited financial statements for COSCA are available from the City of Thousand Oaks' Finance Department.

Financial information for COSCA for the year ended June 30, 2012, is as follows:

	<u>Joint Venture</u>	<u>City Portion</u>
Total assets	\$ 68,462,849	\$ 34,231,425
Total liabilities	43,417	21,708
Net assets:		
Investment in capital assets	67,423,461	33,711,731
Unrestricted net assets	995,971	497,986
Total net assets, June 30, 2012	<u>\$ 68,419,432</u>	<u>\$ 34,209,717</u>
Total revenues	1,402,994	701,497
Total expenses	(1,087,051)	(543,526)
Change in net assets	<u>\$ 315,943</u>	<u>\$ 157,971</u>

**(b) Ventura Council of Governments (VCOG)**

The City is a member of VCOG, which is a voluntary joint powers authority representing the ten cities of Ventura County as well as the County. VCOG's goal is to facilitate cooperative sub-regional and regional planning, coordination, and technical assistance on issues of mutual concern. The governing body consists of a member and an alternate appointed by each City and the County of Ventura Board of Supervisors. In addition, VCOG provides a regional platform for the review of federal and state projects, which involves the use of federal and/or state funds in various forms.

Financial information for VCOG can be found at <http://www.venturacog.org/documents.html>.

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

June 30, 2012

#### **(c) California Statewide Communities Development Authority (CSCDA)**

The City is a member of the CSCDA which is a joint powers authority sponsored by the California State Association of Counties and the League of California Cities. CSCDA was created to “enable local government and eligible private entities access to low-cost, tax-exempt financing for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in local communities throughout California.”

Financial information for CSCDA can be found at [www.cacommunities.org](http://www.cacommunities.org).

#### **(12) RETIREMENT PLANS**

##### **(a) California Public Employees’ Retirement System (CalPERS)**

###### **Plan Description – Full Time Employees**

The City contributes to CalPERS, an agent multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Separate financial statements for CalPERS may be obtained by contacting CalPERS at CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, California 95811 or by visiting the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov). Benefit provisions and all other requirements are established by state statute and City ordinance. The City’s payroll for employees covered by CalPERS for the year ended June 30, 2012, was \$29,929,167 out of total payroll of \$33,140,505.

All full-time City employees are eligible to participate in CalPERS, with benefits vesting after 5 years of service. Members who retire at age 50 with at least 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, equal to the product of the benefit factor, years of service, and final compensation. The years of service is the amount credited by CalPERS to a member while he or she is employed in the group. The benefit factor comes from the 2% at 55 Miscellaneous benefit factor table and depends on the member’s age at retirement. The factors range from 1.426 percent at age 50 to 2.418 percent at age 63 and up. Final compensation for members is the monthly average of the member’s highest 12 consecutive months’ full-time equivalent monthly pay.

###### **Funding Policy – Full Time Employees**

Participants are required to contribute 7 percent of their annual covered salary as established by state statute. The City makes the contributions required by CalPERS on behalf of its employees. The City is required to contribute at an actuarially determined rate of annual covered payroll for non-safety employees. The City does not have a required

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

June 30, 2012

contribution for safety employees, since the City contracts for police services, and the Ventura County Fire Protection District provides fire services. The rate from July 1, 2011 to June 30, 2012, was 13.849 percent. The actual rate for fiscal year 2012-13 is 14.749 percent, and the projected rate for fiscal year 2013-14 is 16.140 percent.

#### **Annual Pension Cost – Full Time Employees**

For fiscal year 2011-12, the City's annual pension cost and actual contribution was \$4,143,529. The required contribution for fiscal year 2011-12 was determined as part of the June 30, 2009, actuarial valuation using the Entry Age Normal Cost Method in which projected benefits are determined for all members and the associated liabilities are spread in a manner that produces level annual cost as a percent of pay in each year from the age of hire to the assumed retirement age. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses) compounded annually, (b) projected salary growth that varies depending on entry age, duration of service, and type of employment, ranging from 3.55 percent to 14.45 percent for non-safety employees, and (c) overall payroll growth of 3.25 percent compounded annually. All three, (a), (b), and (c) include an inflation component of 3.0 percent compounded annually. The actuarial value of the City's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a fifteen year period. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period as of the most recent actuarial valuation of June 30, 2011, is estimated at twenty-four years.

#### **Three-year Trend Information – Full Time Employees**

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2009-10	\$ 3,916,676	100%	-
2010-11	\$ 3,778,761	100%	-
2011-12	\$ 4,143,529	100%	-

#### **Funded Status and Funding Progress – Full Time Employees**

As of the most recent actuarial valuation date of June 30, 2011, the plan was 82.2 percent funded. The actuarial accrued liability for benefits was \$215,154,061, and the actuarial value of assets was \$176,873,831, resulting in an unfunded actuarial accrued liability (UAAL) of \$38,280,230. The covered payroll (annual payroll of active employees covered by the plan) was \$30,503,364, and the ratio of the UAAL to the covered payroll was 125.5 percent.

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The RSI can be found on page 93.

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

June 30, 2012

#### **(b) City of Thousand Oaks Defined Benefit Pension Plan**

##### **Plan Description – Part Time Employees**

Effective January 1, 1992, hourly and part-time employees became eligible to participate in the City of Thousand Oaks' single-employer defined benefit pension plan (Plan). City Council approved establishment of the Plan. The City contracts for administration services with Aon Hewitt and contracts for banking services with City National Bank for the plan. The Finance Director works with Aon Hewitt to amend the plan as a result of changes in federal law. Separate financial statements for Aon Hewitt may be obtained by contacting Aon Hewitt at Aon Hewitt, 707 Wilshire Boulevard, Suite 2600, Los Angeles, CA 90017. Separate financial statements for City National Bank may be obtained by contacting City National Bank at City National Corporation, City National Plaza, 555 South Flower Street, Los Angeles, CA 90071. The City's payroll for employees covered by the plan was \$2,029,468 for the year ended December 31, 2011.

The plan is a career average retirement plan that provides eligible employees retirement benefits equal to 2 percent of compensation earned after implementation of the plan for the last 30 years of employment. The plan vests immediately upon participation and provides termination benefits of a lump sum distribution upon termination or the greater of present value of accrued retirement benefit and accumulation of employee contributions with interest at 5 percent. Attainment of age 65 is required to receive retirement benefits. The plan also provides death benefits at the greater of present value of accrued retirement benefit and accumulation of employee contributions with interest at 5 percent.

As of January 1, 2012 valuation, the Plan had 216 active participants and 124 terminated vested participants, retirees, and beneficiaries.

##### **Funding Policy – Part Time Employees**

Participants are required to contribute 3.5 percent of their salary to the plan. The City currently contributes 7 percent, which covers the actuarially determined amount and the administrative costs of the plan.

##### **Annual Pension Cost and Net Pension Obligation (Asset) – Part Time Employees**

For the fiscal year ended June 30, 2012, the City's annual pension cost was \$126,950. The City's actual contribution was \$126,950. The required annual contribution for fiscal year 2011-12 was determined as part of the January 1, 2011, actuarial valuation using the projected unit credit method with contributions determined as a percent of pay. Significant actuarial assumptions used in the valuation of the pension plan included (a) a rate of return on pre-retirement benefits of 6 percent and post-retirement benefits of 8 percent, (b) additional projected salary increases of 5 percent a year, (c) level dollar amortization method, (d) ten year open period amortization period, and (e) no inflation rate or post retirement benefit increases. The actuarial value of the City's assets was determined using

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

a technique that smoothes the effects of short-term volatility in the market value of investments over a two to five year period depending on the amount of investment gains and/or losses.

Changes in the net pension obligation (asset) during the fiscal year ended June 30, 2012, are as follows:

Net pension obligation (asset) at June 30, 2011		\$	-
Annual required contribution for 2012 (fiscal year)	\$ 126,950		
Interest on net pension obligation	-		
Adjustment to annual required contribution	-		
Annual pension cost			126,950
Employer contributions made			126,950
Net pension obligation (asset) at June 30, 2012		\$	-

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Historical information is important to assist the reader of the financial statements in assessing the City's progress in accumulating sufficient resources to pay pension benefits as they become payable.

The three year trend information is as follows:

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2009-10	\$ 125,915	100%	\$ -
2010-11	\$ 128,745	100%	\$ -
2011-12	\$ 126,950	100%	\$ -

**Funded Status and Funding Progress – Part Time Employees**

As of the most recent actuarial valuation date of January 1, 2012, the plan was 59.0 percent funded. The actuarial accrued liability for benefits was \$2,491,706, and the actuarial value of assets was \$1,469,330, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,022,376. The covered payroll (annual payroll of active employees covered by the plan) was \$2,029,468, and the ratio of the UAAL to the covered payroll was 50.4 percent.

The schedule of funding progress, presented as RSI following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. The RSI can be found on page 92.

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

June 30, 2012

#### **(13) DEFERRED COMPENSATION**

The City provides a 401(a) plan and offers a 457 deferred compensation plan to its employees pursuant to applicable Federal and State laws. The City contributes on behalf of permanent employees into the 401(a) plan. Contribution amounts are determined per contract between the City and the employee organizations for the City's management, professional, and general employees and Council decision for the City's executive management. Employees participating in either the 401(a) or 457 deferred compensation plans may defer income tax recognition on contributions to the plans, up to specified amounts, and on earnings resulting from the investment of these contributions. Both 401(a) and 457 deferred compensation funds are invested by the plan administrator in any one of several approved investment programs mutually agreed upon by the participant and the plan administrator, which acts as a trustee for the plans. Funds may be withdrawn from the plans upon retirement, disability, or separation from City employment by the participant and, at that time, such funds become subject to income tax.

Federal law requires that Internal Revenue Code (IRC) Section 401(a) and Section 457 plan assets are to be held in trust for employees. In accordance with IRC Sections 401(a) and 457, all assets in the plans remain the property of the employees, and are not legally the property of the City and are not subject to claims of the City's general creditors. These assets have been placed in a trust, and as such represent a general liability of the plan administrator to these employees. With respect to such amounts, the City has no liability for losses under the plans, but does have the duty of due care in monitoring the plan administrator's performance. Participants' rights under the plans are equal to the fair market value of the deferred amount for each participant. As of June 30, 2012, deferred compensation assets were \$39,703,938 and have been excluded from the City's financial statements. Employee contributions to the 401(a) plan totaled \$160,674, employee contributions to the 457 plan totaled \$2,103,723, and employer contributions to the 401(a) plan totaled \$471,569 for the fiscal year ended June 30, 2012.

#### **(14) POSTEMPLOYMENT HEALTHCARE PLAN**

##### **(a) Plan Description**

In addition to the pension benefits described in Note (12), the City provides other postemployment benefits (OPEB) through the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer defined benefit healthcare plan administered by CalPERS, by contributing a predetermined monthly maximum of \$435 for each eligible retiree and spouse toward health insurance. These benefits are provided per contract between the City and the employee associations for the City's management, professional, and general employees. Health insurance premiums for the City Manager, City Attorney, and City Councilmembers seated prior to January 1, 2012, are fully covered per Council decision. City Councilmembers elected after January 1, 2012, receive health insurance premiums paid by the City equivalent to the minimum established amount required per the

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

Public Employee’s Medical and Hospital Care Act (PEMHCA). As of June 30, 2012, the PEMHCA minimum was \$112 per month. As of June 30, 2012, there were 247 participants receiving these healthcare benefits. Separate financial statements for the CERBT may be obtained by writing to CalPERS at Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811, or by visiting the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**(b) Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by the City, City Council, and/or the employee associations. Currently, contributions are not required from plan members. During fiscal year 2006-07, the City adopted GASB Statement No. 45, joined the CERBT, and deposited pay-as-you-go premiums of \$828,226 and a one-time employer contribution of \$6 million in the CERBT. The purpose of these contributions was to prefund benefits and cover the required City contribution rate of 4.48 percent of annual covered payroll (annual payroll of active employees covered by the plan). As of June 30, 2012, the City calculated and recorded a Net OPEB Asset, representing the difference between the Annual Required Contribution (ARC) and actual contributions, as presented as follows:

Annual required contribution (ARC)	\$ 1,328,721
Interest on net OPEB obligation (asset)	(402,093)
Adjustment to ARC	<u>357,493</u>
Annual OPEB cost	1,284,121
Contribution made	<u>(1,584,250)</u>
(Increase) decrease in net OPEB obligation (asset)	(300,129)
Net OPEB obligation (asset) June 30, 2011	<u>(5,283,745)</u>
Net OPEB obligation (asset) June 30, 2012	<u><u>\$ (5,583,874)</u></u>

The contribution rate of 4.48 percent is based on the ARC of \$1.3 million, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the annual normal cost and amortize any unfunded actuarial accrued liabilities (or funding excess) over a thirty year period.

**(c) Annual OPEB Cost and Net OPEB Obligation (Asset)**

For fiscal year 2011-12, the City’s annual OPEB cost (expense) of \$1,284,121 was slightly below the ARC. Information on the annual OPEB cost, actual contribution, percentage of annual OPEB cost contributed, and net OPEB obligation (asset) for the current and prior fiscal years is as follows:

Year Ended	Annual OPEB Cost	Actual Contribution	Annual OPEB Cost Contributed	Obligation (Asset)
6/30/2010	\$ 1,279,032	\$ 1,301,579	102%	\$ (5,280,577)
6/30/2011	\$ 1,295,943	\$ 1,299,111	100%	\$ (5,283,745)
6/30/2012	\$ 1,284,121	\$ 1,584,250	123%	\$ (5,583,874)

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2012

### (d) Funded Status and Funding Progress

The funded status of the plan as of June 30, 2012, is as follows:

Actuarial accrued liability (AAL)	\$	20,829,420
Actuarial value of plan assets		<u>(8,040,249)</u>
Unfunded actuarial accrued liability (UAAL)	\$	<u>12,789,171</u>
Funded ratio (actuarial value of plan assets/AAL)		38.6%
Covered payroll (active plan members)	\$	28,556,519
UAAL as a percentage of covered payroll		44.8%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City 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 is presented as RSI following the notes to basic financial statements on page 93.

### (e) Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the most recent actuarial valuation date of July 1, 2011, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.61 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.3 percent beginning January 1, 2013, reduced by decrements to an ultimate rate of 5.5 percent after six years. An inflation rate is not applicable since postemployment healthcare benefits are not based on inflation or payroll, but rather determined based on the healthcare cost trend rate. A 3.25 percent annual rate of increase in future salaries is also assumed in the valuation. The City's unfunded actuarial accrued liability will be amortized as a level percentage of projected covered payroll on a closed basis. The amortization period as of June 30, 2012, was twenty-five years.

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements* *(Continued)*

June 30, 2012

#### **(15) TERMINATION BENEFITS**

On June 26, 2012, City Council approved Resolution 2012-050 eliminating several positions as a direct result of the State's elimination of the Agency. An involuntary layoff of one employee will occur during fiscal year 2012-13. A severance package equivalent to twenty weeks of salary was offered to the employee. This has been recorded as a \$41,396 expense in governmental activities in the Statement of Activities on page 24.

#### **(16) CONTINGENT LIABILITIES**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts to be immaterial.

The City is subject to various lawsuits and claims involving public liability and other actions incidental to the ordinary course of City operations. In the aggregate, those claims seek monetary damages in significant amounts. To the extent the outcome of such litigation may be determined to result in financial loss to the City, in the opinion of City management, any potential liability for these actions is adequately provided for in the basic financial statements. The timing of potential payment of such losses cannot presently be determined.

#### **(17) SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 ("Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported the Agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the Agency in accordance with the Bill as part of City Resolution number 2012-004.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements (Continued)*

**June 30, 2012**

of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activity of the Agency was reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the Agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the Agency as of February 1, 2012 from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of February 1, 2012, was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary loss recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as follows on the next page.

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

Total extraordinary loss reported in the governmental funds - increase to net assets of the Thousand Oaks Redevelopment Successor Agency Trust Fund	\$ 35,366,016
Capital assets recorded in the government-wide financial statements - increase to net assets of the Thousand Oaks Redevelopment Successor Agency Trust Fund	50,475,243
Accrued bond interest reported in the government-wide financial statements - decrease to net assets of the Thousand Oaks Redevelopment Successor Agency Trust Fund	(325,468)
Long-term debt reported in the government-wide financial statements - decrease to net assets of the Thousand Oaks Redevelopment Successor Agency Trust Fund	<u>(60,378,353)</u>
Net increase to net assets of the Thousand Oaks Redevelopment Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	<u><b>\$ 25,137,438</b></u>

**(a) Cash and Investments**

Cash and investments as of June 30, 2012, are classified in the accompanying financial statements as follows:

Cash and investments pooled with the City	\$ 26,063,849
Cash and investments with fiscal agent	18,825,832
	<u>\$ 44,889,681</u>

**(b) Capital Assets**

Capital assets activity as of June 30, 2012, was as follows:

	<b>Capital Assets Activity</b>				
	Balance at July 1, 2011	Transfer from Agency	Additions	Deletions	Balance at June 30, 2012
<b>Capital assets, not being depreciated:</b>					
Land	\$ -	\$ 20,163,290	\$ -	\$ -	\$ 20,163,290
Construction in progress	-	2,010,962	-	1,890,489	120,473
Total	-	22,174,252	-	1,890,489	20,283,763
<b>Capital assets, being depreciated:</b>					
Buildings and improvements	-	25,799,767	-	-	25,799,767
Infrastructure	-	2,501,224	1,890,489	-	4,391,713
Total	-	28,300,991	1,890,489	-	30,191,480
Less accumulated depreciation for:					
Buildings and improvements	-	-	356,173	-	356,173
Infrastructure	-	-	38,761	-	38,761
Total	-	-	394,934	-	394,934
Total, net depreciation	-	28,300,991	1,495,555	-	29,796,546
<b>Total capital assets, net</b>	<u><b>\$ -</b></u>	<u><b>\$ 50,475,243</b></u>	<u><b>\$ 1,495,555</b></u>	<u><b>\$ 1,890,489</b></u>	<u><b>\$ 50,080,309</b></u>

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

**(c) Long-term Liabilities**

Long-term liabilities (excluding defeased debt) as of June 30, 2012, was as follows:

	Transfer from Agency	Additions	Disposals	Balance at June 30, 2012	Due Within One Year
Matured unpaid interest*	\$ 325,468	\$ 20,000	\$ -	\$ 345,468	\$ -
Notes/loans payable	1,600,000	-	-	1,600,000	-
2002 Tax allocation refunding bonds	3,600,000	-	100,000	3,500,000	105,000
2005 Tax allocation refunding bonds	40,475,000	-	-	40,475,000	3,315,000
2005 Tax allocation refunding bonds	15,860,000	-	-	15,860,000	1,280,000
<b>Total</b>	<b>\$ 61,860,468</b>	<b>\$ 20,000</b>	<b>\$ 100,000</b>	<b>\$ 61,780,468</b>	<b>\$ 4,700,000</b>

\*Matured interest on the \$1.6 million HELP loan due fiscal year 2014-15.

**California Housing Finance Agency HELP Loan**

On April 20, 2005, the Agency received a \$1.6 million HELP Loan from the State of California. The funds were loaned to Many Mansions for the acquisition of Bella Vista Apartments, a 72 unit low and very-low income housing project. Principal and 3 percent per annum simple interest are due on April 20, 2015. As of June 30, 2012, outstanding principal and accrued interest totaled \$1.6 million and \$0.3 million, respectively.

**Tax Allocation Refunding Bonds**

The Agency pledged a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and passthrough allocations) that it receives as security for bonds issued. The tax allocation refunding bonds were issued to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects, and to defease previously issued bonds. Assembly Bill X1 26 ("Bill") provided that upon dissolution of redevelopment agencies, property taxes allocated to redevelopment agencies are no longer deemed tax increment but rather property tax revenues to be allocated to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agencies. Total principal and interest remaining on the debt is \$75,768,147, with annual debt service requirements as indicated below. For the current year, total tax increment and property tax revenues recognized by the City and the Thousand Oaks Successor Agency for the payment of indebtedness incurred by the dissolved Agency was \$17,358,781, and the debt service obligation on the bonds was \$7,287,209. Description for each tax allocation bond is as follows:

**2005 Tax Allocation Refunding Bonds**

On December 22, 2005, the Agency issued \$56,215,000 Thousand Oaks Boulevard Redevelopment Project 2005 Tax Allocation Refunding Bonds, Series A and Series B. The Series A bond proceeds were used to redeem the Agency's 1995 Tax Allocation Refunding Bonds totaling \$42,415,000. The purpose of the Series B bonds is to finance projects such

**CITY OF THOUSAND OAKS**

**Notes to Basic Financial Statements  
(Continued)**

**June 30, 2012**

as undergrounding of overhead utilities to implement the Thousand Oaks Boulevard Redevelopment Plan. Commencing on December 1, 2006, the bonds mature annually in amounts ranging from \$1,105,000 to \$4,885,000 in 2021. Interest on the bonds is payable on June 1 and December 1 of each year, with interest rates ranging from 4 percent to 5.25 percent. As of June 30, 2012, \$40,475,000 was outstanding.

**2005 Housing Tax Refunding Allocation Bonds**

On December 22, 2005, the Agency issued \$21,500,000 Low and Moderate Redevelopment Project 2005 Housing Tax Allocation Refunding Bonds, Series A and Series B. The Series A bond proceeds were used to redeem the Agency's 1998 Housing Tax Allocation Bonds totaling \$10,205,000. The purpose of the Series B bonds is to finance additional low and moderate income housing projects. Commencing on December 1, 2007, the bonds mature annually in amounts ranging from \$1,035,000 to \$1,950,000 in 2021. Interest on the bonds is payable on June 1 and December 1 of each year, with interest rates ranging from 3.5 percent to 5.375 percent. As of June 30, 2012, \$15,860,000 was outstanding.

**2002 Tax Allocation Refunding Bonds**

On February 6, 2002, the Agency issued \$4,295,000 Newbury Road Redevelopment Project 2002 Tax Allocation Refunding Bonds. The bond proceeds were used to redeem the Agency's 1992 Tax Allocation Bonds totaling \$2,065,000. The purpose of the remaining proceeds is to finance projects such as the Kelley Road storm drain and land acquisition to implement the Newbury Road Redevelopment Plan. Commencing on April 1, 2003, the bonds mature annually in amounts ranging from \$40,000 to \$275,000 in 2032. Interest on the bonds is payable on April 1 and October 1 of each year, with interest rates ranging from 2.5 percent to 5.5 percent. As of June 30, 2012, \$3,500,000 was outstanding.

**Future Debt Payments – Tax Allocation Refunding Bonds**

As of June 30, 2012, the total future debt payments for the tax allocation bonds, including interest thereon, are as follows below.

Year Ending June 30,	Tax Allocation Bonds		
	Principal	Interest	Total
2013	\$ 4,700,000	\$ 2,586,375	\$ 7,286,375
2014	4,905,000	2,381,643	7,286,643
2015	5,120,000	2,167,219	7,287,219
2016	5,345,000	1,941,904	7,286,904
2017	5,580,000	1,704,244	7,284,244
2018-2022	31,990,000	4,435,007	36,425,007
2023-2027	950,000	504,455	1,454,455
2028-2032	1,245,000	212,300	1,457,300
Total	<u>\$ 59,835,000</u>	<u>\$ 15,933,147</u>	<u>\$ 75,768,147</u>

## CITY OF THOUSAND OAKS

### *Notes to Basic Financial Statements* *(Continued)*

June 30, 2012

On June 14, 2012, Moody's Investor Service ("Moody's") downgraded all California tax allocation bonds rated "Baa3" and above to "Ba1". According to Moody's, all California tax allocation bond ratings remain on review for possible downgrade. Although the bonds were not rated by Moody's and, therefore not downgraded by Moody's, the downgrade reflects its opinion of the uncertainty and the heightened cash flow risks arising from the implementation of the Bill. Standard and Poor's Ratings Services ("Standard and Poor's") provides ratings for the bonds and has assigned "A" ratings to the 2005 Tax Allocation Refunding Bonds and "A-" to the 2002 Tax Allocation Refunding Bonds.

#### **(d) Insurance**

The City, on behalf of the Thousand Oaks Successor Agency, maintains self-insurance for general liability and contracts with an actuarial consultant to calculate estimated reserve requirements for general liability claims on an annual basis. No liability has been accrued as any accrued claims are deemed immaterial.

#### **(e) Commitments and Contingencies**

On March 8, 2011, the Agency approved a funding agreement with the Thousand Oaks Auto Mall Association in the amount of \$8.6 million to construct and finance public improvements pursuant to the Auto Mall Specific Plan approved by City Council on December 14, 2010. As part of the agreement, \$8.1 million was placed into escrow to fund infrastructure improvements. As of June 30, 2012, \$7.6 million remains in escrow.

#### **(f) Subsequent Events**

##### **Payments to County Auditor-Controller**

Assembly Bill 1484 established a requirement for successor agencies to remit to the County Auditor-Controller three payments as determined by the Auditor-Controller. These payments consist of a demand payment due July 2012 for taxing entities' share of December 2011 property tax distribution to redevelopment agencies/successor agencies, a payment due November 2012 related to Low-Moderate Income Housing Fund Due Diligence Review for unencumbered cash, and a payment due April 2013 related to the other Redevelopment Funds Due Diligence Review for unencumbered cash. The payment in July 2012 was made in the amount of \$2,627,986. The Low-Moderate Income Housing and the other Redevelopment Funds Due Diligence Reviews currently resulted in no payment due to be confirmed by the Department of Finance.

##### **Tax Allocation Refunding Bonds Rating**

On July 6, 2012, Standard and Poor's placed its ratings of the 2005 Tax Allocation Refunding Bonds and 2002 Tax Allocation Refunding Bonds on negative credit watch.

**CITY OF THOUSAND OAKS**

***Notes to Basic Financial Statements  
(Continued)***

**June 30, 2012**

**(18) SUBSEQUENT EVENT**

AB 340 and AB 197 were approved by the Governor on September 12, 2012. The bills make substantial and wide-ranging changes to the public employee pension laws in California. The measure takes effect January 1, 2013, although not all of its provisions will be effective immediately, and are intended to implement comprehensive pension reform through the enactment of the California Public Employees' Pension Reform Act of 2013 as well as other statutory changes.

# **Required Supplementary Information**

**CITY OF THOUSAND OAKS**

**Required Supplementary Information  
(Unaudited)**

**June 30, 2012**

The following schedule of funding progress and schedule of employer contributions are related to the City's Single-Employer Defined Benefit Pension Plan for hourly/part-time employees.

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Proj Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a) / (c)
1/1/2007	\$ 924,159	\$ 1,499,144	\$ 574,985	61.6%	\$ 1,981,782	29.0%
1/1/2008	1,068,132	1,613,747	545,615	66.2%	1,877,678	29.1%
1/1/2009	1,145,054	1,848,348	703,294	62.0%	2,216,345	31.7%
1/1/2010	1,260,752	1,974,981	714,229	63.8%	2,130,478	33.5%
1/1/2011	1,430,784	2,125,826	695,042	67.3%	2,178,953	31.9%
1/1/2012	1,469,330	2,491,706	1,022,376	59.0%	2,029,468	50.4%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended June 30	Actual Contribution (a)	Annual Required Contribution (b)	Percentage Contributed (a / b)	Annual Pension Cost (c)	Percentage Contributed (a / c)	Net Pension Obligation (Asset) at Year End
2007	\$ 109,191	\$ 109,191	100%	\$ 109,180	100%	\$ 130
2008	104,501	104,501	100%	104,491	100%	120
2009	100,748	100,628	100%	100,618	100%	(10)
2010	125,905	125,915	100%	125,915	100%	0
2011	128,745	128,745	100%	128,745	100%	0
2012	126,950	126,950	100%	126,950	100%	0

**CITY OF THOUSAND OAKS**

**Required Supplementary Information  
(Continued)**

**June 30, 2012**

The following schedule of funding progress is related to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer defined benefit pension plan.

**SCHEDULE OF FUNDING PROGRESS (IN THOUSANDS) - FULL-TIME EMPLOYEES**

PERS Valuation Date	For Fiscal Year Ending	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL* As a % of Payroll
06/30/06	06/30/09	\$ 143,314	\$ 125,434	\$ 17,880	87.5%	\$ 28,754	62.2%
06/30/07	06/30/10	154,752	136,959	17,793	88.5%	30,044	59.2%
06/30/08	06/30/11	166,906	147,881	19,025	88.6%	31,613	60.2%
06/30/09	06/30/12	184,386	156,446	27,940	84.8%	32,432	86.2%
06/30/10	06/30/13	198,774	166,131	32,642	83.6%	32,544	100.3%
06/30/11	06/30/14	215,154	176,874	38,280	82.2%	30,503	125.5%

The following schedule of funding progress is related to the California Employers' Retiree Benefit Trust, an agent multiple-employer defined benefit healthcare plan administered by CalPERS.

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	For Fiscal Year Ending	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL* As a % of Payroll
01/01/07	06/30/07	\$17,033,849	\$ -	\$17,033,849	0.0%	\$29,632,804	57.5%
07/01/08	06/30/08	17,486,483	5,974,128	11,512,355	34.2%	30,591,614	37.6%
07/01/08	06/30/09	17,939,117	6,026,579	11,912,538	33.6%	31,636,745	37.7%
07/01/08	06/30/10	18,833,356	6,816,919	12,016,437	36.2%	31,783,780	37.8%
07/01/10	06/30/11	18,861,369	6,234,088	12,627,281	33.1%	26,758,500	47.2%
06/30/11	06/30/12	20,829,420	8,040,249	12,789,171	38.6%	28,556,519	44.8%

\*Unfunded Actuarial Accrued Liability (UAAL)

# **Combining Financial Statements and Schedules**

- Nonmajor Governmental Funds - Combining Financial Statements and Special Revenue Funds Budget to Actual Schedules
- Internal Service Funds - Combining Financial Statements
- Agency Funds - Combining Financial Statements

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Landscape and Lighting Districts Fund - The various Thousand Oaks Maintenance Districts and the Thousand Oaks Citywide Lighting District were established to provide landscape/open space maintenance and street lighting throughout the City of Thousand Oaks. Property taxes and service fees are levied specifically for these purposes.

Traffic and Bicycle Safety Fund - Traffic and court fines as well as pedestrian facilities grant funding (SB 821, Art. 3) are collected in this fund.

Community Facilities Districts Fund - The Districts are authorized under the Mello-Roos Community Facilities Act of 1982 to levy special taxes upon the land of the Districts and to issue bonds secured by special taxes. The proceeds, held by a trustee, are to be used to develop public improvements within each District. The fund is used to account for administration and technical services to the district as well as to collect the assessments to pay the debt. Since the debt is not a liability of the City, any capital improvements are not recorded as a City expenditure. At June 30, 2011, there are three districts, Community Facilities District No. 1988-1 (Lang Ranch), Community Facilities District No. 1994-1 (Marketplace Public Pedestrian, Traffic Circulation and Parking Facilities), and Community Facilities District No. 1997-1 (Promenade Public Parking Facilities).

Federal Asset Seizure Fund - As required by the U.S. Department of Justice, this fund was established in order to account for the receipt and expenditure of federal asset seizure money.

HOME and Community Development Block Grant (CDBG) Fund - As required by grant regulations, this fund was established in order to account for the receipt and expenditure of HOME Disaster Relief Funds from the California Department of Housing and Community Development Division of Community Affairs and CDBG funds allocated to the City by the U.S. Department of Housing and Urban Development (HUD).

American Recovery and Reinvestment Act (ARRA) Grant Fund - As required by federal law, this fund was established in order to account for the receipt and expenditure of ARRA Funds.

County Flood Control Benefit Assessment Fund - Ventura County Flood Control District determines property tax assessments countywide for flood control purposes and apportions the assessments to each city to be used exclusively for flood control purposes.

## **NONMAJOR GOVERNMENTAL FUNDS, continued**

Housing Trust Fund - This fund was established for the creation, preservation, and rehabilitation of affordable housing for very-low, low, and moderate income households within the City. Revenues include fees collected from residential developments in lieu of constructing affordable housing units, linkage fees from applicable non-residential developments, gifts, and grants.

### **Debt Service Funds**

Thousand Oaks Public Financing Authority Fund - This fund was established to account for the accumulation of resources and payment of principal and interest of the Thousand Oaks Public Financing Authority.

### **Capital Projects Funds**

Fixed Asset Replacement Fund - This fund is used to account for the City's equipment replacement program. Amounts billed to City departments are recorded as revenues and the expenditures for replacement of equipment are recorded in this fund.

Community Recreation and Open Space Endowment Fund - This fund includes revenues from bedroom taxes collected from developers, an annual 10 percent transfer of unreserved/undesignated General Fund balance, donations from the Adopt-an-Oak Tree program, and \$2 per round for non-resident golfers from the Golf Course Fund. Revenues are used for the development of parks and purchase of open space throughout the City of Thousand Oaks.

Thousand Oaks Public Financing Authority Fund - This fund was established to account for the fiscal activities of the Thousand Oaks Public Financing Authority. Although the Authority is a unit of government legally distinct from the City of Thousand Oaks, the City Council has virtual oversight responsibility due to the financing arrangement of the Authority. The Authority has issued certificates of participation used to finance various capital project acquisition, construction, and improvements.

**CITY OF THOUSAND OAKS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2012**

<b>Special Revenue Funds</b>					
	Landscape and Lighting Districts	Traffic and Bicycle Safety	Community Facilities Districts	Federal Asset Seizure	HOME and Community Development Block Grant
<b>Assets</b>					
Cash and investments	\$ 6,164,859	342,300	4,739,665	694,469	-
Receivables:					
Accounts	19,561	-	74,882	-	-
Accrued interest	12,241	613	6,840	1,307	292,120
Intergovernmental	171,743	172,112	31,552	105,660	48,566
Notes/loans	-	-	-	-	1,254,600
Restricted cash and investments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 6,368,404</b>	<b>515,025</b>	<b>4,852,939</b>	<b>801,436</b>	<b>1,595,286</b>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 371,347	5,658	4,178,404	1,647	19,162
Due to other agencies	-	-	-	-	254,600
Interfund payables	-	141,811	-	-	26,331
Unearned revenue	-	-	10,000	550,653	1,292,120
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>371,347</b>	<b>147,469</b>	<b>4,188,404</b>	<b>552,300</b>	<b>1,592,213</b>
<b>Fund balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	5,997,057	367,556	664,535	249,136	3,073
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>5,997,057</b>	<b>367,556</b>	<b>664,535</b>	<b>249,136</b>	<b>3,073</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,368,404</b>	<b>515,025</b>	<b>4,852,939</b>	<b>801,436</b>	<b>1,595,286</b>

See accompanying independent auditors' report.

Special Revenue Funds				Debt Service Funds
American Recovery and Reinvestment Act Grants	County Flood Control Benefit Assessment	Housing Trust	Total	Thousand Oaks Public Financing Authority
-	-	2,358,909	14,300,202	1,097
-	370,073	-	464,516	-
-	-	3,722	316,843	-
566,412	165,250	-	1,261,295	-
-	-	-	1,254,600	-
-	-	-	-	1,166,952
<u>566,412</u>	<u>535,323</u>	<u>2,362,631</u>	<u>17,597,456</u>	<u>1,168,049</u>
338,431	34,262	-	4,948,911	-
-	-	-	254,600	-
227,981	163,139	-	559,262	-
404,032	-	-	2,256,805	-
-	-	-	-	1,166,952
<u>970,444</u>	<u>197,401</u>	<u>-</u>	<u>8,019,578</u>	<u>1,166,952</u>
-	-	-	-	-
-	337,922	2,362,631	9,981,910	1,097
-	-	-	-	-
-	-	-	-	-
(404,032)	-	-	(404,032)	-
<u>(404,032)</u>	<u>337,922</u>	<u>2,362,631</u>	<u>9,577,878</u>	<u>1,097</u>
<u>566,412</u>	<u>535,323</u>	<u>2,362,631</u>	<u>17,597,456</u>	<u>1,168,049</u>

**CITY OF THOUSAND OAKS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2012**

<b>Capital Projects Funds</b>					
	Fixed Asset Replacement	Community Recreation and Open Space Endowment Fund	Thousand Oaks Public Financing Authority	Total	Total Nonmajor Governmental Funds
<b><u>Assets</u></b>					
Cash and investments	\$ 11,659,386	1,481,300	182,161	13,322,847	27,624,146
Receivables:					
Accounts	-	-	-	-	464,516
Accrued interest	-	2,761	342	3,103	319,946
Intergovernmental	-	-	-	-	1,261,295
Notes/loans	-	-	-	-	1,254,600
Restricted cash and investments	-	-	-	-	1,166,952
<b>Total assets</b>	<b>\$ 11,659,386</b>	<b>1,484,061</b>	<b>182,503</b>	<b>13,325,950</b>	<b>32,091,455</b>
<b><u>Liabilities and Fund Balance</u></b>					
Liabilities:					
Accounts payable	\$ 89,174	-	-	89,174	5,038,085
Due to other agencies	-	-	-	-	254,600
Interfund payables	-	-	-	-	559,262
Unearned revenue	-	-	-	-	2,256,805
Advances from other funds	-	-	-	-	1,166,952
<b>Total liabilities</b>	<b>89,174</b>	<b>-</b>	<b>-</b>	<b>89,174</b>	<b>9,275,704</b>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	182,503	182,503	10,165,510
Committed	-	1,484,061	-	1,484,061	1,484,061
Assigned	11,570,212	-	-	11,570,212	11,570,212
Unassigned	-	-	-	-	(404,032)
<b>Total fund balances</b>	<b>11,570,212</b>	<b>1,484,061</b>	<b>182,503</b>	<b>13,236,776</b>	<b>22,815,751</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,659,386</b>	<b>1,484,061</b>	<b>182,503</b>	<b>13,325,950</b>	<b>32,091,455</b>

See accompanying independent auditors' report.

**CITY OF THOUSAND OAKS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year ended June 30, 2012**

Page 1 of 3

	Special Revenue Funds				
	Landscape and Lighting Districts	Traffic and Bicycle Safety	Community Facilities Districts	Federal Asset Seizure	HOME and Community Development Block Grant
<b>Revenues:</b>					
Taxes	\$ 1,750,849	-	-	-	-
Fines and forfeitures	-	697,835	-	-	-
Use of money and property	69,112	5,998	34,032	7,497	-
Charges for current services	3,323,804	-	-	-	-
Intergovernmental revenue	-	42,837	-	65,511	945,290
Other	14,594	-	608,014	-	-
<b>Total Revenues</b>	<b>5,158,359</b>	<b>746,670</b>	<b>642,046</b>	<b>73,008</b>	<b>945,290</b>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	1,340,655	-	-	65,511	-
Transportation	4,326,969	69,011	-	-	-
Community development	-	-	675,794	-	897,137
Culture and leisure	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	37,369	-	-	-	48,153
<b>Total expenditures</b>	<b>5,704,993</b>	<b>69,011</b>	<b>675,794</b>	<b>65,511</b>	<b>945,290</b>
Excess (deficiency) of revenues over (under) expenditures	(546,634)	677,659	(33,748)	7,497	-
<b>Other financing sources (uses):</b>					
Transfers in	209,995	-	-	-	-
Transfers out	-	(747,766)	-	-	-
<b>Total other financing sources (uses)</b>	<b>209,995</b>	<b>(747,766)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balance	(336,639)	(70,107)	(33,748)	7,497	-
Fund balance-beginning	6,333,696	437,663	698,283	241,639	3,073
Fund balance-ending	\$ 5,997,057	367,556	664,535	249,136	3,073

See accompanying independent auditors' report.

Special Revenue Funds				Debt Service Funds
American Recovery and Reinvestment Act Grants	County Flood Control Benefit Assessment	Housing Trust	Total	Thousand Oaks Public Financing Authority
-	-	-	1,750,849	-
-	-	-	697,835	-
-	-	24,314	140,953	4,729
-	598,915	1,172,413	5,095,132	-
2,666,519	-	-	3,720,157	-
-	5,584	-	628,192	-
<u>2,666,519</u>	<u>604,499</u>	<u>1,196,727</u>	<u>12,033,118</u>	<u>4,729</u>
-	-	-	-	-
-	-	-	1,406,166	-
1,942,230	597,565	-	6,935,775	-
-	-	-	1,572,931	-
-	-	-	-	-
-	-	-	-	505,000
-	-	-	-	652,462
744,662	-	-	830,184	-
<u>2,686,892</u>	<u>597,565</u>	<u>-</u>	<u>10,745,056</u>	<u>1,157,462</u>
<u>(20,373)</u>	<u>6,934</u>	<u>1,196,727</u>	<u>1,288,062</u>	<u>(1,152,733)</u>
-	-	150,000	359,995	1,152,832
-	-	-	(747,766)	-
-	-	150,000	(387,771)	1,152,832
(20,373)	6,934	1,346,727	900,291	99
<u>(383,659)</u>	<u>330,988</u>	<u>1,015,904</u>	<u>8,677,587</u>	<u>998</u>
<u>(404,032)</u>	<u>337,922</u>	<u>2,362,631</u>	<u>9,577,878</u>	<u>1,097</u>

**CITY OF THOUSAND OAKS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year ended June 30, 2012**

Page 3 of 3

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Fixed Asset Replacement	Community Recreation and Open Space Endowment Fund	Thousand Oaks Public Financing Authority	Total	
<b>Revenues:</b>					
Taxes	\$ -	10,100	-	10,100	1,760,949
Fines and forfeitures	-	-	-	-	697,835
Use of money and property	-	16,852	2,092	18,944	164,626
Charges for current services	-	-	-	-	5,095,132
Intergovernmental revenue	-	-	-	-	3,720,157
Other	1,110,968	5,281	-	1,116,249	1,744,441
<b>Total Revenues</b>	<b>1,110,968</b>	<b>32,233</b>	<b>2,092</b>	<b>1,145,293</b>	<b>13,183,140</b>
<b>Expenditures:</b>					
Current:					
General government	147,332	-	-	147,332	147,332
Public safety	33,071	-	-	33,071	1,439,237
Transportation	404,594	-	-	404,594	7,340,369
Community development	66,245	-	-	66,245	1,639,176
Culture and leisure	35,164	-	-	35,164	35,164
Debt service:					
Principal	-	-	-	-	505,000
Interest	-	-	-	-	652,462
Capital Outlay	-	-	-	-	830,184
<b>Total expenditures</b>	<b>686,406</b>	<b>-</b>	<b>-</b>	<b>686,406</b>	<b>12,588,924</b>
Excess (deficiency) of revenues over (under) expenditures	424,562	32,233	2,092	458,887	594,216
<b>Other financing sources (uses):</b>					
Transfers in	-	7,576	-	7,576	1,520,403
Transfers out	-	-	-	-	(747,766)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>7,576</b>	<b>-</b>	<b>7,576</b>	<b>772,637</b>
Net change in fund balance	424,562	39,809	2,092	466,463	1,366,853
Fund balance-beginning	11,145,650	1,444,252	180,411	12,770,313	21,448,898
Fund balance-ending	\$ 11,570,212	1,484,061	182,503	13,236,776	22,815,751

See accompanying independent auditors' report.

**CITY OF THOUSAND OAKS**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Landscape and Lighting Districts Special Revenue Governmental Fund**  
**Year ended June 30, 2012**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 1,769,200	1,769,200	1,750,849	(18,351)
Use of money and property	66,200	66,200	69,112	2,912
Charges for current services	3,288,414	3,288,414	3,323,804	35,390
Other	14,700	14,700	14,594	(106)
Total Revenues	<u>5,138,514</u>	<u>5,138,514</u>	<u>5,158,359</u>	<u>19,845</u>
<b>Expenditures:</b>				
Current:				
Public safety	1,476,290	1,476,290	1,340,655	135,635
Transportation	4,975,975	5,040,974	4,326,969	714,005
Capital Outlay	1,025,457	3,439,485	37,369	3,402,116
Total expenditures	<u>7,477,722</u>	<u>9,956,749</u>	<u>5,704,993</u>	<u>4,251,756</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,339,208)</u>	<u>(4,818,235)</u>	<u>(546,634)</u>	<u>4,271,601</u>
<b>Other financing sources (uses):</b>				
Transfers in	219,900	219,900	209,995	(9,905)
Total other financing sources (uses)	<u>219,900</u>	<u>219,900</u>	<u>209,995</u>	<u>(9,905)</u>
Net change in fund balance	(2,119,308)	(4,598,335)	(336,639)	4,261,696
Fund balance-beginning	<u>6,333,696</u>	<u>6,333,696</u>	<u>6,333,696</u>	<u>-</u>
Fund balance-ending	<u>\$ 4,214,388</u>	<u>1,735,361</u>	<u>5,997,057</u>	<u>4,261,696</u>

See accompanying independent auditors' report.

**CITY OF THOUSAND OAKS**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Traffic and Bicycle Safety Special Revenue Governmental Fund**  
**Year ended June 30, 2012**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and forfeitures	\$ 800,000	800,000	697,835	(102,165)
Use of money and property	4,000	4,000	5,998	1,998
Intergovernmental revenue	21,500	21,500	42,837	21,337
Total Revenues	<u>825,500</u>	<u>825,500</u>	<u>746,670</u>	<u>(78,830)</u>
<b>Expenditures:</b>				
Current:				
Transportation	125,000	400,956	69,011	331,945
Total expenditures	<u>125,000</u>	<u>400,956</u>	<u>69,011</u>	<u>331,945</u>
Excess of revenues over expenditures	<u>700,500</u>	<u>424,544</u>	<u>677,659</u>	<u>253,115</u>
<b>Other financing sources (uses):</b>				
Transfers out	(814,000)	(814,000)	(747,766)	66,234
Total other financing sources (uses)	<u>(814,000)</u>	<u>(814,000)</u>	<u>(747,766)</u>	<u>66,234</u>
Net change in fund balance	(113,500)	(389,456)	(70,107)	319,349
Fund balance-beginning	<u>437,663</u>	<u>437,663</u>	<u>437,663</u>	<u>-</u>
Fund balance-ending	<u>\$ 324,163</u>	<u>48,207</u>	<u>367,556</u>	<u>319,349</u>

See accompanying independent auditors' report.

**CITY OF THOUSAND OAKS**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Community Facilities Districts Special Revenue Governmental Fund**  
**Year ended June 30, 2012**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Use of money and property	\$ -	-	34,032	34,032
Other	-	160,000	608,014	448,014
Total Revenues	<u>-</u>	<u>160,000</u>	<u>642,046</u>	<u>482,046</u>
<b>Expenditures:</b>				
Current:				
Community development	64,600	237,687	675,794	(438,107)
Total expenditures	<u>64,600</u>	<u>237,687</u>	<u>675,794</u>	<u>(438,107)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(64,600)</u>	<u>(77,687)</u>	<u>(33,748)</u>	<u>43,939</u>
Net change in fund balance	(64,600)	(77,687)	(33,748)	43,939
Fund balance-beginning	<u>698,283</u>	<u>698,283</u>	<u>698,283</u>	<u>-</u>
Fund balance-ending	<u>\$ 633,683</u>	<u>620,596</u>	<u>664,535</u>	<u>43,939</u>

See accompanying independent auditors' report.

**CITY OF THOUSAND OAKS**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**HOME and Community Development Block Grant (CDBG) Special Revenue Governmental Fund**  
**Year ended June 30, 2012**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental revenue	\$ 607,085	607,085	945,290	338,205
Total Revenues	<u>607,085</u>	<u>607,085</u>	<u>945,290</u>	<u>338,205</u>
<b>Expenditures:</b>				
Current:				
Community development	848,684	2,078,537	897,137	1,181,400
Capital Outlay	305,111	(2,889)	48,153	(51,042)
Total expenditures	<u>1,153,795</u>	<u>2,075,648</u>	<u>945,290</u>	<u>1,130,358</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(546,710)</u>	<u>(1,468,563)</u>	<u>-</u>	<u>1,468,563</u>
Net change in fund balance	(546,710)	(1,468,563)	-	1,468,563
Fund balance-beginning	<u>3,073</u>	<u>3,073</u>	<u>3,073</u>	<u>-</u>
Fund balance-ending	<u>\$ (543,637)</u>	<u>(1,465,490)</u>	<u>3,073</u>	<u>1,468,563</u>

See accompanying independent auditors' report.

**CITY OF THOUSAND OAKS**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**County Flood Control Benefit Assessment Special Revenue Governmental Fund**  
**Year ended June 30, 2012**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Use of money and property	\$ 511	511	-	(511)
Charges for current services	656,000	656,000	598,915	(57,085)
Other	500	500	5,584	5,084
Total Revenues	<u>657,011</u>	<u>657,011</u>	<u>604,499</u>	<u>(52,512)</u>
<b>Expenditures:</b>				
Current:				
Transportation	981,238	981,237	597,565	383,672
Total expenditures	<u>981,238</u>	<u>981,237</u>	<u>597,565</u>	<u>383,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(324,227)</u>	<u>(324,226)</u>	<u>6,934</u>	<u>331,160</u>
<b>Other financing sources (uses):</b>				
Transfers in	288,637	288,637	-	(288,637)
Total other financing sources (uses)	<u>288,637</u>	<u>288,637</u>	<u>-</u>	<u>(288,637)</u>
Net change in fund balance	(35,590)	(35,589)	6,934	42,523
Fund balance-beginning	<u>330,988</u>	<u>330,988</u>	<u>330,988</u>	<u>-</u>
Fund balance-ending	<u>\$ 295,398</u>	<u>295,399</u>	<u>337,922</u>	<u>42,523</u>

See accompanying independent auditors' report.

## **INTERNAL SERVICE FUNDS**

Liability Insurance Fund - This fund was established to account for the cost of providing general liability coverage on a Citywide basis.

Workers' Compensation Fund - This fund was established to account for the cost of providing workers' compensation coverage on a Citywide basis.

Vision Insurance Fund - This fund was established to account for the cost of providing vision coverage on a Citywide basis.

**CITY OF THOUSAND OAKS**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2012**

	Liability Insurance	Workers' Compensation Insurance	Vision Insurance	Total
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 4,440,261	7,957,877	57,780	12,455,918
Receivables:				
Accrued interest	8,331	15,132	97	23,560
Prepaid items	6,508	-	-	6,508
Total current assets	<u>4,455,100</u>	<u>7,973,009</u>	<u>57,877</u>	<u>12,485,986</u>
Total assets	<u>4,455,100</u>	<u>7,973,009</u>	<u>57,877</u>	<u>12,485,986</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	106,538	37,147	4,685	148,370
Noncurrent liabilities:				
Claims payable	433,900	1,661,000	-	2,094,900
Total liabilities	<u>540,438</u>	<u>1,698,147</u>	<u>4,685</u>	<u>2,243,270</u>
<b>Net assets:</b>				
Unrestricted	3,914,662	6,274,862	53,192	10,242,716
Total net assets	<u>\$ 3,914,662</u>	<u>6,274,862</u>	<u>53,192</u>	<u>10,242,716</u>

See accompanying independent auditors' report.

**CITY OF THOUSAND OAKS**  
**Combining Statement of Revenues, Expenses, and Changes In Fund Net Assets**  
**Internal Service Funds**  
**Year ended June 30, 2012**

	Liability Insurance	Workers' Compensation Insurance	Vision Insurance	Total
<b>Operating revenues:</b>				
Charges for services and supplies	\$ 622,898	-	47,307	670,205
Total operating revenues	<u>622,898</u>	<u>-</u>	<u>47,307</u>	<u>670,205</u>
<b>Operating expenses:</b>				
Claims expenses	537,733	441,734	45,888	1,025,355
Total operating expenses	<u>537,733</u>	<u>441,734</u>	<u>45,888</u>	<u>1,025,355</u>
Operating income (loss)	<u>85,165</u>	<u>(441,734)</u>	<u>1,419</u>	<u>(355,150)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	49,393	92,547	589	142,529
Total nonoperating revenues	<u>49,393</u>	<u>92,547</u>	<u>589</u>	<u>142,529</u>
Change in net assets	134,558	(349,187)	2,008	(212,621)
Total net assets - beginning	<u>3,780,104</u>	<u>6,624,049</u>	<u>51,184</u>	<u>10,455,337</u>
Total net assets - ending	<u>\$ 3,914,662</u>	<u>6,274,862</u>	<u>53,192</u>	<u>10,242,716</u>

See accompanying independent auditors' report.

**CITY OF THOUSAND OAKS**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year ended June 30, 2012**

	Liability Insurance	Workers' Compensation Insurance	Vision Insurance	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 622,898	-	47,348	670,246
Cash payments for goods and services	(689,434)	(436,719)	(44,261)	(1,170,414)
Net cash provided by (used for) operating activities	<u>(66,536)</u>	<u>(436,719)</u>	<u>3,087</u>	<u>(500,168)</u>
<b>Cash flows from investing activities:</b>				
Interest received	52,120	98,262	615	150,997
Net cash provided by investing activities	<u>52,120</u>	<u>98,262</u>	<u>615</u>	<u>150,997</u>
Net increase (decrease) in cash and cash equivalents	(14,416)	(338,457)	3,702	(349,171)
Cash and cash equivalents, beginning of year	4,454,677	8,296,334	54,078	12,805,089
Cash and cash equivalents, end of year	<u>\$ 4,440,261</u>	<u>7,957,877</u>	<u>57,780</u>	<u>12,455,918</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 85,165	(441,734)	1,419	(355,150)
<b>Adjustments to reconcile operating loss to net cash used for operating activities:</b>				
Decrease in accounts/notes receivable	-	-	41	41
(Increase) in prepaid expenses	(6,508)	-	-	(6,508)
Increase in accounts payables	43,807	10,815	1,627	56,249
(Decrease) in claims payable	(189,000)	(5,800)	-	(194,800)
Total adjustments	<u>(151,701)</u>	<u>5,015</u>	<u>1,668</u>	<u>(145,018)</u>
Net cash provided by (used for) operating activities	<u>\$ (66,536)</u>	<u>(436,719)</u>	<u>3,087</u>	<u>(500,168)</u>

See accompanying independent auditors' report.

## AGENCY FUNDS

Agency Funds are used to account for assets held by the City in a fiduciary capacity for individuals, governmental entities, and others.

Strong Motion Instrumentation Fund - This fund is used to collect fees from applicants for building permits that are used to regulate the statewide strong motion instrumentation program, which accumulates information needed to make homes and other structures safe from destructive earthquakes.

County Flood Zone Fund - Flood control fees and charges are collected as a condition of land development in order to derive revenue to be used for certain flood control purposes.

Environmental Impact Reports Fund - Accumulated in this fund are deposits to reimburse the City for costs incurred in the preparation and/or processing of environmental review documents.

Planning Security Deposits Fund - This fund was established in order to account for deposits placed with the City as required by the Planning Commission. The deposits are performance-oriented and are refunded to the depositor upon successful completion of required services or conditions.

Public Works Deposits Fund - This fund was established in order to account for a wide variety of deposits placed with the City. Many of these deposits are performance-oriented and are refunded to the depositor upon successful completion of required services or conditions.

Public Access Television Fund - This fund was established to account for money collected to promote and encourage the use of Public Access Television.

Law Enforcement Fund - This fund was established to account for Drug Abuse Resistance Education (DARE) donations and state drug seizure funds.

TOPASS Fund - Thousand Oaks Plan to Assist School Sites is a non-profit foundation. The City of Thousand Oaks invests and has physical custody of the funds which were initially a donation from the City. Interest earnings on the principal are used for school improvements.

COSCA Fund - Conejo Open Space Conservation Agency is a joint powers agreement between the City and Conejo Recreation and Park District. The City acts as treasurer for the Agency for funds received on the Agency's behalf.

Miscellaneous Flow Through Fund - This fund was established to account for miscellaneous fees collected that are passed through to other agencies.

**CITY OF THOUSAND OAKS**  
**Combining Statement of Assets and Liabilities - Agency Funds**  
**June 30, 2012**

	Strong Motion Instrumentation	County Flood Zone	Environment Impact Reports	Planning Security Deposits	Public Works Deposits
<b>Assets:</b>					
Cash and investments	\$ 2,476	-	-	730,807	1,475,445
Accounts receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	1,408	2,724
<b>Total assets</b>	<b>\$ 2,476</b>	<b>-</b>	<b>-</b>	<b>732,215</b>	<b>1,478,169</b>
<b>Liabilities:</b>					
Accounts payable	\$ 2,476	-	-	1,760	2,650
Due to other agencies	-	-	-	5,690	-
Deposits	-	-	-	724,765	1,475,519
<b>Total liabilities</b>	<b>\$ 2,476</b>	<b>-</b>	<b>-</b>	<b>732,215</b>	<b>1,478,169</b>

See accompanying independent auditors' report.

Public Access Television	Law Enforcement	TOPASS	COSCA	Misc. Flow Through	Total
546,122	510,266	985,341	1,035,453	409,333	5,695,243
93,783	-	-	2,030	-	95,813
-	942	1,853	1,905	751	9,583
<u>639,905</u>	<u>511,208</u>	<u>987,194</u>	<u>1,039,388</u>	<u>410,084</u>	<u>5,800,639</u>
-	5,957	-	3,745	9,624	26,212
-	-	-	-	-	5,690
<u>639,905</u>	<u>505,251</u>	<u>987,194</u>	<u>1,035,643</u>	<u>400,460</u>	<u>5,768,737</u>
<u>639,905</u>	<u>511,208</u>	<u>987,194</u>	<u>1,039,388</u>	<u>410,084</u>	<u>5,800,639</u>

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year Ended June 30, 2012**

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<b><u>Strong Motion Instrumentation</u></b>				
Assets:				
Cash and investments	\$ 3,102	10,406	11,032	2,476
Total assets	<u>\$ 3,102</u>	<u>10,406</u>	<u>11,032</u>	<u>2,476</u>
Liabilities:				
Accounts payable	\$ 3,102	9,885	10,511	2,476
Due to other agencies	-	10,407	10,407	-
Total liabilities	<u>\$ 3,102</u>	<u>20,292</u>	<u>20,918</u>	<u>2,476</u>
<b><u>County Flood Zone</u></b>				
Assets:				
Cash and investments	\$ 2,896	12,801	15,697	-
Total assets	<u>\$ 2,896</u>	<u>12,801</u>	<u>15,697</u>	<u>-</u>
Liabilities:				
Accounts payable	\$ 2,896	12,801	15,697	-
Due to other agencies	-	12,801	12,801	-
Total liabilities	<u>\$ 2,896</u>	<u>25,602</u>	<u>28,498</u>	<u>-</u>
<b><u>Environment Impact Reports</u></b>				
Assets:				
Cash and investments	\$ 6,690	23,913	30,603	-
Total assets	<u>\$ 6,690</u>	<u>23,913</u>	<u>30,603</u>	<u>-</u>
Liabilities:				
Accounts payable	\$ -	821	821	-
Due to other agencies	6,690	-	6,690	-
Deposits	-	30,603	30,603	-
Total liabilities	<u>\$ 6,690</u>	<u>31,424</u>	<u>38,114</u>	<u>-</u>

(Continued ...)

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year Ended June 30, 2012**

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
(Continued ...)				
<b><u>Planning Security Deposits</u></b>				
Assets:				
Cash and investments	\$ 784,906	213,233	267,332	730,807
Accrued interest receivable	1,834	3,182	3,608	1,408
Total assets	<u>\$ 786,740</u>	<u>216,415</u>	<u>270,940</u>	<u>732,215</u>
Liabilities:				
Accounts payable	\$ 19,812	163,962	182,014	1,760
Due to other agencies	5,690	-	-	5,690
Deposits	761,238	240,201	276,674	724,765
Total liabilities	<u>\$ 786,740</u>	<u>404,163</u>	<u>458,688</u>	<u>732,215</u>
<b><u>Public Works Deposits</u></b>				
Assets:				
Cash and investments	\$ 1,354,731	245,616	124,902	1,475,445
Accrued interest receivable	3,869	6,045	7,190	2,724
Total assets	<u>\$ 1,358,600</u>	<u>251,661</u>	<u>132,092</u>	<u>1,478,169</u>
Liabilities:				
Accounts payable	\$ 2,175	101,543	101,068	2,650
Deposits	1,356,425	239,027	119,933	1,475,519
Total liabilities	<u>\$ 1,358,600</u>	<u>340,570</u>	<u>221,001</u>	<u>1,478,169</u>
<b><u>Public Access Television</u></b>				
Assets:				
Cash and investments	\$ 403,572	145,261	2,709	546,124
Accounts receivable	27,654	93,781	27,654	93,781
Total assets	<u>\$ 431,226</u>	<u>239,042</u>	<u>30,363</u>	<u>639,905</u>
Liabilities:				
Accounts payable	\$ -	2,709	2,709	-
Deposits	431,226	211,388	2,709	639,905
Total liabilities	<u>\$ 431,226</u>	<u>214,097</u>	<u>5,418</u>	<u>639,905</u>
(Continued ...)				

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year Ended June 30, 2012**

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
(Continued ...)				
<b><u>Law Enforcement</u></b>				
Assets:				
Cash and investments	\$ 482,163	54,683	26,580	510,266
Accounts receivable	410	-	410	-
Accrued interest receivable	1,190	2,118	2,366	942
Intergovernmental receivable	1,545	-	1,545	-
Total assets	<u>\$ 485,308</u>	<u>56,801</u>	<u>30,901</u>	<u>511,208</u>
Liabilities:				
Accounts payable	\$ 256	32,281	26,580	5,957
Deposits	485,052	53,507	33,308	505,251
Total liabilities	<u>\$ 485,308</u>	<u>85,788</u>	<u>59,888</u>	<u>511,208</u>
<b><u>TOPASS</u></b>				
Assets:				
Cash and investments	\$ 973,463	11,908	30	985,341
Accrued interest receivable	2,430	4,211	4,788	1,853
Total assets	<u>\$ 975,893</u>	<u>16,119</u>	<u>4,818</u>	<u>987,194</u>
Liabilities:				
Accounts payable	\$ -	30	30	-
Deposits	975,893	11,331	30	987,194
Total liabilities	<u>\$ 975,893</u>	<u>11,361</u>	<u>60</u>	<u>987,194</u>
<b><u>COSCA</u></b>				
Assets:				
Cash and investments	\$ 950,928	114,030	29,505	1,035,453
Accounts receivable	5,971	86,985	90,926	2,030
Accrued interest receivable	2,375	4,245	4,715	1,905
Total assets	<u>\$ 959,274</u>	<u>205,260</u>	<u>125,146</u>	<u>1,039,388</u>
Liabilities:				
Accounts payable	\$ 5,002	24,248	25,505	3,745
Deposits	954,272	105,619	24,248	1,035,643
Total liabilities	<u>\$ 959,274</u>	<u>129,867</u>	<u>49,753</u>	<u>1,039,388</u>
(Continued ...)				

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year Ended June 30, 2012**

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
(Continued ...)				
<b><u>Misc. Flow Through</u></b>				
Assets:				
Cash and investments	\$ 404,201	60,195	55,063	409,333
Accrued interest receivable	985	1,707	1,941	751
Total assets	<u>\$ 405,186</u>	<u>61,902</u>	<u>57,004</u>	<u>410,084</u>
Liabilities:				
Accounts payable	\$ 9,514	104,728	104,618	9,624
Deposits	395,672	4,788	-	400,460
Total liabilities	<u>\$ 405,186</u>	<u>109,516</u>	<u>104,618</u>	<u>410,084</u>
<b><u>Total Agency Funds</u></b>				
Assets:				
Cash and investments	\$ 5,366,652	892,046	563,453	5,695,245
Accounts receivable	34,035	180,766	118,990	95,811
Accrued interest receivable	12,683	21,508	24,608	9,583
Intergovernmental receivable	1,545	-	1,545	-
Total assets	<u>\$ 5,414,915</u>	<u>1,094,320</u>	<u>708,596</u>	<u>5,800,639</u>
Liabilities:				
Accounts payable	\$ 42,757	453,008	469,553	26,212
Due to other agencies	12,380	23,208	29,898	5,690
Deposits	5,359,778	896,464	487,505	5,768,737
Total liabilities	<u>\$ 5,414,915</u>	<u>1,372,680</u>	<u>986,956</u>	<u>5,800,639</u>



# STATISTICAL SECTION

City of Thousand Oaks  
Year Ended June 30, 2012

## Statistical Section

This part of the City of Thousand Oaks CAFR presents detailed information regarding five categories: financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information. These tables are presented as a context for understanding the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These tables contain trend information over multiple years in order to better help the reader understand how the City's financial performance has changed over time.	119-128
<b>Revenue Capacity</b> These tables contain information regarding the City's largest own-source revenue, property tax and sales tax.	129-134
<b>Debt Capacity</b> These tables present information regarding the City's current debt requirements and the City's financial ability to issue additional debt in the future.	135-143
<b>Demographic and Economic Information</b> These tables present demographic and economic indicators that provide the reader a better understanding of the environment within which the City's activities take place and allow for comparison between cities.	144-145
<b>Operating Information</b> These tables provide information regarding the City's operations and resources in order to help the reader gain knowledge about how the City's financial statistics relate to the services the City provides.	146-149

**Table 1**

**CITY OF THOUSAND OAKS**

**Net Assets by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

Page 1 of 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 369,996,592	\$ 376,118,873	\$ 387,500,748	\$ 407,648,885
Restricted	25,750,801	25,412,896	28,561,340	31,169,108
Unrestricted	69,968,316	82,251,419	80,992,727	93,153,410
Total governmental activities net assets	<u>\$ 465,715,709</u>	<u>\$ 483,783,188</u>	<u>\$ 497,054,815</u>	<u>\$ 531,971,403</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 99,389,027	\$ 118,714,518	\$ 128,678,380	\$ 132,493,444
Restricted	1,902,498	1,897,857	1,523,477	1,523,349
Unrestricted	62,492,737	50,275,435	52,989,706	61,425,928
Total business-type activities net assets	<u>\$ 163,784,262</u>	<u>\$ 170,887,810</u>	<u>\$ 183,191,563</u>	<u>\$ 195,442,721</u>
Primary government				
Invested in capital assets, net of related debt	\$ 469,385,619	\$ 494,833,391	\$ 516,179,128	\$ 540,142,329
Restricted	27,653,299	27,310,753	30,084,817	32,692,457
Unrestricted	132,461,053	132,526,854	133,982,433	154,579,338
Total primary government net assets	<u>\$ 629,499,971</u>	<u>\$ 654,670,998</u>	<u>\$ 680,246,378</u>	<u>\$ 727,414,124</u>

Source: City of Thousand Oaks

<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
\$ 418,355,893	\$ 434,736,557	\$ 436,277,657	\$ 434,777,106	\$ 436,968,437	\$ 424,876,492
35,924,063	40,440,983	37,727,131	38,654,458	46,508,324	38,380,982
87,581,092	96,217,592	102,182,201	106,323,825	107,815,418	112,216,327
<u>\$ 541,861,048</u>	<u>\$ 571,395,132</u>	<u>\$ 576,186,989</u>	<u>\$ 579,755,389</u>	<u>\$ 591,292,179</u>	<u>\$ 575,473,801</u>
\$ 142,591,730	\$ 146,826,463	\$ 148,313,106	\$ 151,530,649	\$ 153,821,273	\$ 153,889,583
2,531,163	2,522,780	2,734,026	2,018,609	2,196,556	2,093,726
57,703,269	63,558,847	67,572,396	67,811,296	68,823,038	71,729,967
<u>\$ 202,826,162</u>	<u>\$ 212,908,090</u>	<u>\$ 218,619,528</u>	<u>\$ 221,360,554</u>	<u>\$ 224,840,867</u>	<u>\$ 227,713,276</u>
\$ 560,947,623	\$ 581,563,020	\$ 584,590,763	\$ 586,307,755	\$ 590,789,710	\$ 578,766,075
38,455,226	42,963,763	40,461,157	40,673,067	48,704,880	40,474,708
145,284,361	159,776,439	169,754,597	174,135,121	176,638,456	183,946,294
<u>\$ 744,687,210</u>	<u>\$ 784,303,222</u>	<u>\$ 794,806,517</u>	<u>\$ 801,115,943</u>	<u>\$ 816,133,046</u>	<u>\$ 803,187,077</u>

Table 2

## CITY OF THOUSAND OAKS

**Changes in Net Assets  
Last Ten Fiscal Years  
(accrual basis of accounting)**

Page 1 of 4

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 16,155,325	\$ 18,743,165	\$ 16,836,359	\$ 17,206,821
Public safety	17,032,257	18,305,823	20,972,606	22,786,609
Transportation	17,789,530	18,502,833	19,415,792	20,986,608
Community development	19,326,347	22,339,860	29,125,569	24,669,138
Culture and leisure	9,905,099	10,160,421	11,515,230	10,018,836
Interest on long-term debt	4,232,706	4,109,257	4,050,846	4,333,241
Total governmental activities expenses	<u>84,441,264</u>	<u>92,161,359</u>	<u>101,916,402</u>	<u>100,001,253</u>
Business-type activities:				
Water	11,713,434	13,093,821	13,104,690	13,613,806
Wastewater	13,788,971	14,753,954	15,752,429	15,326,168
Golf Course	3,051,369	2,799,133	2,885,140	2,632,059
Transportation	2,078,897	2,078,980	2,244,824	2,153,046
Solid Waste Management	1,125,666	1,109,634	1,204,671	1,095,095
Theatres	3,010,764	3,280,574	3,364,571	3,261,166
Total business-type activities expenses	<u>34,769,101</u>	<u>37,116,096</u>	<u>38,556,325</u>	<u>38,081,340</u>
Total primary government expenses	<u>\$119,210,365</u>	<u>\$129,277,455</u>	<u>\$140,472,727</u>	<u>\$138,082,593</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 4,426,444	\$ 4,781,210	\$ 4,675,931	\$ 5,364,362
Public safety	144,451	329,051	392,748	410,837
Transportation	3,907,474	3,954,579	3,687,538	3,892,761
Community development	6,177,535	5,961,355	5,423,463	5,956,075
Culture and leisure	258,776	224,910	283,789	260,221
Operating grants and contributions	9,877,163	10,104,962	9,714,763	15,910,652
Capital grants and contributions	9,419,175	2,986,952	1,909,794	2,157,451
Total governmental activities program revenues	<u>34,211,018</u>	<u>28,343,019</u>	<u>26,088,026</u>	<u>33,952,359</u>
Business-type activities:				
Charges for services:				
Water	12,740,282	13,714,416	13,531,341	14,370,069
Wastewater	20,125,976	19,667,533	24,859,087	23,293,090
Golf Course	2,492,027	2,719,273	2,692,445	2,847,771
Transportation	162,423	159,198	173,349	229,971
Solid Waste Management	1,330,498	1,356,590	1,495,382	1,587,575
Theatres	2,343,250	2,545,525	2,747,968	3,055,383
Operating grants and contributions	2,030,305	2,510,548	2,235,469	2,083,574
Capital grants and contributions	767,946	914,728	2,570,615	2,389,038
Total business-type activities program revenues	<u>41,992,707</u>	<u>43,587,811</u>	<u>50,305,656</u>	<u>49,856,471</u>
Total primary government program revenues	<u>\$ 76,203,725</u>	<u>\$ 71,930,830</u>	<u>\$ 76,393,682</u>	<u>\$ 83,808,830</u>
<b>Net (expense)/revenue</b>				
Governmental activities	\$ (50,230,246)	\$ (63,818,340)	\$ (75,828,376)	\$ (66,048,894)
Business-type activities	7,223,606	6,471,715	11,749,331	11,775,131
Total Primary government net expense	<u>\$ (43,006,640)</u>	<u>\$ (57,346,625)</u>	<u>\$ (64,079,045)</u>	<u>\$ (54,273,763)</u>

<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
\$ 14,664,399	\$ 18,130,375	\$ 19,274,242	\$ 16,318,024	\$ 15,818,365	\$ 14,996,258
25,127,397	26,181,258	26,737,000	26,917,106	27,165,601	27,853,732
23,588,625	24,322,484	24,812,778	24,205,410	27,308,063	25,844,691
37,508,148	24,412,525	23,525,974	31,472,631	26,004,932	19,757,842
11,128,984	11,497,376	11,657,026	11,438,101	10,880,231	10,435,600
4,522,922	4,432,146	4,426,267	4,002,329	3,672,066	1,845,302
<u>116,540,475</u>	<u>108,976,164</u>	<u>110,433,287</u>	<u>114,353,601</u>	<u>110,849,258</u>	<u>100,733,425</u>
15,685,054	16,651,251	17,578,603	18,690,402	19,430,010	20,779,897
16,485,524	18,530,603	18,033,389	18,795,351	18,565,664	19,022,278
3,558,463	5,229,818	5,002,620	5,099,519	4,923,681	4,918,517
2,392,015	2,656,945	2,928,854	3,447,324	3,764,116	4,097,237
1,218,699	1,225,934	1,250,469	1,332,067	1,424,288	1,571,469
3,531,891	3,959,594	4,152,677	3,915,498	3,716,595	4,101,536
<u>42,871,646</u>	<u>48,254,145</u>	<u>48,946,612</u>	<u>51,280,161</u>	<u>51,824,354</u>	<u>54,490,934</u>
<u>\$159,412,121</u>	<u>\$157,230,309</u>	<u>\$159,379,899</u>	<u>\$165,633,762</u>	<u>\$162,673,612</u>	<u>\$155,224,359</u>
\$ 4,599,023	\$ 5,443,275	\$ 5,569,675	\$ 6,584,710	\$ 5,620,394	\$ 6,606,146
415,859	454,311	473,720	643,054	518,740	849,732
4,141,942	4,055,638	4,231,897	4,693,392	4,271,158	5,949,669
6,178,994	5,498,065	4,462,726	4,352,037	4,764,843	4,694,052
265,160	268,351	256,812	316,762	260,421	343,042
13,984,520	12,520,302	11,360,407	11,453,153	13,906,945	13,194,721
4,299,200	10,556,495	2,792,857	1,622,157	1,652,089	483,744
<u>33,884,698</u>	<u>38,796,437</u>	<u>29,148,094</u>	<u>29,665,265</u>	<u>30,994,590</u>	<u>32,121,106</u>
15,817,257	17,180,172	18,436,321	18,896,852	21,283,333	22,828,323
21,780,500	24,047,603	21,871,495	20,657,404	20,028,254	19,091,002
3,767,811	5,527,842	5,570,050	5,307,892	4,874,576	5,074,016
238,923	266,518	285,926	396,405	301,075	457,938
1,686,762	1,676,715	1,574,351	1,602,364	1,388,587	1,484,372
3,320,816	4,000,422	3,569,127	3,191,463	3,142,176	3,155,208
2,338,808	3,548,963	2,845,062	3,620,080	3,989,932	4,057,467
1,194,074	1,481,682	236,070	225,179	175,441	1,068,810
<u>50,144,951</u>	<u>57,729,917</u>	<u>54,388,402</u>	<u>53,897,639</u>	<u>55,183,374</u>	<u>57,217,136</u>
<u>\$ 84,029,649</u>	<u>\$ 96,526,354</u>	<u>\$ 83,536,496</u>	<u>\$ 83,562,904</u>	<u>\$ 86,177,964</u>	<u>\$ 89,338,242</u>
\$ (82,655,777)	\$ (70,179,727)	\$ (81,285,193)	\$ (84,688,336)	\$ (79,854,668)	\$ (68,612,319)
7,273,305	9,475,772	5,441,790	2,617,478	3,359,020	2,726,202
<u>\$ (75,382,472)</u>	<u>\$ (60,703,955)</u>	<u>\$ (75,843,403)</u>	<u>\$ (82,070,858)</u>	<u>\$ (76,495,648)</u>	<u>\$ (65,886,117)</u>

Table 2

## CITY OF THOUSAND OAKS

**Changes in Net Assets  
Last Ten Fiscal Years  
(accrual basis of accounting)**

Page 3 of 4

<b>General Revenue and Other Changes in Net Assets</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Governmental activities:				
Taxes				
Property tax	\$ 25,607,658	\$ 29,263,803	\$ 30,831,917	\$ 32,970,013
Sales tax	25,401,457	27,073,530	26,555,848	29,919,102
Transient occupancy tax	1,940,146	2,087,242	2,203,145	2,541,091
Franchise tax	4,175,821	4,374,567	4,715,999	4,720,176
Business tax	1,523,739	1,577,169	1,633,662	1,781,543
Property transfer tax	1,077,855	1,343,817	1,171,795	1,300,101
Unrestricted intergovernmental revenue	7,904,954	8,103,466	9,987,394	7,634,036
Miscellaneous Revenue	-	-	-	-
Proceeds from the sale of property	306,841	8,528,797	10,323,579	18,746,601
Unrestricted investment/interest earnings	2,471,292	421,841	2,231,086	2,677,146
Extraordinary item - RDA dissolution (1)	-	-	-	-
Transfers	(534,036)	(631,833)	(554,422)	(476,027)
Special item (2)	-	-	-	(848,300)
Total governmental activities	<u>69,875,727</u>	<u>82,142,399</u>	<u>89,100,003</u>	<u>100,965,482</u>
Business-type activities:				
Transfers	534,036	631,833	554,422	476,027
Total business-type activities	<u>534,036</u>	<u>631,833</u>	<u>554,422</u>	<u>476,027</u>
Total primary government	<u>\$ 70,409,763</u>	<u>\$ 82,774,232</u>	<u>\$ 89,654,425</u>	<u>\$101,441,509</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ 19,645,481	\$ 18,324,059	\$ 13,271,627	\$ 34,916,588
Business-type activities	<u>7,757,642</u>	<u>7,103,548</u>	<u>12,303,753</u>	<u>12,251,158</u>
Total primary government	<u>\$ 27,403,123</u>	<u>\$ 25,427,607</u>	<u>\$ 25,575,380</u>	<u>\$ 47,167,746</u>

## Notes:

(1) The Agency was dissolved as of February 1, 2012 through the Supreme Court decision on Assembly Bill X1 26. See Note 17 for more information on the dissolution.

(2) In fiscal year 2005-06 the City of Thousand Oaks redeemed 1995 Tax Allocation Bonds in full and was subject to an early redemption penalty.

Source: City of Thousand Oaks

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 32,239,737	\$ 34,762,919	\$ 37,321,236	\$ 36,833,910	\$ 34,355,639	\$ 25,278,294
28,176,057	26,356,909	24,132,888	23,873,911	22,123,406	25,957,903
2,830,919	2,859,810	2,493,840	2,281,581	2,702,879	2,977,691
5,363,492	5,117,984	5,282,424	5,200,169	5,790,082	5,984,921
1,826,253	1,843,606	1,782,198	1,673,282	1,708,860	1,705,654
1,120,684	703,515	525,900	573,839	588,295	634,332
9,531,713	9,965,147	10,225,069	10,186,178	10,302,283	9,707,468
-	-	-	-	-	500,000
6,449,961	12,529,289	1,668,014	6,161,617	1,535,345	3,989,070
5,116,742	6,180,788	2,686,701	1,595,797	931,529	1,342,253
-	-	-	-	-	(25,137,438)
(110,136)	(606,156)	(41,220)	(123,548)	(121,293)	(146,207)
-	-	-	-	-	-
<u>92,545,422</u>	<u>99,713,811</u>	<u>86,077,050</u>	<u>88,256,736</u>	<u>79,917,025</u>	<u>52,793,941</u>
<u>110,136</u>	<u>606,156</u>	<u>41,220</u>	<u>123,548</u>	<u>121,293</u>	<u>146,207</u>
<u>110,136</u>	<u>606,156</u>	<u>41,220</u>	<u>123,548</u>	<u>121,293</u>	<u>146,207</u>
<u>\$ 92,655,558</u>	<u>\$100,319,967</u>	<u>\$ 86,118,270</u>	<u>\$ 88,380,284</u>	<u>\$ 80,038,318</u>	<u>\$ 52,940,148</u>
\$ 9,889,645	\$ 29,534,084	\$ 4,791,857	\$ 3,568,400	\$ 62,357	\$ (15,818,378)
<u>7,383,441</u>	<u>10,081,928</u>	<u>5,483,010</u>	<u>2,741,026</u>	<u>3,480,313</u>	<u>2,872,409</u>
<u>\$ 17,273,086</u>	<u>\$ 39,616,012</u>	<u>\$ 10,274,867</u>	<u>\$ 6,309,426</u>	<u>\$ 3,542,670</u>	<u>\$ (12,945,969)</u>

Table 3

## CITY OF THOUSAND OAKS

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

Page 1 of 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund					
Reserved	\$ 2,390,354	\$ 2,348,887	\$ 6,345,922	\$ 5,686,993	\$ 9,222,787
Unreserved	65,424,443	70,496,143	66,974,161	71,118,732	71,791,197
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 67,814,797</u>	<u>\$ 72,845,030</u>	<u>\$ 73,320,083</u>	<u>\$ 76,805,725</u>	<u>\$ 81,013,984</u>
All other governmental funds					
Reserved	\$ 12,932,927	\$ 15,242,109	\$ 15,895,720	\$ 21,938,971	\$ 28,821,905
Unreserved, reported in:					
Special revenue funds	12,437,165	13,831,186	15,577,334	14,357,717	15,202,299
Capital projects funds	44,462,953	44,420,861	38,939,654	63,308,782	45,493,233
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 69,833,045</u>	<u>\$ 73,494,156</u>	<u>\$ 70,412,708</u>	<u>\$ 99,605,470</u>	<u>\$ 89,517,437</u>

## Note:

The City of Thousand Oaks implemented GASB 54 for the fiscal year ended June 30, 2011, therefore information on fund balance categories is unavailable for prior fiscal years.

Source: City of Thousand Oaks

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
\$ 8,078,178	\$ 7,346,454	\$ 7,452,277	\$ -	\$ -
76,484,258	73,848,723	71,441,836	-	-
-	-	-	386,487	458,467
-	-	-	30,382,360	29,133,665
-	-	-	47,971,223	49,836,670
-	-	-	75,762	1,018,694
<u>\$ 84,562,436</u>	<u>\$ 81,195,177</u>	<u>\$ 78,894,113</u>	<u>\$ 78,815,832</u>	<u>\$ 80,447,496</u>
\$ 27,574,498	\$ 28,675,993	\$ 35,259,948	\$ -	\$ -
17,607,477	21,464,035	18,554,270	-	-
47,247,642	50,226,170	46,906,091	-	-
-	-	-	9,454,786	671,083
-	-	-	65,811,852	33,496,970
-	-	-	16,273,358	1,484,061
-	-	-	18,085,550	19,800,800
-	-	-	(383,659)	(404,032)
<u>\$ 92,429,617</u>	<u>\$ 100,366,198</u>	<u>\$ 100,720,309</u>	<u>\$ 109,241,887</u>	<u>\$ 55,048,882</u>

Table 4

## CITY OF THOUSAND OAKS

**Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

Page 1 of 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Revenues</b>					
Taxes	\$60,006,178	\$66,138,570	\$66,968,618	\$72,644,232	\$74,087,967
Licenses and permits	6,982,590	6,333,498	6,069,507	6,828,237	7,067,251
Fines and forfeitures	1,321,663	1,332,619	1,271,982	1,315,310	1,355,570
Use of money and property	6,463,226	3,757,861	5,374,862	11,767,522	10,372,723
Charges for current services	15,183,181	9,364,412	8,589,077	8,262,238	9,658,202
Intergovernmental revenue	13,649,835	12,189,331	14,623,435	15,264,763	16,333,547
Reimbursements	1,543,454	2,308,675	1,586,882	1,548,917	1,636,729
Other	108,943	105,974	132,483	1,152,685	824,383
Total revenues	<u>105,259,070</u>	<u>101,530,940</u>	<u>104,616,846</u>	<u>118,783,904</u>	<u>121,336,372</u>
<b>Expenditures</b>					
Current:					
General government	13,208,695	16,283,067	15,621,138	15,766,855	17,977,207
Public safety	16,931,218	18,153,673	20,810,401	22,695,988	25,042,113
Transportation	15,336,249	16,170,952	15,743,581	19,517,689	18,745,267
Community development (2)	19,803,419	22,587,027	29,297,954	24,898,340	37,478,789
Culture and leisure	8,957,013	9,346,445	10,559,066	9,155,333	10,205,274
Debt service:					
Principal	1,821,140	1,916,140	1,996,140	2,086,140	1,565,000
Interest	4,232,706	4,116,462	4,058,309	4,288,548	4,528,991
Issuance cost (1)	-	-	-	1,662,447	-
Payment to refunded bond escrow agent - prior	-	-	-	-	-
Capital outlay	<u>9,827,731</u>	<u>3,674,055</u>	<u>10,187,907</u>	<u>9,789,053</u>	<u>11,603,594</u>
Total expenditures	<u>90,118,171</u>	<u>92,247,821</u>	<u>108,274,496</u>	<u>109,860,393</u>	<u>127,146,235</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,140,899</u>	<u>9,283,119</u>	<u>(3,657,650)</u>	<u>8,923,511</u>	<u>(5,809,863)</u>
<b>Other financing sources (uses)</b>					
Extraordinary item (3)	-	-	-	-	-
Transfers in	8,253,922	8,038,150	20,256,583	36,084,301	8,832,240
Transfers out	(8,787,958)	(8,669,983)	(20,811,005)	(36,560,328)	(8,942,376)
Refunding bonds issued	-	-	1,600,000	77,715,000	-
Premium on refunding bonds issued	-	-	-	178,731	-
Discount on refunding bonds issued	-	-	-	(216,183)	-
Payment to refunded bond escrow agent - current	-	-	-	(52,620,000)	-
Proceeds from sale of property	20,056	40,058	5,677	21,672	40,225
Special Item	-	-	-	(848,300)	-
Total other financing sources (uses)	<u>(513,980)</u>	<u>(591,775)</u>	<u>1,051,255</u>	<u>23,754,893</u>	<u>(69,911)</u>
Net change in fund balances	<u>\$ 14,626,919</u>	<u>\$ 8,691,344</u>	<u>\$ (2,606,395)</u>	<u>\$ 32,678,404</u>	<u>\$ (5,879,774)</u>
Debt service as a percentage of noncapital expenditures	8.0%	7.2%	6.4%	6.8%	5.5%

## Notes:

- (1) In fiscal year 2005-06, the City redeemed 1995 Tax Allocation Bonds in full.
- (2) In fiscal year 2006-07, the increase in community development expenditures included \$15 million in Agency loans issued to affordable housing projects. Agency loans are recorded as expenditures when issued.
- (3) The Agency was dissolved as of February 1, 2012 through the Supreme Court decision on Assembly Bill X1 26. See Note 17 for more information on the dissolution.

Source: City of Thousand Oaks

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$73,371,615	\$71,989,974	\$67,116,846	\$69,146,491	\$ 60,266,779
6,444,165	5,206,207	4,319,610	4,829,204	5,044,995
1,406,029	1,565,993	1,356,890	1,245,879	1,252,050
11,324,470	6,467,079	4,505,561	3,273,362	3,051,485
12,746,634	10,030,782	9,876,944	9,660,891	10,758,658
15,926,155	20,861,029	17,490,908	21,229,614	20,652,591
1,630,729	1,759,091	-	-	-
403,694	190,291	3,271,990	2,325,759	3,719,494
<u>123,253,491</u>	<u>118,070,446</u>	<u>107,938,749</u>	<u>111,711,200</u>	<u>104,746,052</u>
16,062,522	17,306,010	14,530,618	14,170,542	14,679,175
26,105,855	26,599,446	26,684,654	26,999,458	27,622,423
20,280,207	22,524,959	15,762,955	22,727,687	29,403,527
24,442,524	23,404,601	31,093,436	26,085,166	19,555,500
10,130,739	10,035,034	9,718,996	9,351,390	9,013,448
4,195,000	4,380,000	4,560,000	4,875,000	4,910,000
4,447,340	4,240,684	4,034,636	3,585,683	2,090,329
-	-	253,368	-	-
-	-	1,214,341	-	-
<u>10,528,549</u>	<u>4,998,150</u>	<u>3,416,204</u>	<u>6,846,658</u>	<u>14,535,378</u>
<u>116,192,736</u>	<u>113,488,884</u>	<u>111,269,208</u>	<u>114,641,584</u>	<u>121,809,780</u>
<u>7,060,755</u>	<u>4,581,562</u>	<u>(3,330,459)</u>	<u>(2,930,384)</u>	<u>(17,063,728)</u>
-	-	-	-	(35,366,016)
9,903,957	9,252,559	8,428,849	7,159,053	8,167,067
(10,510,113)	(9,293,779)	(8,552,397)	(7,280,346)	(8,313,274)
-	-	16,405,000	-	-
-	-	133,266	-	-
-	-	-	-	-
-	-	(15,107,427)	-	-
6,033	28,980	76,215	20,542	14,610
-	-	-	-	-
<u>(600,123)</u>	<u>(12,240)</u>	<u>1,383,506</u>	<u>(100,751)</u>	<u>(35,497,613)</u>
<u>\$ 6,460,632</u>	<u>\$ 4,569,322</u>	<u>\$ (1,946,953)</u>	<u>\$ (3,031,135)</u>	<u>\$ (52,561,341)</u>
8.6%	8.5%	8.1%	8.3%	7.5%

Table 5

## CITY OF THOUSAND OAKS

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year Ended June 30	City			Taxable Assessed Value	Redevelopment Agency (3)		Taxable Assessed Value	Total Direct Tax Rate (2)
	Secured	Unsecured	Utility (1)		Secured	Unsecured		
2003	\$14,899,046,938	\$483,652,161	\$ -	\$15,382,699,099	\$1,238,518,164	\$127,956,828	\$1,366,474,992	-
2004	16,178,580,783	494,170,718	427,494	16,673,178,995	1,428,367,127	118,607,359	1,546,974,486	-
2005	17,555,818,856	463,265,855	462,362	18,019,547,073	1,508,918,282	115,223,265	1,624,141,547	-
2006	18,980,036,105	439,553,913	-	19,419,590,018	1,615,810,669	139,235,545	1,755,046,214	-
2007	20,549,787,821	506,781,847	-	21,056,569,668	1,721,179,674	176,572,580	1,897,752,254	-
2008	21,965,931,041	540,377,371	-	22,506,308,412	1,894,051,482	185,416,327	2,079,467,809	-
2009	22,852,908,161	586,664,390	-	23,439,572,551	2,070,600,242	198,440,279	2,269,040,521	-
2010	22,869,843,040	618,113,555	-	23,487,956,595	2,131,628,371	190,361,183	2,321,989,554	-
2011	22,512,173,551	595,248,952	-	23,107,422,503	1,999,781,752	181,279,237	2,181,060,989	-
2012	22,678,655,445	578,996,865	-	23,257,652,310	2,012,751,826	181,485,437	2,194,237,263	-

## Notes:

- (1) State utility unitary valuations are reported in total by County only and no longer by individual City, except for voter-approved debt. There were no valuations to report for fiscal years 2004-05 through 2011-12.
- (2) The City does not have a direct property tax rate.
- (3) The Agency was dissolved as of February 1, 2012 through the Supreme Court decision on Assembly Bill X1 26. See Note 17 for more information on the dissolution.

Source: Ventura County Auditor-Controller

Table 6

**CITY OF THOUSAND OAKS**

**Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

Fiscal Year	City Direct Rate (1)	Overlapping Rates					Total Direct & Overlapping Rates
		County Flood Zone #3 Debt Service (2)	Prop 13 Maximum 1% Tax (3)	Conejo Valley Unified School District Bond (2)	Ventura Community College Bond (2)	Metropolitan Water (2)	
2003	-	0.000624	1.000000	0.025300	0.017800	0.006700	1.050424
2004	-	0.000297	1.000000	0.024500	0.016600	0.006100	1.047497
2005	-	-	1.000000	0.028000	0.013000	0.005800	1.046800
2006	-	-	1.000000	0.026700	0.013000	0.005200	1.044900
2007	-	-	1.000000	0.024900	0.012700	0.004700	1.042300
2008	-	-	1.000000	0.024200	0.005000	0.004500	1.033700
2009	-	-	1.000000	0.025000	0.015200	0.004300	1.044500
2010	-	-	1.000000	0.026400	0.013900	0.004300	1.044600
2011	-	-	1.000000	0.028500	0.015100	0.003700	1.047300
2012	-	-	1.000000	0.030700	0.014000	0.003700	1.048400

Notes:

(1) The City does not have a direct rate.

(2) Overlapping rates are those of local and county governments and/or special districts that apply to property owners within certain geographic boundaries in the City.

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

Source: Ventura County Auditor-Controller

Table 7

**CITY OF THOUSAND OAKS**

**Principal Property Tax Payers  
Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>2012</u>		<u>2003</u>	
	<u>Taxable Assessed Value (1)</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
AMGEN INC.	\$ 1,116,497,339	4.77%	\$ 946,377,550	5.68%
MACERICH OAKS LLC (2)	328,091,342	1.40%	-	0.00%
BAXTER HEALTHCARE CORP.	184,204,278	0.79%	139,788,235	0.84%
CONTINUING LIFE COMMUNITIES THOUSAND OAKS LLC	175,521,905	0.75%	-	0.00%
LOS ROBLES HOSPITAL	146,375,229	0.63%	49,190,043	0.30%
DUESENBERG INVESTMENT CO.	116,825,203	0.50%	88,084,614	0.53%
SKYWORKS SOLUTONS INC.	78,184,956	0.33%	-	0.00%
REGENCY CENTERS LP	71,042,520	0.30%	-	0.00%
ONE BAXTER WAY LP	69,800,000	0.30%	-	0.00%
WESTLAKE PLAZA CTR EAST LLC	68,711,536	0.29%	-	0.00%
THE OAKS SHOPPING CENTER LP (2)	-	0.00%	140,525,818	0.84%
ROCKWELL SEMICONDUCTOR SYSTEMS	-	0.00%	71,168,600	0.43%
U S A INVESTMENTS INC.	-	0.00%	55,715,819	0.33%
ESSEX PORTFOLIO	-	0.00%	55,062,783	0.33%
LANG RANCH ASSOCIATES	-	0.00%	48,396,937	0.29%
STANDARD PACIFIC CORP.	-	0.00%	47,876,758	0.29%
<b>TOTAL</b>	<b>\$ 2,355,254,308</b>	<b>10.13%</b>	<b>\$ 1,642,187,157</b>	<b>10.68%</b>

Notes:

(1) Assessed valuation includes land, buildings, and improvements.

(2) Macerich Oaks LLC acquired The Oaks Shopping Center LP.

Source: Information Services Department of the Ventura County Tax Collector's Office

Table 8

**CITY OF THOUSAND OAKS**

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 21,778,802	\$ 21,658,407	99.4%	\$ -	\$ -	-
2004	24,560,775	24,437,503	99.5%	-	-	-
2005	25,865,249	25,722,345	99.4%	-	-	-
2006	29,295,470	29,052,106	99.2%	191,435	29,243,541	99.8%
2007	32,111,585	31,693,931	98.7%	404,239	32,098,170	99.9%
2008	36,647,595	36,065,366	98.4%	315,146	36,380,511	99.3%
2009	37,438,880	36,880,898	98.5%	156,629	37,037,526	98.9%
2010	37,320,750	36,942,155	99.0%	76,647	37,018,802	99.2%
2011	35,517,611	35,219,996	99.2%	65,769	35,285,765	99.3%
2012	36,020,486	35,770,741	99.3%	N/A	35,770,741	99.3%

Notes:

- (1) On January 11, 2005, the Thousand Oaks City Council approved formation of a property-based Business Improvement District (PBID) within a defined area of Thousand Oaks Boulevard and several adjacent parcels. City Council action followed an election, where a majority of the property owners within the District voted to assess themselves over five years to fund district operations. This assessment shall commence with the tax year beginning July 1, 2005 and ending June 30, 2010. On September 7, 2010 PBID was extended for a ten year term commencing on January 1, 2011 and ending on December 31,
- (2) Information regarding property tax collections in subsequent years and total collections to date was not available from the Ventura County Auditor-Controller for years prior to fiscal year 2005-06.

Source: Ventura County Auditor-Controller

Table 9

**CITY OF THOUSAND OAKS**

**Direct and Overlapping Sales Tax Rates  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>City Direct Rate (1)</u>	<u>Ventura County</u>	<u>State of California</u>
2003	-	1.25%	6.00%
2004	-	1.00%	6.25%
2005	-	1.00%	6.25%
2006	-	1.00%	6.25%
2007	-	1.00%	6.25%
2008	-	1.00%	6.25%
2009	-	1.00%	7.25%
2010	-	1.00%	7.25%
2011	-	1.00%	7.25%
2012	-	1.00%	6.25%

Note:

(1) The City does not have a direct rate.

Source: California State Board of Equalization

**Table 10**  
**CITY OF THOUSAND OAKS**

**Taxable Sales by Category**  
**Last Ten Calendar Years**  
(in thousands of dollars)

<b>Calendar Year</b>	<b>Apparel Stores</b>	<b>General Merchandise</b>	<b>Food Stores</b>	<b>Eating and Drinking Establishments</b>	<b>Building Materials</b>	<b>Auto Dealers and Supplies</b>	<b>Service Stations</b>	<b>Other Retail Stores</b>	<b>All Other Outlets</b>	<b>Total</b>	<b>Total Direct Sales Tax Rate (1)</b>
2002	\$101,105	\$ 207,434	\$ 89,583	\$ 197,798	\$ 124,004	\$763,851	\$ 94,809	\$ 447,649	\$ 583,370	\$2,609,603	-
2003	106,750	204,881	89,404	206,545	125,261	818,761	113,023	470,051	592,087	2,726,763	-
2004	117,107	213,202	88,436	219,724	125,173	811,668	136,725	494,176	626,733	2,832,944	-
2005	127,110	197,912	100,986	234,223	146,072	822,350	151,704	505,724	670,511	2,956,592	-
2006	126,532	178,386	110,185	252,067	145,585	771,669	170,877	510,542	661,692	2,927,535	-
2007	120,736	169,352	108,244	267,882	138,660	740,666	189,183	512,250	598,862	2,845,835	-
2008	118,218	173,322	102,934	256,358	119,007	614,818	194,247	462,318	585,836	2,627,058	-
2009	118,232	175,827	99,912	242,102	102,084	577,083	149,272	412,943	516,766	2,394,221	-
2010	121,155	180,379	98,550	252,385	102,629	605,958	169,827	425,805	497,676	2,454,364	-
2011	125,461	185,385	98,585	267,043	100,267	631,581	204,321	439,731	498,773	2,551,147	-

Notes:

(1) The City does not have a direct sales tax rate.

The names of the ten largest revenue payers are confidential. The categories presented are intended to provide alternative information regarding the sources of taxable sales. Calendar year 2012 not available.

Source: State of California Board of Equalization and The HdL Companies

Table 11

**CITY OF THOUSAND OAKS**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Page 1 of 2

Fiscal Year	Governmental Activities			
	Notes/Loans Payable-RDA (1)	Tax Allocation Bonds (2)	Certificates of Participation	Refunding Lease Revenue Bonds (3)
2003	\$ -	\$ 61,270,000	\$ 18,770,000	\$ -
2004	-	59,805,000	18,425,000	-
2005	-	58,265,000	18,075,000	-
2006	1,600,000	81,750,000	17,705,000	-
2007	1,600,000	80,565,000	17,325,000	-
2008	1,600,000	76,760,000	16,935,000	-
2009	1,600,000	72,795,000	16,520,000	-
2010	1,600,000	68,660,000	-	16,405,000
2011	1,600,000	64,340,000	-	15,850,000
2012	-	-	-	15,345,000

Notes:

Details regarding the City's outstanding debt can be found in the notes to basic financial statements.

- (1) The Agency incurred the debt in fiscal year 2005-06. The Agency was dissolved as of February 1, 2012 through the Supreme Court decision on Assembly Bill X1 26. See Note 17 for more information on the dissolution and outstanding debt.
- (2) The Agency issued \$4,295,000 Tax Allocation Bonds in fiscal year 2001-02. The Agency issued \$56,215,000 and \$21,500,000 Tax Allocation Bonds and redeemed 1995 Tax Allocation Bonds in full for \$43,595,000 in fiscal year 2005-06. The Agency was dissolved as of February 1, 2012 through the Supreme Court decision on Assembly Bill X1 26. See Note 17 for more information on the dissolution and outstanding debt.
- (3) The Authority issued \$16,405,000 2010 Refunding Lease Revenue Bonds in fiscal year 2009-10. The purpose of the bonds is to redeem the 2002 General Fund Refunding Certificates of Participation and provide reserves for the 2010 bondholder payments.
- (4) On January 1, 2007 Golf Course Fund entered into a management agreement with Evergreen Alliance Golf LLP which included capital lease obligations for equipment.
- (5) The Authority Issued \$4,950,000 Lease Revenue Bonds in fiscal year 1999-00. The bonds were redeemed in full for \$4,705,000 in fiscal year 2004-05.
- (6) The City redeemed 1998 Wastewater System Certificates of Participation through issuance of Revenue Refunding Bonds in fiscal year 2009-10.
- (7) The City issued \$11,690,000 Revenue Refunding Bonds in fiscal year 2009-10. The purpose of the bonds is to redeem the City's 1998 Wastewater System Certificates of Participation and provide reserves for the 2010 bondholder payments. Revenue Refunding Bonds of \$10,276,714 consist of par amount of \$11,690,000 and unamortized capitalized issue premium of \$641,714 net of principal payments of \$2,055,000.
- (8) See Table 16 for personal income and population data.

Source: City of Thousand Oaks

<b>Business-type Activities</b>							
<b>Wastewater</b>	<b>Capital Lease (4)</b>	<b>Golf Course (5)</b>	<b>Certificates of Participation (6)</b>	<b>Revenue Refunding Bonds (7)</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (8)</b>	<b>Debt Per Capita (8)</b>
\$ 33,092,357	\$ -	\$4,830,000	\$ 19,830,000	\$ -	\$ 137,792,357	2.9%	\$ 1,111.35
31,794,437	-	4,705,000	19,220,000	-	133,949,437	2.7%	1,062.41
30,463,537	-	-	18,590,000	-	125,393,537	2.5%	986.48
29,097,016	-	-	17,935,000	-	148,087,016	2.9%	1,160.16
27,693,918	76,727	-	17,255,000	-	144,438,918	2.8%	1,130.73
26,253,163	410,388	-	16,050,000	-	137,598,163	2.4%	1,069.55
24,773,945	472,259	-	14,815,000	-	130,503,945	2.3%	1,015.09
23,255,132	317,047	-	-	12,228,823	122,148,955	2.1%	938.10
21,695,661	217,158	-	-	11,396,335	114,881,996	2.1%	900.63
20,094,446	107,711	-	-	10,276,714	45,716,160	0.8%	357.07

Table 12

**CITY OF THOUSAND OAKS**

**Ratio of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Gross Bonded Debt (1)</b>	<b>Less: Debt Payable from Redevelopment Revenues (2)</b>	<b>Net Bonded Debt</b>	<b>Percentage of Actual Taxable Value of Property (3)</b>	<b>Debt Per Capita (4)</b>
2003	\$ 80,040,000	\$ 61,270,000	\$ 18,770,000	0.11%	\$ 151.39
2004	78,230,000	59,805,000	18,425,000	0.10%	146.14
2005	76,340,000	58,265,000	18,075,000	0.09%	142.20
2006	99,455,000	81,750,000	17,705,000	0.08%	138.71
2007	97,890,000	80,565,000	17,325,000	0.08%	135.63
2008	93,695,000	76,760,000	16,935,000	0.07%	132.32
2009	89,315,000	72,795,000	16,520,000	0.07%	128.62
2010	85,065,000	68,660,000	16,405,000	0.07%	129.53
2011	80,190,000	64,340,000	15,850,000	0.07%	124.54
2012	15,345,000	-	15,345,000	0.07%	119.85

Notes:

- (1) Gross bonded debt includes all long-term debt except workers' compensation payable, accrued vacation, and arbitrage rebate tax.
- (2) The Agency was dissolved as of February 1, 2012 through the Supreme Court decision on Assembly Bill X1 26. See Note 17 for more information on the dissolution.
- (3) See Table 5 for property value data.
- (4) See Table 16 for population data.

Sources: Ventura County Auditor-Controller, State of California Department of Finance, and the City of Thousand Oaks

Table 13

**CITY OF THOUSAND OAKS**

**Computation of Direct and Overlapping Debt  
June 30, 2012**

<u>Jurisdiction</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City of Thousand Oaks (1)</u>	<u>Amount Applicable to City of Thousand Oaks June 30, 2012</u>
<u>Overlapping Tax and Assessment Debt:</u>			
Metropolitan Water District	\$ 196,545,000	1.177 %	\$ 2,313,335
Ventura County Community College District	310,868,691	22.428 %	69,721,630
Conejo Valley Unified School District	25,908,896	89.752 %	23,253,752
City of Thousand Oaks Community Facilities Districts (2)	26,069,351	100.000 %	26,069,351
<u>Overlapping General Fund Debt:</u>			
Ventura County General Fund Obligations	93,740,000	22.421 %	21,017,445
Ventura County Superintendent of Schools Certificates	11,865,000	22.421 %	<u>2,660,252</u>
Subtotal overlapping and assessment debt			145,035,765
<u>City Direct Debt:</u>			
City of Thousand Oaks Revenue Lease Refunding Bonds	15,345,000	100.000 %	<u>15,345,000</u>
Subtotal direct debt			15,345,000
Total Direct and Overlapping Debt (3)			<u><u>\$160,380,765</u></u>

Notes:

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.
- (2) Excludes accreted value of capital appreciation bonds.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

**Table 14**

**City of Thousand Oaks**

**Legal Debt Margin Information  
Last Ten Fiscal Years**

Page 1 of 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt limit	\$ 625,244,212	\$ 675,733,015	\$ 728,234,626	\$ 789,621,363
Total net debt applicable to limit	<u>18,770,000</u>	<u>18,425,000</u>	<u>18,075,000</u>	<u>17,705,000</u>
Legal debt margin	<u>\$ 606,474,212</u>	<u>\$ 657,308,015</u>	<u>\$ 710,159,626</u>	<u>\$ 771,916,363</u>
Total net debt applicable to the limit as percentage of debt limit	3.00%	2.73%	2.48%	2.24%

Note:

- (1) Per California Government Code Section 43605, 15 percent of the assessed value shall be used for debt limit calculations. However, as of fiscal year 1981-82, assessed value no longer was calculated as 25 percent of market value and instead is calculated as 100 percent of market value. In order to reflect the intent of the debt limit stipulation, the 15 percent has been adjusted to one-fourth of 15 percent (3.75 percent) in this calculation.

Sources: Ventura County Auditor-Controller and the City of Thousand Oaks

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 843,986,565	\$ 878,983,971	\$ 880,798,372	\$ 866,528,344	\$ 872,161,962	\$ 872,161,962
<u>17,325,000</u>	<u>16,935,000</u>	<u>16,520,000</u>	<u>16,405,000</u>	<u>15,850,000</u>	<u>15,345,000</u>
<u>\$ 826,661,565</u>	<u>\$ 862,048,971</u>	<u>\$ 864,278,372</u>	<u>\$ 850,123,344</u>	<u>\$ 856,311,962</u>	<u>\$ 856,816,962</u>
2.05%	1.93%	1.88%	1.89%	1.82%	1.76%

#### Legal Debt Margin Calculation for Fiscal Year 2011-12

Assessed value	<u>\$ 23,257,652,310</u>
Debt limit (3.75% of total assessed value) (1)	872,161,962
Less Net amount of debt applicable to debt limit	<u>15,345,000</u>
Legal debt margin	<u><u>\$ 856,816,962</u></u>

Table 15

**CITY OF THOUSAND OAKS**

**Pledged-Revenue Coverage  
Last Ten Fiscal Years**

Page 1 of 3

Fiscal Year	Wastewater Revenue Refunding Bonds (8)					
	Gross Revenue(1)	Less: Operating Expenses(6)	Net Revenue Available for Debt Service	Debt Service		Coverage(3)
				Principal (2)	Interest	
2003	\$ 20,133,451	\$ 10,017,472	\$ 10,115,979	\$ 590,000	\$ 900,565	6.79
2004	19,674,165	9,761,787	9,912,378	610,000	879,260	6.66
2005	24,969,196	9,870,494	15,098,702	630,000	856,468	10.16
2006	23,351,896	10,260,234	13,091,662	655,000	832,210	8.80
2007	21,801,500	10,532,423	11,269,077	680,000	806,845	7.58
2008	24,050,801	12,531,888	11,518,913	1,205,000	780,178	5.80
2009	21,877,495	12,023,182	9,854,313	1,235,000	727,355	5.02
2010	20,768,806	12,590,224	8,178,582	760,000	672,700	5.71
2011	20,330,452	12,368,544	7,961,908	795,000	640,425	5.55
2012	19,275,502	12,951,555	6,323,947	825,000	605,993	4.42

Notes:

- (1) Gross revenue includes operating revenues, non-operating revenues, and operating transfers in.
- (2) On April 1, 2008 and April 1, 2009, a prepayment of \$500,000 was made.
- (3) Coverage reflects net revenue available divided by principal plus interest.
- (4) Issued two tax allocation bonds in fiscal year 2005-06 and one in fiscal year 2001-02.
- (5) The Agency was dissolved as of February 1, 2012 through the Supreme Court decision on Assembly Bill X1 26. See Note 17 for more information on the dissolution.
- (6) Operating expenses do not include depreciation.
- (7) Golf Course Revenue Bonds were redeemed in fiscal year 2004-05.
- (8) The City issued \$11,690,000 Revenue Refunding Bonds in fiscal year 2009-10. The purpose of the bonds is to redeem the City's 1998 Wastewater System Certificates of Participation and provide reserves for the 2010 bondholder payments.

Source: City of Thousand Oaks

**Tax Allocation Bonds (5)**

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<b>Property Tax Increment</b>	<b>Debt Service</b>		<b>Coverage (3)</b>
	<b>Principal (4)</b>	<b>Interest (4)</b>	
\$ 15,835,826	\$ 40,000	\$ 253,434	53.97
18,672,712	70,000	218,846	64.65
19,419,920	75,000	216,921	66.52
20,650,391	75,000	1,717,451	11.52
18,918,812	1,185,000	3,590,015	3.96
20,952,113	3,805,000	3,483,698	2.87
22,978,725	3,965,000	3,319,618	3.15
22,663,230	4,135,000	3,148,429	3.11
20,800,954	4,320,000	2,969,481	2.85
-	-	-	-

Table 15

Pledged-Revenue Coverage  
Last Ten Fiscal Years

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Golf Course Revenue Bond (7)

Fiscal Year	Gross Revenue (1)	Less: Operating Expenses (6)	Net Revenue Available for Debt Service	Debt Service		Coverage (3)
				Principal	Interest	
2003	\$ 2,492,027	\$ 2,411,369	\$ 80,658	\$ 120,000	\$ 260,250	0.21
2004	2,719,273	2,218,671	500,602	125,000	254,719	1.32
2005	2,692,445	2,339,238	353,207	4,705,000	197,031	0.07
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-

Table 16

**CITY OF THOUSAND OAKS**

**Demographic and Economic Statistics  
Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment (1)</u>	<u>Unemployment Rate (2)</u>
2003	123,986	\$ 4,696,142,966	\$ 37,876	21,962	4.4%
2004	126,081	4,894,881,368	38,823	22,345	4.1%
2005	127,112	5,058,280,903	39,794	22,499	3.7%
2006	127,644	5,110,099,896	40,034	22,479	3.3%
2007	127,739	5,249,561,944	41,096	22,215	3.8%
2008	127,984	5,605,955,168	43,802	22,115	4.9%
2009	128,443	5,570,444,467	43,369	21,732	8.0%
2010	126,655	5,708,720,815	45,073	21,202	8.3%
2011	127,264	5,421,319,136	42,599	21,111	8.0%
2012	128,031	5,405,084,727	42,217	20,686	7.1%

Notes:

(1) Population and School Enrollment figures are as of January of each calendar year. Population estimates provided in the California Department of Finance's report incorporated 2010 Census numbers as benchmarks. Therefore, the population estimates for 2010 and 2011 published in the California Department of Finance's report may be noticeably different from the previous year estimates.

(2) 2012 Unemployment figure is as of June.

Per the California Department of Finance, prior year's city population estimates may be revised.

Sources: California Department of Finance  
University of California, Santa Barbara  
Conejo Valley Unified School District  
State of California Employment Development Department

Table 17

**CITY OF THOUSAND OAKS**

**Principal Employers  
Current Year and Nine Years Ago**

	<u>2012</u>		<u>2003</u>	
	<u>Employees</u>	<u>Percent of Total City Employment</u>	<u>Employees</u>	<u>Percent of Total City Employment</u>
Amgen Inc. (1)	6,600	9.1%	5,800	8.4%
Anthem Blue Cross	1,869	2.6%	3,596	5.2%
Los Robles Regional Medical Center	1,487	2.1%	1,465	2.1%
Conejo Valley Unified School District (2)	1,205	1.7%	1,777	2.6%
California Lutheran University	720	1.0%	-	0.0%
Verizon (1)	717	1.0%	2,630	3.8%
City of Thousand Oaks (3)	584	0.8%	608	0.9%
Skyworks Solutions Inc.	596	0.8%	-	0.0%
Baxter Bioscience (1)	550	0.8%	609	0.9%
Silver Star Automotive Group	543	0.8%	485	0.7%
Teradyne	-	0.0%	800	1.2%
Conexant	-	0.0%	-	0.0%
Rockwell Scientific Company	-	0.0%	460	0.7%
<b>Total</b>	<u>14,871</u>	<u>20.6%</u>	<u>18,230</u>	<u>26.5%</u>

Notes:

(1) Represents 2010 data, 2012 not available.

(2) Represents full time employees only.

(3) City of Thousand Oaks' labor force does not include City Council and Planning Commission members.

Sources: City of Thousand Oaks and the State of California Employment Development Department

Table 18

CITY OF THOUSAND OAKS

Full-time Equivalent City Government Employees by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Central Administration	22	19	22	22	31	31	29	27	25	24
Finance	53	52	46	52	53	51	51	49	48	46
Legal	6	4	6	6	6	6	5	6	5	5
Police (1)	120	113	113	113	113	116	114	112	111	109
Community Development										
Building & Safety	35	32	34	34	31	32	30	29	27	20
Planning	34	34	34	35	33	33	32	32	27	32
Redevelopment (2)	5	5	5	4	6	6	6	5	5	-
Public Works										
Central Administration	90	91	89	88	88	85	84	81	80	83
Landscape	31	30	30	31	34	32	29	27	24	25
Streets & Highways	30	32	31	31	32	32	30	29	27	25
Wastewater	36	36	37	35	35	40	40	39	39	40
Water	13	13	12	11	13	13	13	10	13	12
Library	50	49	47	48	48	50	48	45	38	37
Cultural Affairs (3)	23	22	21	23	16	20	20	19	16	15
Total (4)	<u>548</u>	<u>532</u>	<u>527</u>	<u>533</u>	<u>539</u>	<u>547</u>	<u>531</u>	<u>510</u>	<u>485</u>	<u>473</u>

Notes:

- (1) The City contracts with the County of Ventura for police services.
- (2) The Agency was dissolved as of February 1, 2012 through the Supreme Court decision on Assembly Bill X1 26. See Note 17 for more information on the dissolution.
- (3) In fiscal year 2006-07, employees were reclassified from the Community and Cultural Services Department to the City Manager's Office, resulting in the decrease in Community and Cultural Services and increase in General Government - Central Administration. In fiscal year 2009-10 the Community & Cultural Services Department was renamed Cultural Affairs Department.
- (4) Totals do not include unfilled (vacant) positions or hourly employees.

Source: City of Thousand Oaks

**Table 19**

**CITY OF THOUSAND OAKS**

**Operating Indicators by Function  
Last Ten Fiscal Years**

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<b>Function</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
General Government				
Business licenses	11,247	11,438	11,249	11,406
Building permits issued (1)	5,449	4,407	3,977	3,551
Library				
Total volumes in collection (2)	322,516	336,409	353,412	353,053
Police				
Physical arrests	4,262	4,287	3,975	4,274
Parking violations (3)	-	6,899	5,071	5,621
Traffic violations	14,264	12,432	10,909	12,965
Highways and streets				
Potholes repaired (4)	34	50	108	62
Water				
Services	16,211	16,357	16,470	16,488
Average daily consumption (gallons per household)	551	589	574	588
Gallons per day purchased from Calleguas Municipal Water District	11,468,721	12,198,818	11,664,984	11,785,034
Wastewater				
Services	36,764	37,152	37,371	37,474
Average daily sewage treatment (millions of gallons)	11.09	11.07	11.98	10.76

**Notes:**

- (1) Building permits have decreased both due to the economy and the City transitioning from a growth City to a maintenance City.
- (2) The total number of volumes in the Library collection was under-represented in fiscal year 2005-06, but is correctly presented in fiscal year 2006-07. Beginning in fiscal year 2007-08, volumes include print, audio, and video materials.
- (3) Parking violation data is not available for periods prior to fiscal year 2003-04.
- (4) In fiscal years 2007-08 and 2008-09, pothole repair increased due to the State Route 23 expansion project.

Source: City of Thousand Oaks

<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
11,222	12,271	11,605	11,031	11,089	10,951
2,963	2,345	1,790	1,777	2,017	2,216
426,182	450,985	450,537	455,833	460,737	458,677
4,623	4,555	3,646	3,034	2,852	2,829
6,344	5,108	6,335	5,186	4,176	5,487
12,378	12,235	13,603	12,522	12,153	10,753
121	1,126	1,339	1,282	942	1,172
16,536	16,844	16,886	16,907	16,924	16,974
597	583	504	452	418	439
13,173,325	13,003,525	12,265,940	10,601,420	9,804,111	10,397,607
37,655	37,739	37,799	37,873	37,921	38,053
10.40	10.60	10.65	9.82	9.77	9.47

Table 20

**CITY OF THOUSAND OAKS**

**Capital Asset Statistics by Function  
Last Ten Fiscal Years**

<b>Function</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Golf Courses:										
Municipal golf courses	1	1	1	1	1	1	1	1	1	1
Libraries:										
Public libraries	2	2	2	2	2	2	2	2	2	2
Highways and streets:										
Streets (miles) (1)	380	380	380	380	380	387	387	377	377	377
Streetlights	7,198	7,247	7,741	7,749	7,816	7,828	7,833	7,841	7,829	7,836
Traffic signals (2)	122	123	126	128	132	134	135	137	137	140
Water:										
Water mains (miles) (3)	282	292	297	297	306	317	317	317	320	349
Fire hydrants (4)	1,819	1,849	1,859	1,865	1,934	1,964	1,964	1,964	1,964	1,965
Wastewater:										
Sanitary sewers (miles) (5)	535	537	548	548	550	557	559	560	563	409

Notes:

- (1) Fiscal year 2009-10 decrease is a result of an updated Pavement Management Study which revealed that 10 miles of local streets previously listed as City streets were actually private.
- (2) Includes pedestrian signals.
- (3) Fiscal year 2006-07 increase is a result of the physical survey performed under the Water Master Plan.
- (4) Includes privately owned hydrants representing less than 1.5% of hydrants citywide.
- (5) Fiscal year 2011-12 decrease is a result of an updated GIS. Also, it was discovered that previous years included abandoned lines.

Source: City of Thousand Oaks