

COMPREHENSIVE  
ANNUAL  
**FINANCIAL**  
REPORT

FISCAL YEAR ENDED  
JUNE 30, 2013

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, 2013**



**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, 2013**

**TABLE OF CONTENTS**

|   | <u>Page</u> |
|---|-------------|
| <b>INTRODUCTORY SECTION</b>   |             |
| Letter of Transmittal .....   | iii-xi      |
| GFOA Certificate of Achievement .....   | xii         |
| Organization Chart with City Officials .....  | xiii        |
| <b>FINANCIAL SECTION</b>  |             |
| Independent Auditors' Report.....   | 1-3         |
| Management's Discussion and Analysis (Unaudited) .....  | 4-24        |
| <b>Basic Financial Statements:</b>  |             |
| <b>Government-wide Financial Statements:</b>  |             |
| Statement of Net Position .....   | 25          |
| Statement of Activities .....   | 26-27       |
| <b>Governmental Fund Financial Statements:</b>  |             |
| Balance Sheet - Governmental Funds .....  | 28-29       |
| Reconciliation of the Governmental Funds Balance Sheet to the<br>Statement of Net Position .....  | 30          |
| Statement of Revenues, Expenditures, and Changes in Fund Balances -<br>Governmental Funds .....   | 31-32       |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund<br>Balances of Governmental Funds to the Statement of Activities ..... | 33          |
| Statement of Revenues, Expenditures, and Changes in Fund Balances -<br>Budget and Actual - General Governmental Fund .....                            | 34          |
| Budget and Actual - Library Special Revenue Fund .....  | 35          |
| Budget and Actual - State Gas Tax Special Revenue Fund .....  | 36          |
| <b>Proprietary Fund Financial Statements:</b>   |             |
| Statement of Net Position - Proprietary Funds .....   | 37-38       |
| Statement of Revenues, Expenses, and Changes in Fund Net Position -<br>Proprietary Funds .....  | 39-40       |
| Statement of Cash Flows - Proprietary Funds .....   | 41-42       |
| <b>Fiduciary Fund Financial Statement:</b>  |             |
| Statement of Fiduciary Net Position - Fiduciary Funds .....   | 43          |
| Statement of Changes in Net Position - Fiduciary Funds .....  | 44          |
| <b>Notes to Basic Financial Statements</b> .....  | 45-94       |
| <b>Required Supplementary Information (Unaudited)</b>   |             |
| Schedule of Funding Progress - City's Single-Employer Defined Benefit Pension Plan<br>for Hourly/Part-time Employees .....                            | 95          |
| Schedule of Funding Progress - City's Full-Time Employees .....   | 96          |
| <b>Combining Financial Statements and Schedules:</b>  |             |
| Special Revenue Funds Description .....   | 97-98       |
| Combining Balance Sheet - Nonmajor Governmental Funds.....  | 99-101      |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -<br>Nonmajor Governmental Funds.....                                     | 102-104     |

**CITY OF THOUSAND OAKS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For The Fiscal Year Ended June 30, 2013**

**TABLE OF CONTENTS**

Page

**FINANCIAL SECTION (continued)**

**Schedules of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual:**

|  |         |
|--|---------|
| Landscaping and Lighting Districts Special Revenue Fund .....  | 105     |
| Traffic and Bicycle Safety Special Revenue Fund .....  | 106     |
| Community Facilities Districts Special Revenue Fund .....  | 107     |
| Home and Community Development Block Grant (CDBG) Special Revenue Fund .....                                 | 108     |
| County Flood Control Benefit Assessment Special Revenue Fund .....   | 109     |
| Internal Service Funds Description .....   | 110     |
| Combining Statement of Net Position - Internal Service Funds.....  | 111     |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Position -<br>Internal Service Funds ..... | 112     |
| Combining Statement of Cash Flows - Internal Service Funds .....   | 113     |
| Agency Funds Description .....   | 114     |
| Combining Statement of Assets and Liabilities - Agency Funds .....   | 115-116 |
| Combining Statement of Changes in Assets and Liabilities - Agency Funds .....                                | 117-120 |

**STATISTICAL SECTION (Unaudited)**

|   |         |
|---|---------|
| Table of Contents .....   | 121     |
| Table 1 Net Position by Component.....                                      | 122-123 |
| Table 2 Changes in Net Position.....  | 124-127 |
| Table 3 Fund Balances of Governmental Funds.....                            | 128-129 |
| Table 4 Changes in Fund Balances of Governmental Funds.....                 | 130-131 |
| Table 5 Assessed Value and Estimated Actual Value of Taxable Property ..... | 132     |
| Table 6 Direct and Overlapping Property Tax Rates.....                      | 133     |
| Table 7 Principal Property Tax Payers.....                                  | 134     |
| Table 8 Property Tax Levies and Collections .....                           | 135     |
| Table 9 Direct and Overlapping Sales Tax Rates .....                        | 136     |
| Table 10 Taxable Sales by Category .....                                    | 137     |
| Table 11 Ratio of Outstanding Debt by Type .....                            | 138-139 |
| Table 12 Ratio of Net General Bonded Debt Outstanding .....                 | 140     |
| Table 13 Computation of Debt and Overlapping Debt.....                      | 141     |
| Table 14 Legal Debt Margin Information .....                                | 142-143 |
| Table 15 Pledged Revenue Coverage .....                                     | 144-146 |
| Table 16 Demographic and Economic Statistics .....                          | 147     |
| Table 17 Principal Employers .....  | 148     |
| Table 18 Full-time Equivalent Employees by Function.....                    | 149     |
| Table 19 Operating Indicators by Function .....                             | 150-151 |
| Table 20 Capital Asset Statistics by Function .....                         | 152     |



## INTRODUCTORY SECTION

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

John F. Adams  
Finance Director/Treasurer

December 5, 2013

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, 2013. 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 unmodified ("clean") opinion on the City's financial statements for the fiscal year ended June 30, 2013. 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 complement this letter of transmittal and should be read in conjunction with it.

## **CITY OF THOUSAND OAKS PROFILE**

Thousand Oaks was incorporated on October 7, 1964, as a general law city. 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 128,143, as of January 1, 2013.

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 open space with rolling green hills that are legally protected by public ownership from future development. The City and Conejo Recreation and Park District (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 total, the City has more than 15,155 acres dedicated to open space, which represents forty percent of all land in the planning area of the City of Thousand Oaks.



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, 2013, is included at the back of the Introductory Section of the CAFR.

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 an operating and capital budget 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 funds 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, investment, and disbursement of all City funds.

## FISCAL/ECONOMIC CONDITIONS AND OUTLOOK

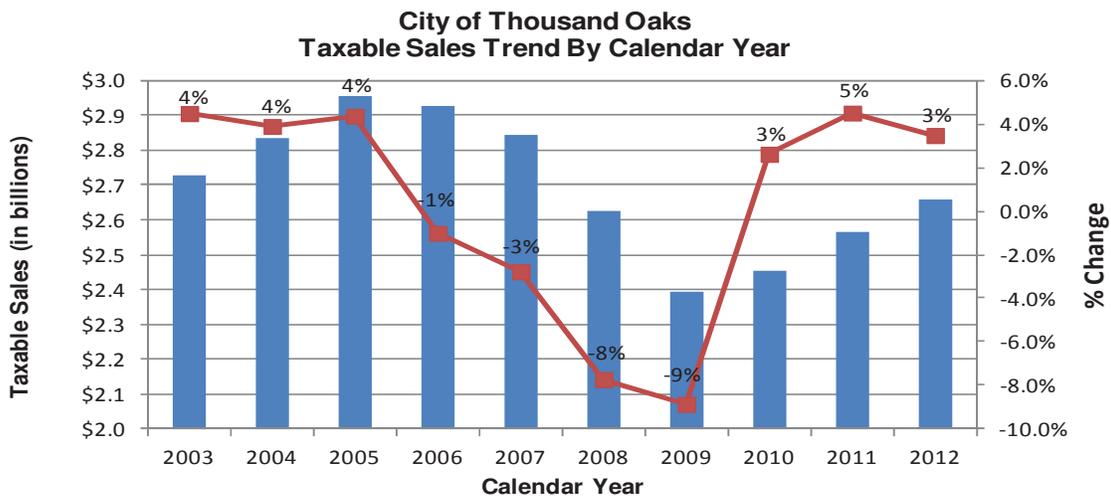
The City of Thousand Oaks incorporated without a general municipal property tax; however, the City now receives a small portion of the local property tax revenue. Due to this, the City relies on a strong mix of General Fund revenue sources including sales tax, transient occupancy tax, vehicle license fees, business license tax, and building/engineering permit fees. The Water, Wastewater, Golf Course, Transportation, Solid Waste, and Theatres enterprises are supported through user fee charges.

Sales tax revenue remains the primary General Fund revenue source and provides for 38 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 experienced a decline in taxable sales during the recession, the strengthening of the local economy is evident as taxable sales has steadily increased since then. The City has welcomed the addition of several new restaurants and auto dealers over the past

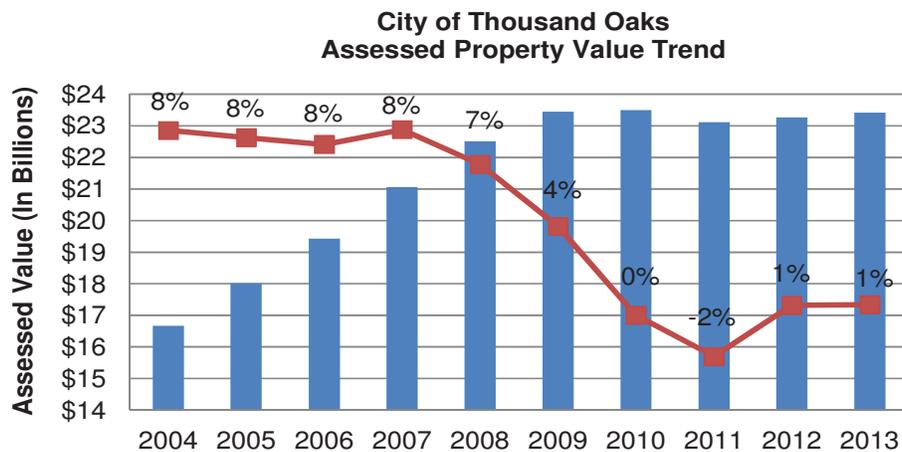
year and several revitalization projects of commercial and retail properties have occurred throughout the City.



The housing market experienced a modest rebound during the year. The City's net taxable assessed value increased 0.7 percent in fiscal year 2012-13, which mirrored the countywide increase of 0.6 percent. Residential properties experienced the largest increase in assessed value at 0.7 percent. The median home price in the City increased to \$500,000, a 1.0 percent increase in calendar year 2012 compared to the prior year.



Although housing prices are beginning to rebound, the median home price in the City is still well below the 2006 median home price of \$710,000. Further signs of a strengthening housing recovery are reflected in the fiscal year 2013-14 County Property Tax Assessment Roll released in August 2013, in which the City's net taxable assessed value increased 3.3 percent.



Retail and industrial vacancy rates continue to remain relatively low at 7.9 and 10.5 percent, respectively. Office vacancy rates are still on the higher end at 24.3 percent.

Another sign of the strengthening of the economy is the continued decline in the unemployment rate. There was a fairly dramatic drop in the City's unemployment rate from 7.1 percent to 5.7 percent. The recession high for unemployment was over 8 percent while pre-recession the City's unemployment rate hovered around 4 percent. Employers within the City also added approximately 1,000 jobs to the job base and the number of business licenses increased over 7 percent during the fiscal year.

The economy of Thousand Oaks continues to benefit from the success of many tourist attractions including the Thousand Oaks Civic Arts Plaza's two professional theatres, the Gardens of the World, and the Santa Monica National Park located on the City's southern periphery. With these attractions, as well as





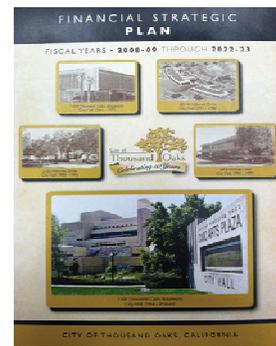
hosting such national events as the Amgen Tour of California, the City, along with the Greater Conejo Valley Chamber of Commerce, Westlake Village and Agoura Hills, formed the Conejo Valley Tourism Improvement District (CVTID) in fiscal year 2012-13 to market and promote the Conejo Valley as a great tourist destination in Southern California. The City relies on transient occupancy tax as a General Fund revenue

source, with revenue increasing from \$3.0 million in fiscal year 2011-12 to \$3.2 million in fiscal year 2012-13. The CVTID should be influential in increasing the City's transient occupancy tax revenue in the years to come.

As part of the City's commitment 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: business retention, protection of the community's local retail base, increase in the local job base, with an emphasis on jobs being filled by local residents, and 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. 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. This forward thinking approach attributed to the General Fund experiencing an increase in fund balance of \$4.2 million in fiscal year 2012-13. The City will be updating the Plan during fiscal year 2013-14 in order to forecast activity out the next ten years, as well as provide a more comprehensive financial analysis by including the majority of the City's governmental and enterprise funds.



The City's strong creditworthiness is reflected by the 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, 2013. The rating for the 2010 Wastewater Revenue Refunding Bonds was affirmed by S&P in June 2013 with a stable outlook based on strong economic fundamentals, strong financial policies, competitive rates, low system indebtedness, and limited capital needs over the next five years with plans to fund through pay-as-you-go financing. The rating for the 2010 Public Financing Authority Refunding Lease Revenue Bonds was affirmed by S&P in August 2013 with a stable outlook based on the City's very strong income and wealth indicators, very strong financial position, relatively low level of funding interdependencies with the federal government, and strong financial management policies.

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 Government Accounting Standards Board (GASB) Statement No. 54, which provides clearer fund balance classifications. As of June 30, 2013, the City's General Fund total fund balance was \$84.7 million. In compliance with the City's Governmental Fund Balance Policy for the General Fund, the City designated \$18.7 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 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. Recently, the City received the distinction of being the safest city in California and the fourth safest city in the United States among cities with a population over 100,000 in calendar year 2012. 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.

Bicycling Magazine ranked Thousand Oaks as a Top 50 Bike-Friendly City in 2012, a testament to the City's commitment to providing safe and convenient bicycle and pedestrian access throughout the City. In fiscal year 2012-13, construction began on Lynn Road bike lanes project, adding 2.5 miles of bike lanes.



The City understands the important role education plays in having a strong and vibrant community. The Conejo Valley Unified School District consistently receives high API scores throughout all schools in the District. The City is also home to one university, California Lutheran University, and several private schools. California Lutheran University was ranked 14<sup>th</sup> among regional universities in the West in the most recent edition of the U.S. News and World Report. In addition, La Reina High School recently received the distinction of being selected as a 2013 National Blue Ribbon School by the United States Department of Education, the highest award that a school can receive.

The City's Los Robles Greens Golf Course (LRGGC) Enterprise Fund 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. The City, in conjunction with EAGLE Golf, began construction on The Gardens at Los Robles Greens outdoor event center during fiscal year 2012-13 and construction was completed October 2013. Amenities include a bride's room, catering kitchen, stage, and an outdoor patio and dining area. The addition of The Gardens allows the LRGGC to capitalize on the City's beautiful year-round weather to offer one of the only outdoor event centers in the Conejo Valley.



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 2012-13 to a variety of organizations. This funding assists organizations with providing a variety of programs to the community such as legal services for seniors, counseling services, nursing care for seniors, after school care for children, scholarships for students, and mentoring for youths, and to music and sports programs at the City's high school and middle schools.

## **SIGNIFICANT CITY RECOGNITION**

The City and CRPD work closely together to ensure quality recreational opportunities are provided in the City, including the Alex Fiore Teen Center and the Goebel Adult Community Center. CRPD, which began operations in 1963, celebrated its 50<sup>th</sup> anniversary in 2013. CRPD started with a single park and today residents enjoy over sixty parks and facilities.



## **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, 2012. This was the twenty-third 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, 2012, 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 Deputy Finance Directors Jaime



Boscarino and John Augustyn, Accounting Manager Fay Menkin, Budget Officer Brent Sakaida, Senior Accountants May Ju and Elisa Magana, and Accountants Margarita Barragan and Gilbert Punsalan 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 long horizontal flourish extending to the right.

John F. Adams  
Finance Director/City Treasurer





Government Finance Officers Association

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

Presented to

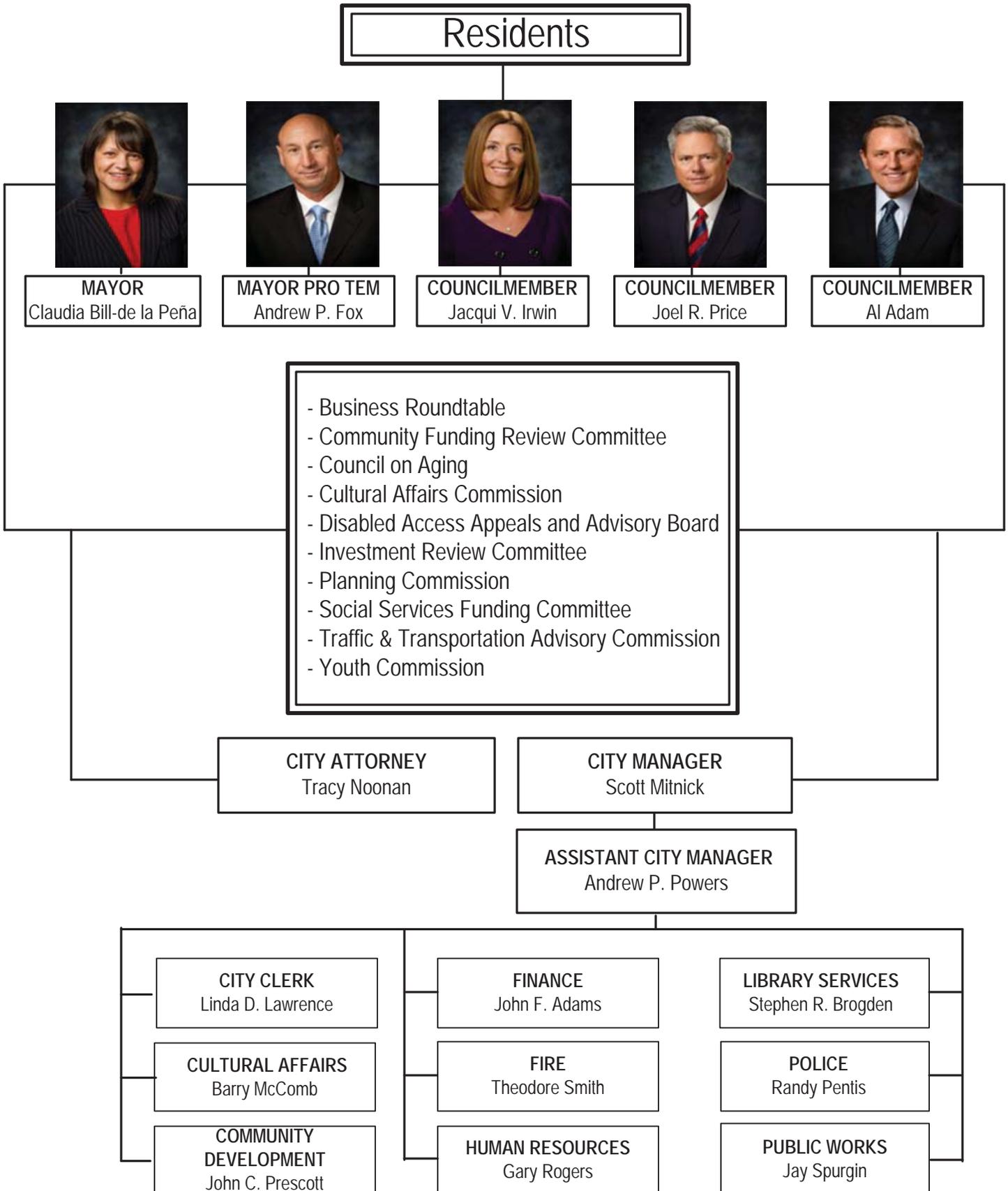
**City of Thousand Oaks  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# 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, 2013

An aerial photograph of a wastewater treatment plant situated in a hilly, green landscape. The plant features several large circular aeration tanks, rectangular clarifiers, and various industrial buildings. The surrounding terrain is covered in dense vegetation and rolling hills. The text "Independent Auditors' Report" is overlaid in the center of the image.

# Independent Auditors' Report

## INDEPENDENT AUDITORS' REPORT

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

### Report on Financial Statements

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 City of Thousand Oaks, California, (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditors' Responsibility*

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 from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Opinions*

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



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

June 30, 2013, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the General, Library and State Gas Tax Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, in 2013 the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress for the City's single-employer defined benefit pension plan for hourly/part-time employees and schedule of funding progress for the City's full-time employees 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. 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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 basic financial statements.

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



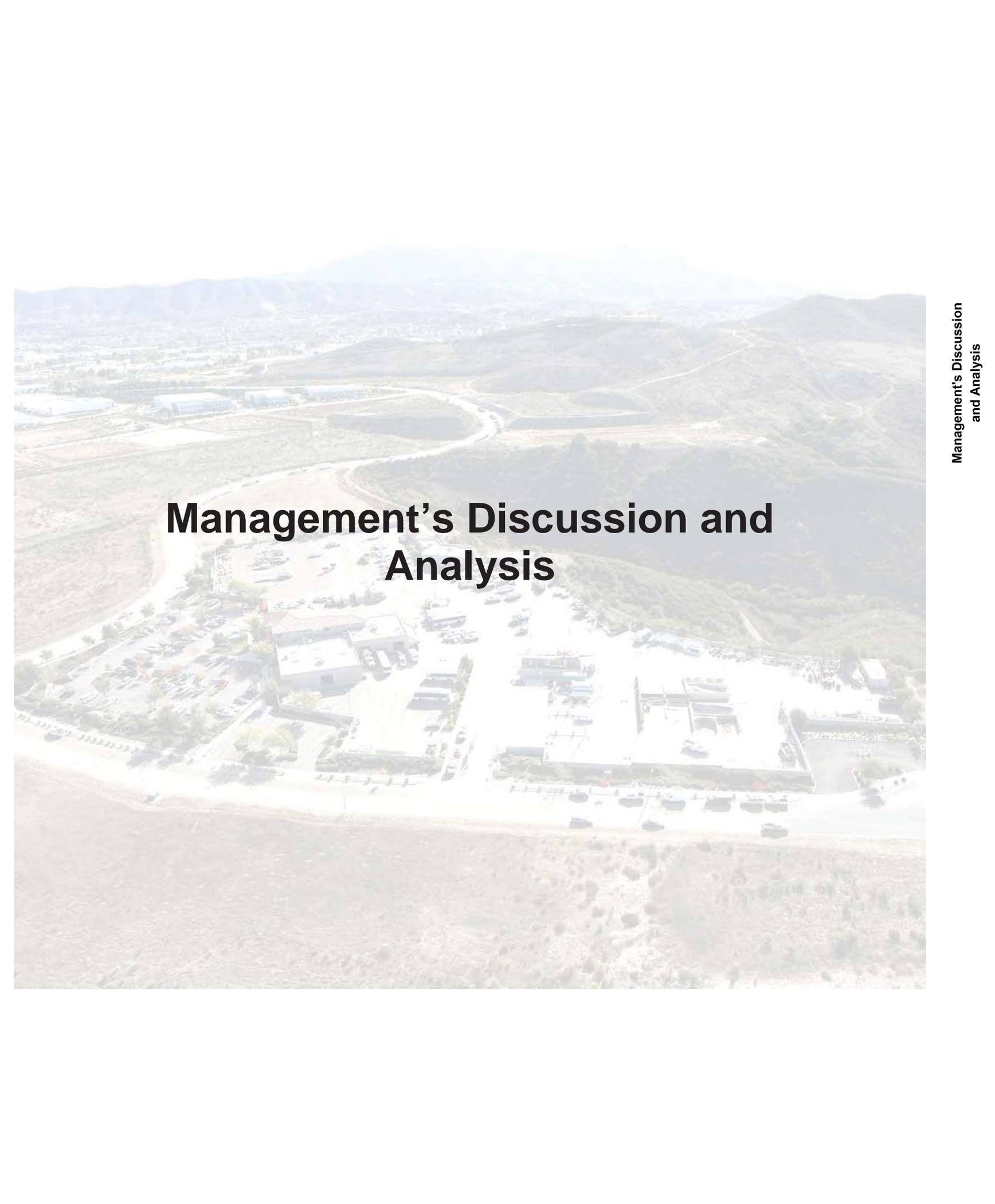
To the Honorable Mayor and Members of the City Council  
City of Thousand Oaks, California

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* in considering City's internal control over financial reporting and compliance.

*Lance, Soll & Lughard, LLP*

Brea, California  
December 5, 2013

An aerial photograph of an industrial or commercial facility. The central focus is a large, white, rectangular building with a flat roof. To the left and right of this building are several parking lots filled with cars. The facility is situated in a valley, with a winding road or path visible in the background. In the distance, there are rolling hills and a cityscape under a clear sky. The overall scene is captured from a high angle, providing a comprehensive view of the site and its surroundings.

# 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, 2013. 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-xi 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, 2013, City assets and deferred outflows exceeded its liabilities by \$815.9 million (net position). Of this amount, \$159.9 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors (Page 8).
- City total net position increased \$12.7 million during the fiscal year. Governmental activities net position increased \$6.7 million compared to the prior fiscal year's decrease of \$15.8 million (Pages 9-12). Business-type activities increased \$6.0 million compared to the prior fiscal year's increase of \$2.9 million (Pages 12-14).

#### Fund Based

- At the close of fiscal year 2012-13, governmental funds reported combined ending fund balance of \$131.6 million, a decrease of \$3.9 million compared to the prior fiscal year's decrease of \$52.6 million, primarily due to the former Redevelopment Agency dissolution in the prior fiscal year (see note 17 for more details). The ending fund balance is primarily identified as: \$25.3 million restricted (19 percent), \$33.8 million committed (26 percent), and \$70.3 million assigned (53 percent) (Page 14).
- At the close of fiscal year 2012-13, fund balance for the General Fund was \$84.7 million consisting primarily of \$32.2 million in committed funds and \$51.0 million in assigned funds (Pages 14-15).
- At the close of fiscal year 2012-13, General Fund revenues, including transfers and proceeds from sale of properties, were \$68.7 million compared to the final budget of \$66.5 million. Total revenues were \$0.6 million higher than the prior fiscal year's revenues of \$68.1 million (Pages 15-16).
- At the close of fiscal year 2012-13, General Fund expenditures, including transfers out, were \$64.5 million. Fund balance increased by \$4.2 million due to revenues being higher than budgetary estimates and expenditures being less than budgetary estimates (Page 16).

- At the close of fiscal year 2012-13, Library Fund revenues, excluding transfers in, were \$6.3 million. Revenue increased \$0.5 million primarily due to an overall increase in property taxes (Page 17).
- At the close of fiscal year 2012-13, proprietary funds reported combined ending unrestricted net position of \$45.3 million, a decrease of \$25.3 million compared to the prior fiscal year's increase of \$3.0 million (Pages 18-19).

## **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 position presents information on all of the City's assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of 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 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 25-27 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, 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 97-109.

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 34-36.

The basic governmental funds financial statements can be found on pages 28-33 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 110-113.

The basic proprietary funds financial statements can be found on pages 37-42 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 funds financial statements can be found on page 43-44 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 45-94 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 pension and other post-employment benefits to its hourly and full-time employees. RSI can be found on pages 95-96 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 97-120 of this report.

Statistical tables regarding: fiscal trends, revenue capacity, debt capacity, demographic and economic information, and operating information can be found on pages 121-152 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. City assets and deferred outflows of resources exceeded liabilities by \$815.9 million at the close of fiscal year 2012-13 as summarized below:

| Statement of Net Position<br>June 30, 2013 |                         |                       |                          |                       |                       |                       |
|--|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|  | Governmental Activities |                       | Business-type Activities |                       | Total                 |                       |
|  | 2013                    | 2012                  | 2013                     | 2012                  | 2013                  | 2012                  |
| <b>Assets:</b>                             |                         |                       |                          |                       |                       |                       |
| Current and other assets                   | \$ 201,436,012          | \$ 203,064,369        | \$ 87,447,912            | \$ 85,670,468         | \$ 288,883,924        | \$ 288,734,837        |
| Capital assets (net of depreciation)       | 444,241,218             | 437,336,490           | 188,122,542              | 184,368,454           | 632,363,760           | 621,704,944           |
| Total assets                               | <u>645,677,230</u>      | <u>640,400,859</u>    | <u>275,570,454</u>       | <u>270,038,922</u>    | <u>921,247,684</u>    | <u>910,439,781</u>    |
| <b>Deferred outflows of resources:</b>     |                         |                       |                          |                       |                       |                       |
| Loss on refunding                          | 195,845                 | -                     | -                        | -                     | 195,845               | -                     |
| Total deferred outflows of resources       | <u>195,845</u>          | <u>-</u>              | <u>-</u>                 | <u>-</u>              | <u>195,845</u>        | <u>-</u>              |
| <b>Liabilities:</b>                        |                         |                       |                          |                       |                       |                       |
| Current and other liabilities              | 42,545,874              | 42,278,984            | 11,227,636               | 10,009,556            | 53,773,510            | 52,288,540            |
| Noncurrent liabilities outstanding         | 21,874,041              | 22,648,074            | 29,932,068               | 32,316,090            | 51,806,109            | 54,964,164            |
| Total liabilities                          | <u>64,419,915</u>       | <u>64,927,058</u>     | <u>41,159,704</u>        | <u>42,325,646</u>     | <u>105,579,619</u>    | <u>107,252,704</u>    |
| <b>Net position:</b>                       |                         |                       |                          |                       |                       |                       |
| Invested in capital assets,                |                         |                       |                          |                       |                       |                       |
| net investments in capital assets          | 429,496,970             | 424,876,492           | 160,080,104              | 153,889,583           | 589,577,074           | 578,766,075           |
| Restricted                                 | 36,275,259              | 38,380,982            | 30,111,380               | 2,093,726             | 66,386,639            | 40,474,708            |
| Unrestricted                               | 115,680,931             | 112,216,327           | 44,219,266               | 71,729,967            | 159,900,197           | 183,946,294           |
| Total net position                         | <u>\$ 581,453,160</u>   | <u>\$ 575,473,801</u> | <u>\$ 234,410,750</u>    | <u>\$ 227,713,276</u> | <u>\$ 815,863,910</u> | <u>\$ 803,187,077</u> |

A more detailed statement of net position is shown on page 25.

The largest portion (72 percent) of the City's net position reflects its investment of \$589.6 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 position, \$66.4 million (8 percent), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$159.9 million (20 percent) may be used to meet the government's ongoing obligations to citizens and creditors, as well as to meet City imposed designations (e.g., reserves, endowments, pending litigations, contingencies, and capital projects).

## Statement of Activities

The statement of activities shows how the City's net position changed during fiscal year 2012-13. The City's net position increased overall by \$12.7 million during the fiscal year. These increases are explained in the governmental and business-type activities on the following pages. Provided below is a summary of changes in net position.

### Statement of Activities Year Ended June 30, 2013

|   | Governmental Activities |                       | Business-type Activities |                       | Total                 |                       |
|---|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|   | 2013                    | 2012                  | 2013                     | 2012                  | 2013                  | 2012                  |
| Revenues:                                       |                         |                       |                          |                       |                       |                       |
| Program revenues:                               |                         |                       |                          |                       |                       |                       |
| Charges for services                            | \$ 16,795,683           | \$ 18,442,641         | \$ 55,441,185            | \$ 52,090,859         | \$ 72,236,868         | \$ 70,533,500         |
| Operating grants and contributions              | 11,561,006              | 13,194,721            | 4,393,103                | 4,057,467             | 15,954,109            | 17,252,188            |
| Capital grants and contributions                | 5,570,206               | 483,744               | 2,748,298                | 1,068,810             | 8,318,504             | 1,552,554             |
| General revenues:                               |                         |                       |                          |                       |                       |                       |
| Property tax                                    | 14,829,441              | 25,278,294            | -                        | -                     | 14,829,441            | 25,278,294            |
| Sales tax                                       | 25,197,744              | 25,957,903            | -                        | -                     | 25,197,744            | 25,957,903            |
| Transient occupancy tax                         | 3,162,291               | 2,977,691             | -                        | -                     | 3,162,291             | 2,977,691             |
| Franchise taxes                                 | 6,204,829               | 5,984,921             | -                        | -                     | 6,204,829             | 5,984,921             |
| Business tax                                    | 1,840,690               | 1,705,654             | -                        | -                     | 1,840,690             | 1,705,654             |
| Property transfer tax                           | 734,488                 | 634,332               | -                        | -                     | 734,488               | 634,332               |
| Unrestricted intergovernmental                  | 9,894,767               | 9,707,468             | -                        | -                     | 9,894,767             | 9,707,468             |
| Contributions, unrestricted                     | 1,378,420               | 3,989,070             | -                        | -                     | 1,378,420             | 3,989,070             |
| Unrestricted invest./interest earnings          | 91,728                  | 1,342,253             | -                        | -                     | 91,728                | 1,342,253             |
| Total revenues                                  | <u>97,261,293</u>       | <u>109,698,692</u>    | <u>62,582,586</u>        | <u>57,217,136</u>     | <u>159,843,879</u>    | <u>166,915,828</u>    |
| Expenses:                                       |                         |                       |                          |                       |                       |                       |
| General government                              | 15,544,721              | 14,996,258            | -                        | -                     | 15,544,721            | 14,996,258            |
| Public safety                                   | 27,487,842              | 27,853,732            | -                        | -                     | 27,487,842            | 27,853,732            |
| Transportation                                  | 26,109,347              | 25,844,691            | -                        | -                     | 26,109,347            | 25,844,691            |
| Community development                           | 11,162,235              | 19,757,842            | -                        | -                     | 11,162,235            | 19,757,842            |
| Culture and leisure                             | 9,719,771               | 10,435,600            | -                        | -                     | 9,719,771             | 10,435,600            |
| Interest on long-term debt                      | 636,012                 | 1,845,302             | -                        | -                     | 636,012               | 1,845,302             |
| Water   | -                       | -                     | 22,133,144               | 20,779,897            | 22,133,144            | 20,779,897            |
| Wastewater                                      | -                       | -                     | 18,988,040               | 19,022,278            | 18,988,040            | 19,022,278            |
| Golf course                                     | -                       | -                     | 4,729,238                | 4,918,517             | 4,729,238             | 4,918,517             |
| Transportation                                  | -                       | -                     | 4,655,099                | 4,097,237             | 4,655,099             | 4,097,237             |
| Solid waste management                          | -                       | -                     | 1,899,126                | 1,571,469             | 1,899,126             | 1,571,469             |
| Theatres  | -                       | -                     | 4,083,872                | 4,101,536             | 4,083,872             | 4,101,536             |
| Total expenses                                  | <u>90,659,928</u>       | <u>100,733,425</u>    | <u>56,488,519</u>        | <u>54,490,934</u>     | <u>147,148,447</u>    | <u>155,224,359</u>    |
| Excess in net position before other items       | 6,601,365               | 8,965,267             | 6,094,067                | 2,726,202             | 12,695,432            | 11,691,469            |
| Extraordinary item - RDA dissolution (note 17)  | -                       | (25,137,438)          | -                        | -                     | -                     | (25,137,438)          |
| Miscellaneous revenue                           | -                       | 500,000               | -                        | -                     | -                     | 500,000               |
| Transfers                                       | 60,108                  | (146,207)             | (60,108)                 | 146,207               | -                     | -                     |
| Change in net position                          | 6,661,473               | (15,818,378)          | 6,033,959                | 2,872,409             | 12,695,432            | (12,945,969)          |
| Net position - beginning, as restated (note 18) | 574,791,687             | 591,292,179           | 228,376,791              | 224,840,867           | 803,168,478           | 816,133,046           |
| Net position- ending                            | <u>\$ 581,453,160</u>   | <u>\$ 575,473,801</u> | <u>\$ 234,410,750</u>    | <u>\$ 227,713,276</u> | <u>\$ 815,863,910</u> | <u>\$ 803,187,077</u> |

A more detailed statement of activities is shown on pages 26-27.

**Governmental activities** increased the City's net position \$6.7 million compared to the prior fiscal year's decrease of \$15.8 million. Key elements of the increase in net position are as follows:

**Program revenues** increased \$1.8 million due to increase in capital grants and contributions of \$5.1 million, offset by decreases in operating grants and contributions and charges for services of \$1.6 million each, respectively. The major changes are highlighted below:

- Capital grants and contributions increased \$5.1 million primarily due to prior fiscal year's \$2.6 million of capital grants misclassified as operating grants and \$2.5 million increase in federal grants and developer fee revenue for public improvements such as: Wendy Drive/101 freeway interchange, Thousand Oaks Blvd improvements, and traffic signal improvements. Fluctuations in grant revenues are typically reflective of the economic conditions and are driven by the number of grant projects undertaken.
- Operating grants and contributions decreased \$1.6 million primarily due to prior fiscal year's \$2.6 million of capital grants misclassified as operating grants, \$1.5 million decrease in grant revenues for general government and public safety projects, offset by \$2.6 million increase in grant revenues for transportation and community development projects.
- Charges for services decreased \$1.6 million primarily due to \$1.1 million decrease in transportation activities associated with in-lieu fees and \$0.8 million decrease in general government activities resulting from non-recurring reimbursements related to street related projects received in the prior fiscal year.

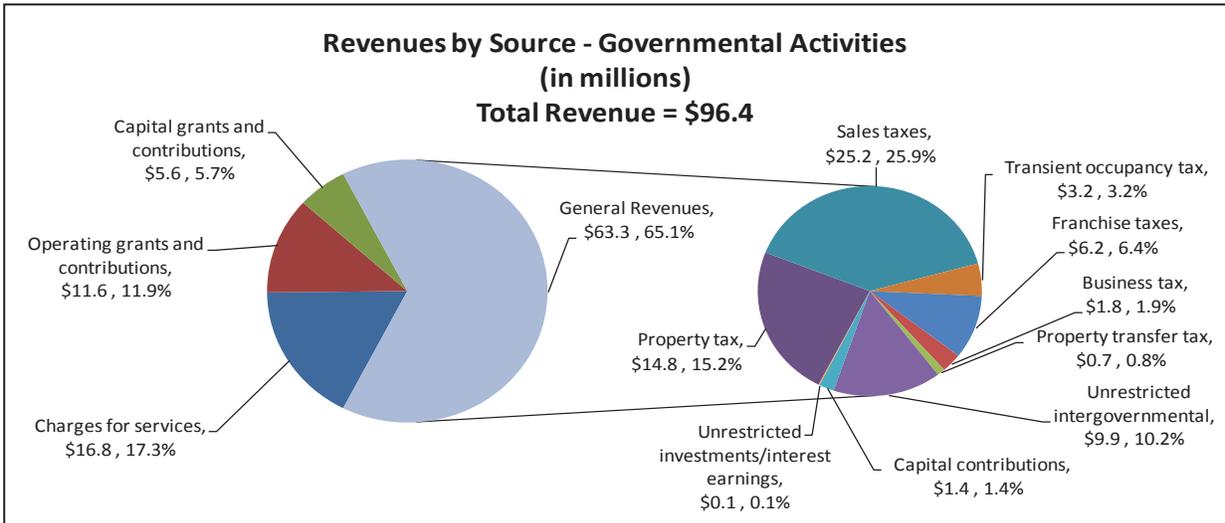
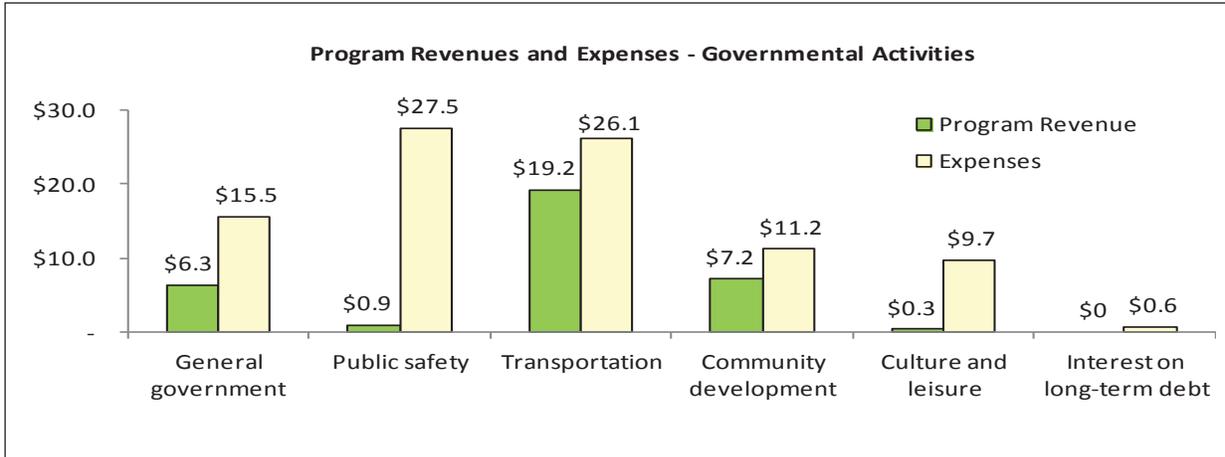
**General revenues** decreased \$14.2 million primarily due to \$10.4 million decrease in property taxes, \$2.6 million decrease in contributions, and \$1.3 million decrease in investment earnings, as highlighted below:

- Property tax revenue decreased \$10.4 million primarily due to former Redevelopment Agency dissolution effective February 1, 2012. While the former Redevelopment Agency recognized \$11.3 million of property tax revenues during fiscal year 2011-12 prior to dissolution, subsequent redevelopment related property tax revenues were recognized separately in the Thousand Oaks Successor Agency Trust Fund.
- Contributions not restricted for specific programs, consisting of City acceptance of developer donations, decreased \$2.6 million compared to the prior fiscal year, primarily due to a decrease in developer public improvements of infrastructure consisting of: roads, sidewalks, storm drains, traffic signals, and street signs.
- Investment earnings decreased \$1.3 million primarily due to \$1.2 million decrease in net fair value of investments.

**Expenses** decreased \$10.1 million primarily due to decrease of \$8.6 million in community development, \$1.2 million in interest on long-term debt, \$0.7 million in culture and leisure, \$0.4 million in public safety, offset by increases of \$0.5 million in general government and \$0.3 million in transportation. These changes are highlighted below.

- Community development expenses decreased \$8.6 million primarily due to the dissolution of the former Redevelopment Agency on February 1, 2012. The dissolution removed the former Redevelopment Agency's tax increment pass-through of \$4.8 million, personnel costs of \$1.8 million, a \$1.1 million one-time cost associated with Many Mansions for affordable housing, as well as \$0.9 million in other costs for the operations of the former Redevelopment Agency.
- Interest on long-term debt decreased \$1.2 million primarily due to tax allocation bond interest expense no longer being recognized by the City. Instead it is recognized separately in the Thousand Oaks Successor Agency Fund as the result of the former Redevelopment Agency's dissolution.
- Culture and leisure expenses decreased \$0.7 million primarily due to \$0.2 million decrease in property tax administrative fee and \$0.3 million decrease in salaries and benefits resulting from vacant positions.
- Public safety expenses decreased \$0.4 million primarily due to \$0.2 million decrease in Ventura County Sheriff's department contract for police service and \$0.1 million decrease in personnel costs.
- General government expenses increased \$0.5 million primarily due to \$0.2 million increase in personnel costs.
- Transportation expenses increased \$0.3 million primarily due to an increase in depreciation of \$0.3 million.

As shown on the following page, public safety is the largest program (\$27.5 million), followed by transportation (\$26.1 million), general government (\$15.5 million), community development (\$11.2 million), culture and leisure (\$9.7 million), and interest on long-term debt (\$0.6 million). General revenues, such as property and sales tax, are not shown by program, but are effectively used to support program activities citywide.

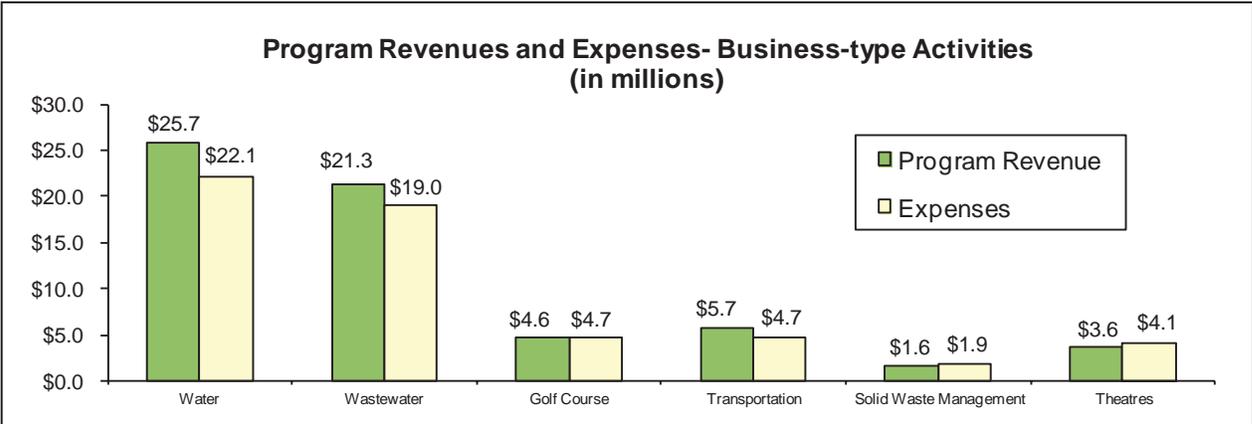


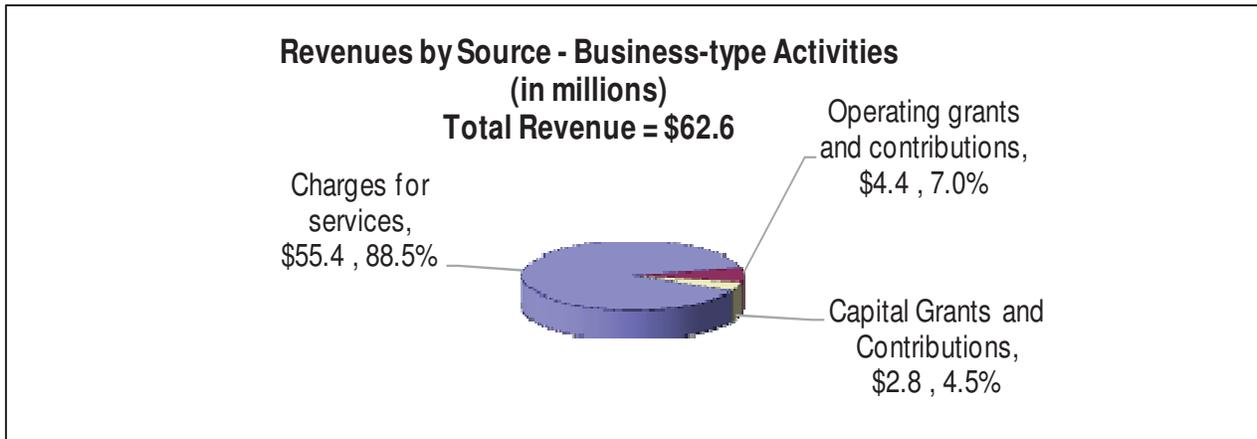
**Business-type activities** increased the City's net position by \$6.0 million, compared to prior fiscal year's increase of \$2.9 million. This was the result of \$62.6 million in program revenues and \$56.5 million in expenses and transfers. Key elements of net position changes from the prior fiscal year are as follows:

- Water Utility Fund's net position increased \$4.4 million, or 7.7 percent, compared to the prior fiscal year's increase of \$2.9 million. The \$1.5 million net increase was primarily due to \$0.8 million prior period restatement to reverse accrued legal liabilities and \$2.7 million increase in sales of water services resulting from a new water rate structure implemented in March 2012, offset by \$1.5 million increase in cost of purchased water.
- Wastewater Utility Fund's net position increased \$2.2 million, or 1.5 percent, compared to prior fiscal year's increase of \$0.7 million. The \$1.5 million net increase was primarily due to increase in private capital contributions and connection fees of \$1.5 million and \$0.9 million, respectively, as the result of increased residential and commercial construction activities. These increases were offset by \$0.6 million decrease in interest income as a result of adjusting investment to fair value and \$0.1 million prior period adjustment to recognize deferred debt issuance costs as expenses due to implementation of GASB Statement No. 63 and 65.

- Golf Course Fund's net position decreased \$0.1 million, or 1.6 percent, compared to prior fiscal year's increase of \$0.2 million. The \$0.3 million net decrease was mainly due to a decrease in revenues of \$0.4 million primarily consisting of a \$0.2 million one-time adjustment to account for prior quarterly net operating income over-distributions. Decrease in revenue was offset by a decrease in contract services of \$0.1 million and depreciation of \$0.1 million.
- Transportation Fund's net position increased \$1.0 million, or 45.0 percent, compared to prior fiscal year's decrease of less than \$0.1 million. This \$1.1 million net increase was primarily the result of an increase in grant revenues awarded for various capitalized projects.
- Solid Waste Management Fund's net position decreased \$0.3 million, compared to prior fiscal year's decrease of \$0.1 million. While revenues increased 15.0 percent from \$1.4 million to \$1.6 million, expenses increased 21.0 percent from \$1.6 million to \$1.9 million, primarily due to overall increases in salary and benefit expenses and material and supplies.
- Theatres Fund's net position decreased \$0.5 million, or 21.3 percent, slightly less than the prior fiscal year's decrease of \$0.6 million. The \$0.1 million net increase was primarily due to \$0.2 million increase in operating revenue from an increase in the chargeback to General Fund for use of the Forum Theatre, offset by \$0.1 million decrease in theatre rental fees.
- Internal Service Funds (ISF) allocation of operating loss decreased net position of business type activities of \$0.1 million, comparable to prior fiscal year's decrease of \$0.1 million.

As shown below and on the following page, Water and Wastewater funds have the greatest total expenses with \$22.1 million and \$19.0 million, respectively, out of \$56.5 million in total business-type expenses. For all the business-type activities below, charges for services provide the largest share of revenues (89 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 2012-13, City governmental funds reported a combined ending fund balance of \$131.6 million, a decrease of \$3.9 million in comparison with the prior fiscal year balance of \$135.5 million. The decrease in fund balance was primarily due to decreases in State Gas Tax Fund of \$6.1 million and Capital Improvement Fund of \$1.7 million, offset by an increase in the General Fund of \$4.2 million. Approximately \$104.1 million, or 79.0 percent, consists of \$33.8 million in committed fund balance and \$70.3 million in assigned fund balance. Refer to pages 27-35 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, 2013, ending fund balance increased \$4.2 million, to \$84.7 million, compared to prior fiscal year's increase of \$1.6 million.

General Fund's fund balance consists of \$0.4 million in nonspendable inventories, \$32.2 million in funds committed to capital projects, grant endowments, emergency reserve, and working capital reserve, and \$51.0 million in assigned funds for compensated absences, continuing appropriations, general government, public safety, transportation, community development, culture and leisure, legal contingency, loans and notes receivable, and public building replacement/maintenance. The remaining \$1.1 million is unassigned. Refer to page 73 for more detail of fund balance.

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

|                             | 2012-13              | 2011-12              | 2010-11              | 2009-10              | 2008-09              |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues                    | \$ 66,854,660        | \$ 66,153,220        | \$ 64,130,607        | \$ 60,948,544        | \$ 64,538,551        |
| Expenditures                | (61,195,318)         | (63,146,824)         | (64,072,723)         | (62,209,415)         | (66,826,411)         |
| Financing sources (uses)    | <u>(1,445,750)</u>   | <u>(1,374,732)</u>   | <u>(136,165)</u>     | <u>(1,040,193)</u>   | <u>(1,079,399)</u>   |
| Operating surplus/(deficit) | 4,213,592            | 1,631,664            | (78,281)             | (2,301,064)          | (3,367,259)          |
| Beginning 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>    |
| Ending fund balance         | <u>\$ 84,661,088</u> | <u>\$ 80,447,496</u> | <u>\$ 78,815,832</u> | <u>\$ 78,894,113</u> | <u>\$ 81,195,177</u> |
| Fund balance categories:    |                      |                      |                      |                      |                      |
| Nonspendable                | \$ 444,070           | \$ 458,467           | \$ 386,487           |                      |                      |
| Committed                   | 32,150,306           | 29,133,665           | 30,382,360           |                      |                      |
| Assigned                    | 50,970,528           | 49,836,670           | 47,971,223           |                      |                      |
| Unassigned                  | <u>1,096,184</u>     | <u>1,018,694</u>     | <u>75,762</u>        |                      |                      |
| Fund balance                | <u>\$ 84,661,088</u> | <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 2012-13, including transfers in, were \$68.7 million, an increase of \$0.6 million, or 0.9 percent, compared to prior fiscal year. The chart below compares General Fund revenues for the past two fiscal years followed by key information:

|                           | Fiscal Year<br>2012-13 | Fiscal Year<br>2011-12 | Variance<br>Over/(Under)<br>last year | % of increase<br>(decrease)<br>over prior year | % of total    |
|---------------------------|------------------------|------------------------|---------------------------------------|--|---------------|
| Property tax              | \$ 7,005,984           | \$ 6,694,181           | \$ 311,803                            | 4.66%  | 10.2%         |
| Sales tax                 | 25,695,545             | 24,403,317             | 1,292,228                             | 5.30%  | 37.4%         |
| Transient occupancy tax   | 3,162,291              | 2,977,691              | 184,600                               | 6.20%  | 4.6%          |
| Franchise tax             | 6,204,828              | 5,984,920              | 219,908                               | 3.67%  | 9.0%          |
| Property transfer tax     | 734,488                | 634,332                | 100,156                               | 15.79%   | 1.1%          |
| Business license          | 2,071,463              | 1,933,084              | 138,379                               | 7.16%  | 3.0%          |
| Other licenses & permits  | 3,030,220              | 3,111,911              | (81,691)                              | -2.63%   | 4.4%          |
| Intergovernmental revenue | 11,170,611             | 10,657,993             | 512,618                               | 4.81%  | 16.3%         |
| Charges for services      | 5,949,658              | 5,477,981              | 471,677                               | 8.61%  | 8.6%          |
| Use of money & property   | 723,455                | 1,987,734              | (1,264,279)                           | -63.60%  | 1.1%          |
| Fines and forfeitures     | 319,768                | 386,692                | (66,924)                              | -17.31%  | 0.5%          |
| Other revenue             | 786,349                | 1,903,384              | (1,117,035)                           | -58.69%  | 1.1%          |
| Other financing sources   | 1,836,226              | 1,959,230              | (123,004)                             | -6.28%   | 2.7%          |
| Total Revenues            | <u>\$ 68,690,886</u>   | <u>\$ 68,112,450</u>   | <u>\$ 578,436</u>                     | <u>0.85%</u>                                   | <u>100.0%</u> |

- Tax revenue increased \$2.1 million primarily due to increases of: \$1.3 million in sales tax revenue as a result of an increase in gross sales, \$0.3 million in property tax due to the residual distribution attributed to the dissolution of the former Redevelopment Agency, and \$0.2 million in franchise revenue primarily due to an increase in cable franchise fees.

- Intergovernmental revenue increased \$0.5 million primarily due to the increase in various grants for Civic Arts Plaza upgrades and purchase of commuter vehicles.
- Charges for services increased \$0.5 million primarily due to an increase in cost allocation of \$0.2 million and the Thousand Oaks Redevelopment Successor Agency administrative fee of \$0.2 million.
- Use of money and property decreased \$1.3 million primarily due to the City recording \$1.0 million net unrealized loss in the current fiscal year compared to \$0.2 million net unrealized gain in the prior fiscal year, creating a \$1.2 million decrease to the net fair value of investments.
- Other revenue decreased \$1.1 million primarily due to non-recurring revenue received in the prior fiscal year of \$0.5 million for proceeds from legal procedures related to Borchard Road/101 freeway drainage improvement project and a decrease of \$0.6 million for street related project reimbursements.

**General Fund Expenditures** for fiscal year 2012-13, including transfers, decreased \$2.0 million, or 3.0 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<br>2012-13 | Fiscal Year<br>2011-12 | Variance<br>Over/(Under)<br>prior fiscal year | % of increase/<br>(decrease) over<br>prior fiscal year | % of total    |
|---------------------------|------------------------|------------------------|---|--|---------------|
| General government        | \$ 14,418,708          | \$ 14,531,843          | \$ (113,135)                                  | -0.8%  | 22.4%         |
| Public safety             | 25,881,246             | 26,183,186             | (301,940)                                     | -1.2%  | 40.1%         |
| Transportation            | 9,176,279              | 9,015,535              | 160,744                                       | 1.8%   | 14.2%         |
| Community development     | 8,674,884              | 8,936,625              | (261,741)                                     | -2.9%  | 13.5%         |
| Culture and leisure       | 1,263,595              | 1,427,031              | (163,436)                                     | -11.5%   | 2.0%          |
| Capital outlay            | 1,780,606              | 3,052,604              | (1,271,998)                                   | -41.7%   | 2.8%          |
| Other financing uses      | 3,281,976              | 3,333,962              | (51,986)                                      | -1.6%  | 5.0%          |
| <b>Total Expenditures</b> | <b>\$ 64,477,294</b>   | <b>\$ 66,480,786</b>   | <b>\$ (2,003,492)</b>                         | <b>-3.0%</b>   | <b>100.0%</b> |

- Public safety expenditures decreased 1.2 percent, or \$0.3 million, compared to prior fiscal year. The decrease is primarily due to a decrease of \$0.2 million in police contract services and \$0.1 million in personnel costs due to the elimination of one administrative City position.
- Community development expenditures decreased 2.9 percent, or \$0.3 million, primarily due to a \$0.3 million decrease in personnel costs.
- Capital outlay expenditures decreased 41.7 percent, or \$1.3 million, due to the rehabilitation and upgrade of 401/403 Hillcrest Center roof deck completion in the prior fiscal year.

## **Other Major Governmental Funds**

### ***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.

Revenues (excluding transfers in) increased \$0.5 million primarily due to an overall increase in property taxes. Expenditures increased \$0.4 million primarily due to an increase of \$0.8 million for library mechanical upgrades, offset by decreases of \$0.2 million in personnel costs and \$0.2 million in county property tax administration fee (PTAF). The decrease in county PTAF is attributed to the November 2012 Supreme Court decision in *City of Alhambra v. County of Los Angeles*. The court held that the property tax revenue diverted from the Educational Revenue Augmentation Fund (ERAF) that was attributable to the vehicle license fee (VLF) swap and the Triple Flip should not be counted as property tax for purposes of calculating the PTAF owed to the counties from each city.

### ***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. Effective January 2014, the City is no longer able to use Transportation Development Act (TDA) funds towards street-related purposes. The elimination of this source of revenue has presented a challenge for the City. TDA revenue went from a high of \$3.7 million in fiscal year 2006-07 to \$0.8 million in fiscal year 2012-13, representing a 21 percent decrease.

The City's State Gas Tax Fund fund balance decreased \$6.1 million compared to prior fiscal year's decrease of \$6.5 million. The net increase in change in fund balance of \$0.4 million was due to a decrease in expenditures of \$0.4 million for street projects. Revenue of \$7.3 million is comparable to prior fiscal year's \$7.4 million. Although revenue did not experience significant change between the last two fiscal years, as stated previously, the State Gas Tax Fund is faced with future revenue stream challenges. This is primarily due to the elimination of TDA funds and the continued decline in gas tax revenues due to people driving more fuel efficient cars, including hybrid and electric vehicles.

### ***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. Since the City is nearing build-out, it has experienced a decline in developer fee revenue over the past ten years. It is expected that this trend will continue in future budget cycles and these fees will no longer be a major source of revenue for funding street and transportation/traffic related projects. Developer Fee

revenue decreased from a high of \$2.3 million in fiscal year 2006-07 to \$0.8 million in fiscal year 2012-13, representing a 34 percent decrease.

The fund balance of the Capital Improvements Fund decreased \$1.7 million, comparable to prior fiscal year's decrease of \$1.8 million. The net decrease of \$0.1 million is primarily due to an increase in developer fee revenue of \$0.6 million, offset by an increase of \$0.7 million in capital outlay expenditures resulting from improvements such as Erbes Road improvements and hi-maintenance relief improvements.

### **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 position, change in unrestricted net position and change in total net position 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, 2013

| Fund                   | Unrestricted<br>Net Position | Change in<br>Unrestricted<br>Net Position | Total Net<br>Position | Change in Total<br>Net Position |
|------------------------|------------------------------|---|-----------------------|---------------------------------|
| Water                  | \$ 14,588,560                | \$ (4,681,786)                            | \$ 62,170,893         | \$ 3,622,141                    |
| Wastewater             | 26,578,992                   | (17,542,107)                              | 151,527,661           | 2,380,733                       |
| Golf Course            | 104,202                      | (861,600)                                 | 8,994,033             | (142,967)                       |
| Transportation         | 28,503                       | 18,805                                    | 3,278,854             | 1,018,249                       |
| Solid Waste Management | 3,915,112                    | (1,808,321)                               | 6,679,138             | (276,243)                       |
| Theatres               | 45,254                       | (467,105)                                 | 707,802               | (493,093)                       |
| Total                  | <u>\$ 45,260,623</u>         | <u>\$ (25,342,114)</u>                    | <u>\$ 233,358,381</u> | <u>\$ 6,108,820</u>             |

Water Fund's unrestricted net position decreased \$4.7 million primarily as the result of establishing operating and emergency reserves of \$5.2 million and \$4.0 million, respectively, offset by an overall increase in net position of \$3.6 million.

Wastewater Fund's unrestricted net position decreased \$17.5 million primarily as the result of establishing operating, emergency, and capital refurbishment and replacement reserves of \$3.7 million, \$2.4 million, and \$9.1 million, respectively, offset by an overall increase in net position of \$2.4 million. Debt service reserve also increased by \$1.5 million while net investments in capital assets increased by \$3.1 million.

These Water and Wastewater reserves were established to provide adequate coverage ensuring uninterrupted operations as recommended in the Water and Wastewater Financial Plan study reports updated in October 2013.

Solid Waste Management Fund's unrestricted net position decreased \$1.8 million primarily as the result of \$1.5 million increase in construction in progress for the Municipal Service Center (MSC) expansion.

Theatres Fund's unrestricted net position decreased \$0.5 million, comparable to the prior fiscal year's decrease of \$0.5 million. The ending unrestricted net position of less

than \$0.1 million demonstrates the ongoing effect of the slow economy on theater operations, decreasing the number of performances and attendance. One of City Council's priorities is to ensure that the Theatres Fund become self-sufficient, with no General Fund subsidy, and an Ad Hoc City Council "Theatres Fund Budget Review Committee" was formed to develop a long-term plan to achieve that goal.

Other factors concerning the finances of these six funds have been addressed in the discussion of the City's business-type activities on pages 12-14. Proprietary financial statements can be found on pages 37-42.

## BUDGETARY HIGHLIGHTS

### **General Fund**

The General Fund budget and actual report can be found on page 34. The \$23.2 million decrease in net change in fund balance between the original and final budget is the result of City Council approved budget adjustments. Major budget adjustments include the following increases: \$10.1 million for capital project carryovers, \$5.3 million in grant funded carryovers, \$3.1 million for additional improvements for the Erbes Road capital project, \$1.6 million for additional improvements for the Wendy Drive/101 freeway interchange capital project, and \$1.0 million in maintenance and operations carryovers. Provided below is a more detailed summary of budget and actual, with expenditures shown by category as opposed to activity. Major differences are highlighted on the following page.

General Fund - Budget and Actual

|                                | Original Budget      | Final Budget         | Actual               | Final Budget<br>vs. Actual | % variance    |
|--------------------------------|----------------------|----------------------|----------------------|----------------------------|---------------|
| <b>Revenues:</b>               |                      |                      |                      |                            |               |
| Sales tax                      | \$ 25,193,800        | \$ 25,193,800        | \$ 25,695,545        | \$ 501,745                 | 0.75%         |
| Property tax                   | 7,183,263            | 7,183,263            | 7,740,471            | 557,208                    | 0.84%         |
| Transient occupancy tax        | 2,605,000            | 2,605,000            | 3,162,291            | 557,291                    | 0.84%         |
| Franchise tax                  | 5,750,062            | 5,750,062            | 6,204,829            | 454,767                    | 0.68%         |
| Licenses and permits           | 4,420,480            | 4,420,480            | 5,101,683            | 681,203                    | 1.02%         |
| Fines and forfeitures          | 283,220              | 283,220              | 319,768              | 36,548                     | 0.05%         |
| Use of money and property      | 1,764,700            | 1,764,700            | 723,455              | (1,041,245)                | -1.57%        |
| Charges for current services   | 5,874,965            | 5,874,965            | 5,949,658            | 74,693                     | 0.11%         |
| Intergovernmental revenue      | 10,663,884           | 10,938,415           | 11,170,611           | 232,196                    | 0.35%         |
| Other                          | 344,195              | 344,195              | 786,349              | 442,154                    | 0.67%         |
| Proceeds from sale of property | 15,000               | 15,000               | 38,961               | 23,961                     | 0.04%         |
| Transfers in                   | 2,099,086            | 2,099,086            | 1,797,265            | (301,821)                  | -0.45%        |
| <b>Total revenues</b>          | <b>66,197,655</b>    | <b>66,472,186</b>    | <b>68,690,886</b>    | <b>2,218,700</b>           | <b>3.33%</b>  |
| <b>Expenditures:</b>           |                      |                      |                      |                            |               |
| Salaries and benefits          | 27,148,339           | 27,148,339           | 25,460,849           | 1,687,490                  | 1.84%         |
| Maintenance & operations       | 10,082,118           | 11,471,853           | 8,399,851            | 3,072,002                  | 3.35%         |
| Public safety contract         | 26,961,243           | 27,197,447           | 25,554,012           | 1,643,435                  | 1.79%         |
| Operating total                | 64,191,700           | 65,817,639           | 59,414,712           | 6,402,927                  | 6.98%         |
| Capital/facility improvements  | 900,774              | 21,864,945           | 1,780,606            | 20,084,339                 | 21.87%        |
| Transfers out                  | 3,300,994            | 4,136,947            | 3,281,976            | 854,971                    | 0.93%         |
| <b>Total expenditures</b>      | <b>68,393,468</b>    | <b>91,819,531</b>    | <b>64,477,294</b>    | <b>\$ 27,342,237</b>       | <b>29.78%</b> |
| Net change in fund balance     | (2,195,813)          | (25,347,345)         | 4,213,592            |                            |               |
| Fund balance-beginning         | 80,447,496           | 80,447,496           | 80,447,496           |                            |               |
| Fund balance-ending            | <b>\$ 78,251,683</b> | <b>\$ 55,100,151</b> | <b>\$ 84,661,088</b> |                            |               |

Revenues, including transfers in, were \$2.2 million, or 3.3 percent, higher than budgetary estimates as a result of receiving greater than anticipated revenue in the following:

- Licenses and permits increase of \$0.7 million was primarily due to an unexpected increase in construction activity.
- Transient occupancy tax increase of \$0.6 million was primarily due to an overall increase in hotel occupancy.
- Property tax increase of \$0.6 million was primarily due to residual distribution attributed to the dissolution of the former Redevelopment Agency and an increase in property transfer tax.
- Sales tax increase of \$0.5 million was primarily due to conservative budget projections.
- Franchise tax increase of \$0.5 million was primarily due to increases in cable and rubbish fees.

Other miscellaneous revenue increase of \$0.4 million was primarily due to non-recurring street related reimbursements.

These increases were offset by lower than anticipated budget estimates in use of money and property of \$1.0 million primarily due to a decrease in the net fair value adjustment of investments.

Expenditures, including transfers out, were less than budgetary estimates by \$27.3 million, or 29.8 percent, primarily due to the following:

- Salaries and benefits savings of \$1.7 million was primarily due to unfilled vacant positions created through attrition.
- Maintenance and operations expenditure savings of \$3.1 million was primarily due to less than anticipated expenditures in various categories, including \$1.0 million to be carried forward to fiscal year 2013-14.
- Public safety contract savings of \$1.6 million was primarily due to an overall budget savings in the law enforcement contract. Approved county contract rates were lower than anticipated at less than a 3 percent increase, compared to original budget estimations of a 5 percent increase.
- Unspent capital outlay of \$20.1 million, with \$14.0 million to be carried forward to fiscal year 2013-14.
- Transfers out decrease of \$0.9 million was primarily due to savings of \$0.5 million for the Library Fund subsidy and \$0.3 million for County Flood Control Fund not necessary to meet the fund's obligations.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital assets

Investments in capital assets for governmental and business-type activities as of June 30, 2013 totaled \$632.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, infrastructure, intangibles, and construction in progress. The total increase in capital assets for fiscal year 2012-13 was \$10.5 million, which represents a 1.6 percent increase for governmental activities and a 2.0 percent increase for business-type activities. Additional information on the City's capital assets can be found on pages 66-70 in the notes to basic financial statements. Capital assets are summarized as follows:

| City of Thousand Oaks<br>Capital Assets (net of accumulated depreciation)<br>June 30, 2013 |                         |                       |                          |                       |                       |                       |
|--|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|  | Governmental Activities |                       | Business-type Activities |                       | Total                 |                       |
|  | 2013                    | 2012                  | 2013                     | 2012                  | 2013                  | 2012                  |
| Land   | \$ 112,048,311          | \$ 112,011,644        | \$ 5,772,176             | \$ 5,772,176          | \$ 117,820,487        | \$ 117,783,820        |
| Intangibles, non-depreciable   | 748,630                 | 289,297               | 135,338                  | 135,338               | 883,968               | 424,635               |
| Buildings and improvements   | 92,996,870              | 91,915,574            | 170,982,450              | 172,790,111           | 263,979,320           | 264,705,685           |
| Equipment *  | 3,706,958               | 3,820,670             | 3,765,237                | 3,653,675             | 7,472,195             | 7,474,345             |
| Intangibles, depreciable   | 321,997                 | 287,515               | 262,418                  | 310,647               | 584,415               | 598,162               |
| Infrastructure   | 213,490,791             | 218,985,080           | -                        | -                     | 213,490,791           | 218,985,080           |
| Construction in progress   | 20,927,661              | 10,137,484            | 7,204,923                | 1,706,507             | 28,132,584            | 11,843,991            |
| Total capital assets, net  | <u>\$ 444,241,218</u>   | <u>\$ 437,447,264</u> | <u>\$ 188,122,542</u>    | <u>\$ 184,368,454</u> | <u>\$ 632,363,760</u> | <u>\$ 621,815,718</u> |

\*Beginning balance restated due to prior period adjustment.

Major capital asset events during fiscal year 2012-13 included the following:

- The \$10.8 million net increase in governmental activity construction in progress is primarily due to Wendy Drive/101 freeway interchange, MSC expansion, Erbes Road improvements, drain improvements, and pavement overlay projects.
- The \$1.1 million net increase in governmental activity buildings and improvements is primarily due to library mechanical upgrades and the Neighborhood Improvement program projects.
- The \$5.5 million net decrease in governmental activity infrastructure is primarily due to depreciation of existing capital assets.
- The \$5.5 million net increase in business-type activity construction in progress is primarily due to Los Robles Golf Course event center, MSC expansion, transportation center parking lot expansion, and reservoir improvements projects.
- The \$1.8 million decrease in business-type activity building and improvements is primarily due to depreciation of existing capital assets.

## Long-term debt

At the end of fiscal year 2012-13, the City had total bonded debt outstanding of \$24.1 million. Of this amount, \$14.9 million, or 2.6 percent of governmental activity total net position, was secured by the City's obligation to pay the Public Financing Authority (PFA) lease payments of occupancy and use of specified properties, and \$9.1 million, or 3.9 percent of business-type activity total net position, was secured by net revenues from the City's wastewater system operation. Bonded debt decreased overall by \$1.7 million primarily due to principal reduction as the result of on-going debt service payments. Additional information on long-term liabilities can be found on pages 74-78 in the notes to the basic financial statements. Bonded debt outstanding is summarized below:

|                        | Governmental Activities |                      | Business-type Activities |                      | Total                |                      |
|------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                        | 2013                    | 2012                 | 2013                     | 2012                 | 2013                 | 2012                 |
| Lease revenue bonds*   | \$ 14,940,093           | \$ 15,466,151        | \$ -                     | \$ -                 | \$ 14,940,093        | \$ 15,466,151        |
| Revenue bonds          | -                       | -                    | 9,127,092                | 10,276,714           | 9,127,092            | 10,276,714           |
| Total outstanding debt | <u>\$ 14,940,093</u>    | <u>\$ 15,466,151</u> | <u>\$ 9,127,092</u>      | <u>\$ 10,276,714</u> | <u>\$ 24,067,185</u> | <u>\$ 25,742,865</u> |

\*Net of unamortized issue premiums. The beginning balance was increased by the amount of unamortized loss on defeasance reclassified to deferred outflow of resources per GASB 63 and 65.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The focus of this annual report is to provide an overview of the financial condition of the City of Thousand Oaks as of June 30, 2013; however, since global, national, and local economic conditions have a financial impact on the City, it is critical that the economic impacts be addressed.

Economists have stated that the global outlook remains one of cautious optimism. Much of the continued market volatility rests on the back of debt-ceiling negotiations and other global political uncertainties. Economists believe it is highly unlikely that the U.S. government will default on its debt, and expect continued moderate U.S. economic growth. They are also increasingly optimistic on Europe and believe signs coming out of Japan have been encouraging.

On October 17, 2013, Lynn Franco, Director of Economic Indicators at The Conference Board explained that "Consumer confidence deteriorated considerably as the federal government shutdown and debt-ceiling crisis took a particularly large toll on consumers' expectations. Similar declines in confidence were experienced during the payroll tax hike earlier this year, the fiscal cliff discussions in late 2012, and the government shutdown in 1995/1996. However, given the temporary nature of the current resolution, confidence is likely to remain volatile for the next several months."

Janet Yellen, the White House's nominee to lead the central bank explained that "The Federal Reserve has taken meaningful steps to strengthen its scrutiny of the nation's financial system and prevent another economic crisis." The actions of the Federal Reserve have created an extremely low interest rate environment reducing the City's interest revenue. The City's fiscal year 2012-13 yield on its investments was 0.925 percent, down 31 basis points from the prior fiscal year, and 52 basis points from fiscal year 2010-11.

The addition of hundreds of thousands of new jobs in the last two years and a rebounding real estate market are leading the economic recovery in California, one of the states hardest hit by the recession.

Per the Employment Development Department for the State of California, the unemployment rate in the Ventura County was 7.8 percent in August 2013, down from a revised 8.0 percent in July 2013, and below the year-ago estimate of 9.5 percent. This compares with an unadjusted unemployment rate of 8.8 percent for California and 7.3 percent for the nation during the same period.

In 2012, Ventura County saw positive developments in both housing prices and sales volumes. Housing still poses a problem in the near term. In 2012, the median price for an existing single-family home was \$500,000, an increase of 1.0% compared with 2011. Per the City's Property Tax consultant, HdL Coren & Cone, during the first half of calendar year 2013 the median home price was approximately \$577,500.

The California Public Employees Retirement System's (CalPERS) investment portfolio reported a 12.50 percent return for the fiscal year ended June 30, 2013, up from the 1.0 percent return for fiscal year 2011-12. The City's employer contribution rate for fiscal year 2013-14 increased to 16.850 percent from 14.749 percent. In fiscal year 2014-15, the employer contribution rate is 16.778 percent, with a projected increase to 18.000 percent in fiscal year 2015-16.

On April 23, 2013, City Council adopted the Citywide Mission Statement, Customer Service Philosophy, ten broad Citywide Goals, and Citywide Top Ten Priorities for fiscal year 2013-14, as part of its annual Goals Setting Workshop, setting the vision for the fiscal year 2013-14 and fiscal year 2014-15 budgets. On June 11, 2013, City Council adopted a structurally balanced Operating Budget and Capital Improvements Program Budget for fiscal year 2013-14 and fiscal year 2014-15, which provides sufficient resources to achieve City Council's Goals and Top Ten Priorities, as well as the several hundred specific objectives within each Department. 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.

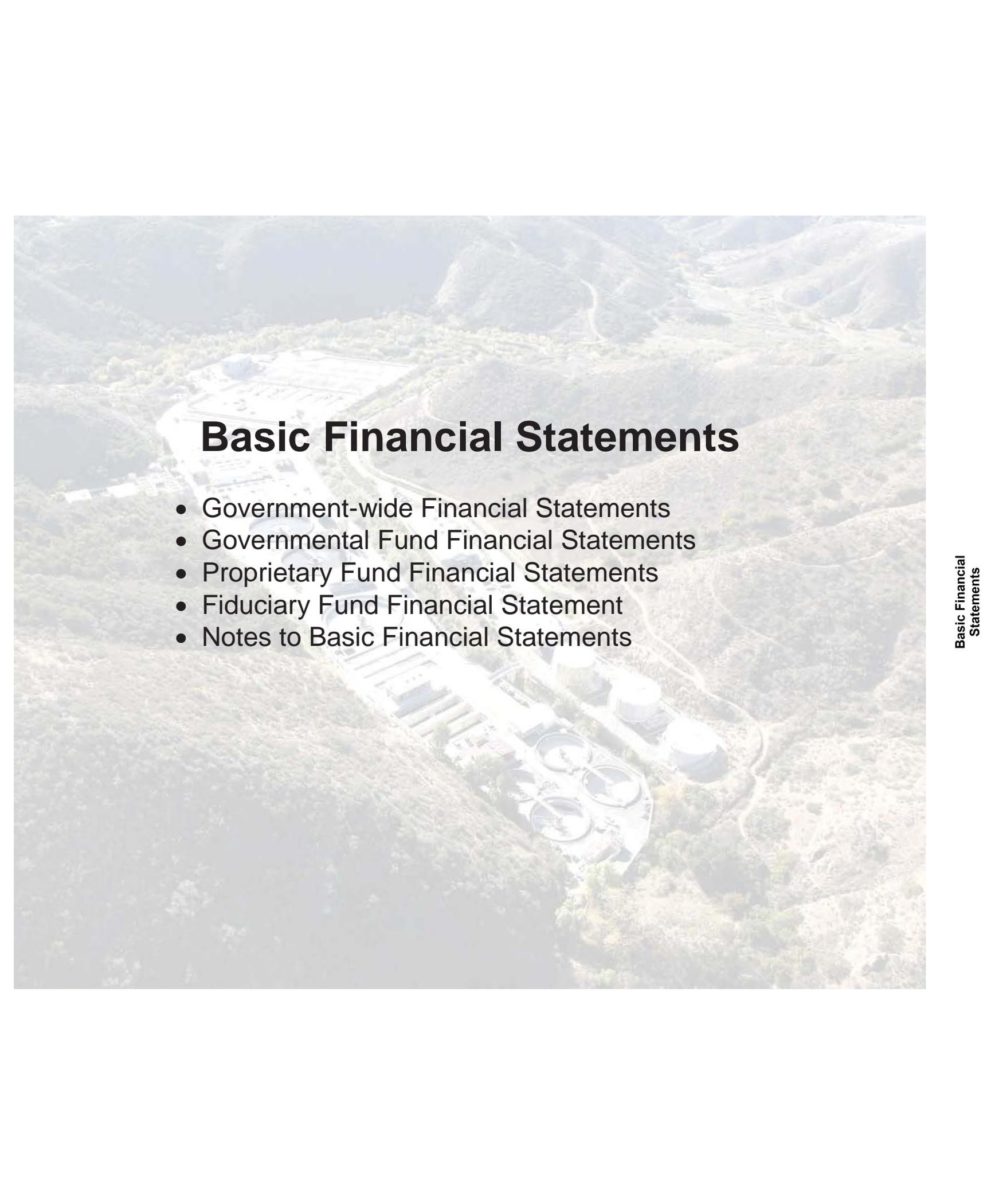
The adopted 2013-14 General Fund operating budget, not including transfers out, is \$63.9 million, a \$2.7 million (4.4%) increase over fiscal year 2012-13 actual expenditures of \$61.2 million and includes \$2.6 million in non-recurring expenditures funded with reserves.

The adopted 2013-14 General Fund operating revenues, not including transfers in, are projected at \$65.9 million, a \$0.9 million (-1.4%) decrease over fiscal year 2012-13 actual revenues of \$66.9 million. Budgeted sales tax is projected at \$26.7 million, a \$1.0 million (3.9%) increase over fiscal year 2012-13 actual of \$25.7 million. Budgeted property tax is projected at \$6.8 million, a \$0.9 million (-11.7%) decrease over fiscal year 2012-13 actual of \$7.7 million.

In summary, with global and national economic projections showing slow growth due to concerns at the Federal level related to budget appropriation limits, healthcare reform, the debt ceiling crisis, 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 has proceeded 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” and proceeds 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).

An aerial photograph of a wastewater treatment plant situated in a hilly, green landscape. The plant features several large circular tanks and rectangular buildings. The surrounding terrain is covered in dense vegetation and has a hilly, undulating appearance. The image is slightly faded to allow text to be overlaid.

# 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 Position**  
**June 30, 2013**

|   | Governmental<br>Activities | Business-type<br>Activities | Total              |
|---|----------------------------|-----------------------------|--------------------|
| <b>Assets:</b>                                  |                            |                             |                    |
| Cash and investments (notes 1 and 2)            | \$ 143,173,598             | 77,448,888                  | 220,622,486        |
| Receivables (notes 1 and 3):                    |                            |                             |                    |
| Accounts  | 2,242,405                  | 7,756,992                   | 9,999,397          |
| Accrued interest                                | 4,105,142                  | 145,197                     | 4,250,339          |
| Intergovernmental                               | 12,589,381                 | 1,029,980                   | 13,619,361         |
| Notes/loans                                     | 30,610,152                 | -                           | 30,610,152         |
| Assets held for resale (note 4)                 | 671,083                    | -                           | 671,083            |
| Internal balances                               | 1,877,631                  | (1,877,631)                 | -                  |
| Inventories - supplies (note 1)                 | 444,070                    | 488,592                     | 932,662            |
| Prepaid items and other assets (note 1)         | 7,011                      | 97,343                      | 104,354            |
| Noncurrent assets:                              |                            |                             |                    |
| Restricted cash and investments (notes 1 and 2) | 1,167,765                  | 1,310,562                   | 2,478,327          |
| Net OPEB asset (note 14)                        | 4,547,774                  | 1,047,989                   | 5,595,763          |
| Capital assets (notes 1 and 5):                 |                            |                             |                    |
| Land  | 112,048,311                | 5,772,176                   | 117,820,487        |
| Intangibles, non-depreciable                    | 748,630                    | 135,338                     | 883,968            |
| Buildings and improvements                      | 133,922,974                | 271,767,496                 | 405,690,470        |
| Equipment                                       | 10,983,032                 | 8,554,957                   | 19,537,989         |
| Intangibles, depreciable                        | 909,523                    | 482,291                     | 1,391,814          |
| Infrastructure                                  | 415,452,449                | -                           | 415,452,449        |
| Construction in progress                        | 20,927,661                 | 7,204,923                   | 28,132,584         |
| Accumulated depreciation                        | (250,751,362)              | (105,794,639)               | (356,546,001)      |
| Total assets                                    | <u>645,677,230</u>         | <u>275,570,454</u>          | <u>921,247,684</u> |
| <b>Deferred outflows of resources:</b>          |                            |                             |                    |
| Loss on refunding                               | 195,845                    | -                           | 195,845            |
| Total deferred outflows of resources            | <u>195,845</u>             | <u>-</u>                    | <u>195,845</u>     |
| <b>Liabilities:</b>                             |                            |                             |                    |
| Accounts payable (note 1)                       | 11,000,532                 | 5,044,226                   | 16,044,758         |
| Accrued liabilities (note 1)                    | 51,809                     | 317,281                     | 369,090            |
| Due to other agencies (note 1)                  | 265,902                    | 11,380                      | 277,282            |
| Unearned revenue (note 1)                       | 31,227,631                 | 5,031,405                   | 36,259,036         |
| Deposits (note 1)                               | -                          | 823,344                     | 823,344            |
| Noncurrent liabilities (note 8):                |                            |                             |                    |
| Due within one year                             | 3,115,014                  | 3,647,412                   | 6,762,426          |
| Due in more than one year                       | 18,759,027                 | 26,284,656                  | 45,043,683         |
| Total liabilities                               | <u>64,419,915</u>          | <u>41,159,704</u>           | <u>105,579,619</u> |
| <b>Net position:</b>                            |                            |                             |                    |
| Net investments in capital assets               | 429,496,970                | 160,080,104                 | 589,577,074        |
| Restricted for:                                 |                            |                             |                    |
| Assessment districts                            | 5,814,543                  | -                           | 5,814,543          |
| Community development                           | 7,100,316                  | -                           | 7,100,316          |
| Culture and leisure                             | 133,417                    | -                           | 133,417            |
| Public safety                                   | 722,433                    | -                           | 722,433            |
| Street related purposes                         | 22,504,550                 | -                           | 22,504,550         |
| Capital refurbishment and replacement reserve   | -                          | 9,100,000                   | 9,100,000          |
| Debt service reserve                            | -                          | 5,711,380                   | 5,711,380          |
| Emergency reserve                               | -                          | 6,400,000                   | 6,400,000          |
| Operating reserve                               | -                          | 8,900,000                   | 8,900,000          |
| Unrestricted                                    | 115,680,931                | 44,219,266                  | 159,900,197        |
| Total net position                              | <u>\$ 581,453,160</u>      | <u>234,410,750</u>          | <u>815,863,910</u> |

See accompanying notes to basic financial statements.

**CITY OF THOUSAND OAKS**  
**Statement of Activities**  
**Year ended June 30, 2013**

|                                | Expenses              | Program Revenues     |                                    |                                  |
|--------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|
|                                |                       | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Functions/Programs</b>      |                       |                      |                                    |                                  |
| Governmental activities:       |                       |                      |                                    |                                  |
| General government             | \$ 15,544,721         | 6,281,280            | 61,791                             | 1,520                            |
| Public safety                  | 27,487,842            | 847,579              | 6,625                              | 64,207                           |
| Transportation                 | 26,109,347            | 5,460,232            | 8,261,614                          | 5,454,651                        |
| Community development          | 11,162,235            | 3,962,106            | 3,198,874                          | -                                |
| Culture and leisure            | 9,719,771             | 244,486              | 32,102                             | 49,828                           |
| Interest on long-term debt     | 636,012               | -                    | -                                  | -                                |
| Total governmental activities  | <u>90,659,928</u>     | <u>16,795,683</u>    | <u>11,561,006</u>                  | <u>5,570,206</u>                 |
| Business-type activities:      |                       |                      |                                    |                                  |
| Water                          | 22,133,144            | 25,548,666           | -                                  | 188,597                          |
| Wastewater                     | 18,988,040            | 19,347,142           | -                                  | 1,978,262                        |
| Golf Course                    | 4,729,238             | 4,646,379            | -                                  | -                                |
| Transportation                 | 4,655,099             | 998,709              | 4,093,103                          | 581,439                          |
| Solid Waste Management         | 1,899,126             | 1,621,874            | -                                  | -                                |
| Theatres                       | 4,083,872             | 3,278,415            | 300,000                            | -                                |
| Total business-type activities | <u>56,488,519</u>     | <u>55,441,185</u>    | <u>4,393,103</u>                   | <u>2,748,298</u>                 |
| Total government               | <u>\$ 147,148,447</u> | <u>72,236,868</u>    | <u>15,954,109</u>                  | <u>8,318,504</u>                 |

General revenues:

Taxes:

- Property tax
- Sales taxes
- Transient occupancy tax
- Franchise taxes
- Business tax
- Property transfer tax

- Unrestricted intergovernmental revenue
- Contributions not restricted for specific programs
- Unrestricted investment/interest earnings

Transfers, net (note 6)

Total general revenues and transfers

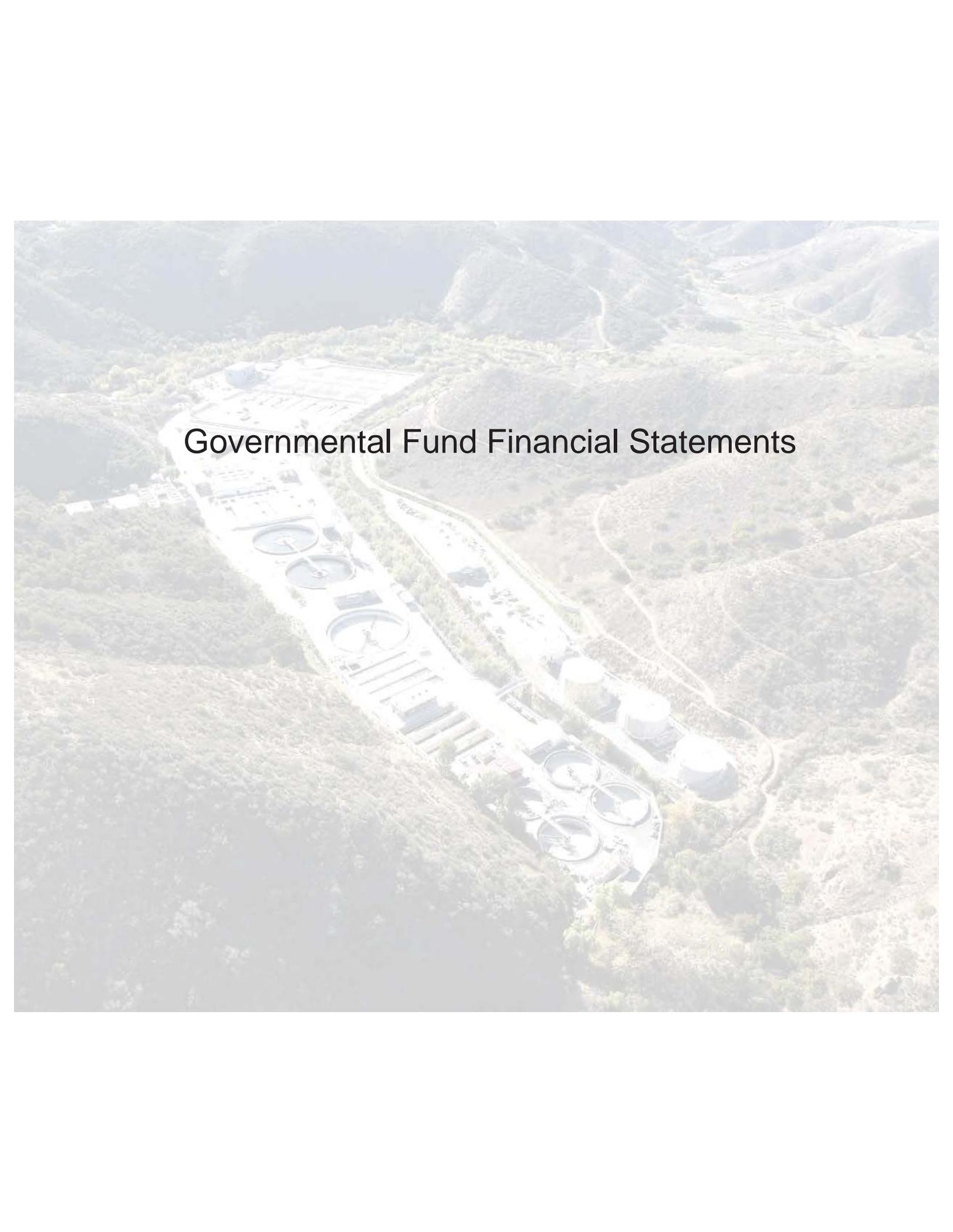
Change in net position

Net position - beginning, as restated

Net position - ending

See accompanying notes to basic financial statements.

| Net (Expenses) Revenues and Changes in Net Position |                             |                     |
|---|-----------------------------|---------------------|
| Governmental<br>Activities                          | Business-type<br>Activities | Total               |
| (9,200,130)   | -                           | (9,200,130)         |
| (26,569,431)  | -                           | (26,569,431)        |
| (6,932,850)   | -                           | (6,932,850)         |
| (4,001,255)   | -                           | (4,001,255)         |
| (9,393,355)   | -                           | (9,393,355)         |
| (636,012)   | -                           | (636,012)           |
| <u>(56,733,033)</u>                                 | <u>-</u>                    | <u>(56,733,033)</u> |
| -   | 3,604,119                   | 3,604,119           |
| -   | 2,337,364                   | 2,337,364           |
| -   | (82,859)                    | (82,859)            |
| -   | 1,018,152                   | 1,018,152           |
| -   | (277,252)                   | (277,252)           |
| -   | (505,457)                   | (505,457)           |
| -   | <u>6,094,067</u>            | <u>6,094,067</u>    |
| <u>(56,733,033)</u>                                 | <u>6,094,067</u>            | <u>(50,638,966)</u> |
| 14,829,441  | -                           | 14,829,441          |
| 25,197,744  | -                           | 25,197,744          |
| 3,162,291   | -                           | 3,162,291           |
| 6,204,829   | -                           | 6,204,829           |
| 1,840,690   | -                           | 1,840,690           |
| 734,488   | -                           | 734,488             |
| 9,894,767   | -                           | 9,894,767           |
| 1,378,420   | -                           | 1,378,420           |
| 91,728  | -                           | 91,728              |
| 60,108  | (60,108)                    | -                   |
| <u>63,394,506</u>                                   | <u>(60,108)</u>             | <u>63,334,398</u>   |
| 6,661,473   | 6,033,959                   | 12,695,432          |
| 574,791,687   | 228,376,791                 | 803,168,478         |
| <u>\$ 581,453,160</u>                               | <u>234,410,750</u>          | <u>815,863,910</u>  |

An aerial photograph of a wastewater treatment plant situated in a hilly, green landscape. The plant features several large circular aeration tanks, rectangular clarifiers, and various industrial buildings. A road and parking lot are visible near the facility. The surrounding terrain is covered in dense vegetation and rolling hills.

# Governmental Fund Financial Statements

**CITY OF THOUSAND OAKS**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**

Page 1 of 2

|  | General Fund         | Library        | State Gas Tax     | Capital Improvements |
|--|----------------------|----------------|-------------------|----------------------|
| <b><u>Assets</u></b>   |                      |                |                   |                      |
| Cash and investments   | \$ 75,406,431        | 313,972        | 7,313,798         | 22,151,227           |
| Receivables:   |                      |                |                   |                      |
| Accounts   | 1,672,086            | 48,261         | 13,491            | 80,137               |
| Accrued interest   | 160,450              | -              | 13,493            | 42,489               |
| Intergovernmental  | 5,345,129            | 115,925        | 6,488,087         | 19,500               |
| Notes/loans  | 537,821              | -              | -                 | -                    |
| Assets held for resale   | -                    | -              | -                 | -                    |
| Interfund receivables  | 6,378,214            | -              | -                 | -                    |
| Inventories - supplies   | 444,070              | -              | -                 | -                    |
| Advances to other funds  | 1,166,952            | -              | -                 | -                    |
| Restricted cash and investments  | -                    | -              | -                 | -                    |
| <b>Total assets</b>  | <b>\$ 91,111,153</b> | <b>478,158</b> | <b>13,828,869</b> | <b>22,293,353</b>    |
| <b><u>Liabilities, Deferred Inflows of Resources and Fund Balances</u></b> |                      |                |                   |                      |
| <b>Liabilities:</b>  |                      |                |                   |                      |
| Accounts payable   | \$ 3,996,346         | 476,941        | 2,834,753         | 411,740              |
| Due to other agencies  | 11,302               | -              | -                 | -                    |
| Interfund payables   | -                    | -              | 2,353,051         | 688,865              |
| Unearned revenue   | 656,735              | 1,217          | 189,310           | -                    |
| Advances from other funds  | -                    | -              | -                 | -                    |
| <b>Total liabilities</b>   | <b>4,664,383</b>     | <b>478,158</b> | <b>5,377,114</b>  | <b>1,100,605</b>     |
| <b>Deferred inflows of resources:</b>                                      |                      |                |                   |                      |
| Unavailable revenue  | 1,785,682            | -              | 6,232,679         | -                    |
| <b>Total deferred inflows of resources</b>                                 | <b>1,785,682</b>     | <b>-</b>       | <b>6,232,679</b>  | <b>-</b>             |
| <b>Fund balances:</b>  |                      |                |                   |                      |
| Nonspendable   | 444,070              | -              | -                 | -                    |
| Restricted   | -                    | -              | 2,219,076         | 14,052,795           |
| Committed  | 32,150,306           | -              | -                 | -                    |
| Assigned   | 50,970,528           | -              | -                 | 7,139,953            |
| Unassigned   | 1,096,184            | -              | -                 | -                    |
| <b>Total fund balances</b>   | <b>84,661,088</b>    | <b>-</b>       | <b>2,219,076</b>  | <b>21,192,748</b>    |
| <b>Total liabilities, deferred inflows of resources and fund balances</b>  | <b>\$ 91,111,153</b> | <b>478,158</b> | <b>13,828,869</b> | <b>22,293,353</b>    |

See accompanying notes to basic financial statements.

| Thousand Oaks<br>Housing<br>Successor | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------------------------|--------------------------------|--------------------------------|
| 494,153                               | 25,438,797                     | 131,118,378                    |
| 106,139                               | 322,291                        | 2,242,405                      |
| 3,517,212                             | 349,205                        | 4,082,849                      |
| -                                     | 620,740                        | 12,589,381                     |
| 28,601,731                            | 1,470,600                      | 30,610,152                     |
| 671,083                               | -                              | 671,083                        |
| -                                     | -                              | 6,378,214                      |
| -                                     | -                              | 444,070                        |
| -                                     | -                              | 1,166,952                      |
| -                                     | 1,167,765                      | 1,167,765                      |
| <u>33,390,318</u>                     | <u>29,369,398</u>              | <u>190,471,249</u>             |
| 181                                   | 3,163,095                      | 10,883,056                     |
| -                                     | 254,600                        | 265,902                        |
| -                                     | 406,298                        | 3,448,214                      |
| 28,601,731                            | 1,778,638                      | 31,227,631                     |
| -                                     | 1,166,952                      | 1,166,952                      |
| <u>28,601,912</u>                     | <u>6,769,583</u>               | <u>46,991,755</u>              |
| 3,546,196                             | 361,552                        | 11,926,109                     |
| <u>3,546,196</u>                      | <u>361,552</u>                 | <u>11,926,109</u>              |
| 671,083                               | -                              | 1,115,153                      |
| 177,887                               | 8,820,766                      | 25,270,524                     |
| -                                     | 1,643,144                      | 33,793,450                     |
| 393,240                               | 11,812,512                     | 70,316,233                     |
| -                                     | (38,159)                       | 1,058,025                      |
| <u>1,242,210</u>                      | <u>22,238,263</u>              | <u>131,553,385</u>             |
| <u>33,390,318</u>                     | <u>29,369,398</u>              | <u>190,471,249</u>             |

**CITY OF THOUSAND OAKS**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**To the Statement of Net Position**  
**June 30, 2013**

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

|  |                |
|--|----------------|
| Total fund balances - total governmental funds (page 29)   | \$ 131,553,385 |
| Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.  | 444,241,218    |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.  | 16,474,285     |
| 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 position. | 9,089,559      |
| 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.   | (19,905,287)   |
| Net position of governmental activities (page 25)  | \$ 581,453,160 |

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, 2013**

Page 1 of 2

|   | General Fund         | Library            | State Gas Tax      | Capital Improvements |
|---|----------------------|--------------------|--------------------|----------------------|
| <b>Revenues:</b>  |                      |                    |                    |                      |
| Taxes   | \$ 42,803,136        | 6,023,301          | 768,626            | -                    |
| Licenses and permits                                      | 5,101,683            | -                  | -                  | -                    |
| Fines and forfeitures                                     | 319,768              | 171,262            | -                  | -                    |
| Use of money and property                                 | 723,455              | 8,265              | 10,600             | 241,555              |
| Charges for current services                              | 5,949,658            | 15,314             | -                  | 770,827              |
| Intergovernmental revenue                                 | 11,170,611           | -                  | 6,552,561          | -                    |
| Other   | 786,349              | 48,179             | 13,491             | 85,604               |
| <b>Total revenues</b>                                     | <u>66,854,660</u>    | <u>6,266,321</u>   | <u>7,345,278</u>   | <u>1,097,986</u>     |
| <b>Expenditures:</b>                                      |                      |                    |                    |                      |
| Current:  |                      |                    |                    |                      |
| General government  | 14,418,708           | -                  | -                  | 50,000               |
| Public safety   | 25,881,246           | -                  | -                  | -                    |
| Transportation  | 9,176,279            | -                  | 12,455,472         | 169,299              |
| Community development                                     | 8,674,884            | -                  | -                  | 10,969               |
| Culture and leisure                                       | 1,263,595            | 7,175,189          | -                  | -                    |
| Debt service:   |                      |                    |                    |                      |
| Principal   | -                    | -                  | -                  | -                    |
| Interest  | -                    | -                  | -                  | -                    |
| Capital outlay  | 1,780,606            | 1,116,574          | -                  | 2,191,943            |
| <b>Total expenditures</b>                                 | <u>61,195,318</u>    | <u>8,291,763</u>   | <u>12,455,472</u>  | <u>2,422,211</u>     |
| Excess (deficiency) of revenues over (under) expenditures | <u>5,659,342</u>     | <u>(2,025,442)</u> | <u>(5,110,194)</u> | <u>(1,324,225)</u>   |
| <b>Other financing sources (uses):</b>                    |                      |                    |                    |                      |
| Transfers in (note 6)                                     | 1,797,265            | 2,025,442          | -                  | -                    |
| Transfers out (note 6)                                    | (3,281,976)          | -                  | (966,147)          | (414,294)            |
| Proceeds from sale of property                            | 38,961               | -                  | -                  | -                    |
| <b>Total other financing sources (uses)</b>               | <u>(1,445,750)</u>   | <u>2,025,442</u>   | <u>(966,147)</u>   | <u>(414,294)</u>     |
| Net change in fund balance                                | 4,213,592            | -                  | (6,076,341)        | (1,738,519)          |
| Fund balance-beginning                                    | 80,447,496           | -                  | 8,295,417          | 22,931,267           |
| Fund balance-ending                                       | <u>\$ 84,661,088</u> | <u>-</u>           | <u>2,219,076</u>   | <u>21,192,748</u>    |

See accompanying notes to basic financial statements.

| Thousand Oaks<br>Housing<br>Successor | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------------------------|--------------------------------|--------------------------------|
| -                                     | 1,816,307                      | 51,411,370                     |
| -                                     | -                              | 5,101,683                      |
| -                                     | 679,846                        | 1,170,876                      |
| 733,200                               | 118,623                        | 1,835,698                      |
| -                                     | 4,311,513                      | 11,047,312                     |
| -                                     | 3,243,035                      | 20,966,207                     |
| 11,000                                | 1,026,225                      | 1,970,848                      |
| <u>744,200</u>                        | <u>11,195,549</u>              | <u>93,503,994</u>              |
| -                                     | 95,650                         | 14,564,358                     |
| -                                     | 1,454,837                      | 27,336,083                     |
| -                                     | 6,658,066                      | 28,459,116                     |
| 508,437                               | 1,302,264                      | 10,496,554                     |
| -                                     | 12,656                         | 8,451,440                      |
| -                                     | 520,000                        | 520,000                        |
| -                                     | 637,312                        | 637,312                        |
| -                                     | 1,992,070                      | 7,081,193                      |
| <u>508,437</u>                        | <u>12,672,855</u>              | <u>97,546,056</u>              |
| <u>235,763</u>                        | <u>(1,477,306)</u>             | <u>(4,042,062)</u>             |
| -                                     | 1,449,162                      | 5,271,869                      |
| -                                     | (549,344)                      | (5,211,761)                    |
| -                                     | -                              | 38,961                         |
| -                                     | 899,818                        | 99,069                         |
| <u>235,763</u>                        | <u>(577,488)</u>               | <u>(3,942,993)</u>             |
| <u>1,006,447</u>                      | <u>22,815,751</u>              | <u>135,496,378</u>             |
| <u>1,242,210</u>                      | <u>22,238,263</u>              | <u>131,553,385</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, 2013**

Amounts reported for governmental activities in the statement of activities (page 27) are different because:

|  |                |
|--|----------------|
| Net change in fund balances - total governmental funds (page 32) | \$ (3,942,993) |
|--|----------------|

|  |           |
|--|-----------|
| 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. | 5,415,532 |
|--|-----------|

|  |           |
|--|-----------|
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. | 1,489,196 |
|--|-----------|

|  |           |
|--|-----------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 3,204,940 |
|--|-----------|

|   |         |
|---|---------|
| 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 position. Also, governmental funds report the effect of premiums 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. | 285,417 |
|---|---------|

|  |         |
|--|---------|
| 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. | 235,308 |
|--|---------|

|  |          |
|--|----------|
| 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. | (25,927) |
|--|----------|

|   |              |
|---|--------------|
| Change in net position of governmental activities (page 27) | \$ 6,661,473 |
|---|--------------|

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, 2013**

|  | Budgeted Amounts     |                     |                    | Variance with<br>Final Budget -<br>Positive (Negative) |
|--|----------------------|---------------------|--------------------|--|
|  | Original Budget      | Final Budget        | Actual             |  |
| <b>Revenues:</b>   |                      |                     |                    |  |
| Taxes  | \$ 40,732,125        | 40,732,125          | 42,803,136         | 2,071,011  |
| Licenses and permits   | 4,420,480            | 4,420,480           | 5,101,683          | 681,203  |
| Fines and forfeitures  | 283,220              | 283,220             | 319,768            | 36,548   |
| Use of money and property                                    | 1,764,700            | 1,764,700           | 723,455            | (1,041,245)  |
| Charges for current services                                 | 5,874,965            | 5,874,965           | 5,949,658          | 74,693   |
| Intergovernmental revenue                                    | 10,663,884           | 10,938,415          | 11,170,611         | 232,196  |
| Other  | 344,195              | 344,195             | 786,349            | 442,154  |
| Total revenues   | <u>64,083,569</u>    | <u>64,358,100</u>   | <u>66,854,660</u>  | <u>2,496,560</u>                                       |
| <b>Expenditures:</b>   |                      |                     |                    |  |
| Current:   |                      |                     |                    |  |
| General government   | 15,745,811           | 16,101,948          | 14,418,708         | 1,683,240  |
| Public safety  | 27,576,627           | 27,764,873          | 25,881,246         | 1,883,627  |
| Transportation   | 9,840,920            | 10,231,740          | 9,176,279          | 1,055,461  |
| Community development  | 9,686,844            | 9,811,294           | 8,674,884          | 1,136,410  |
| Culture and leisure  | 1,341,498            | 1,907,784           | 1,263,595          | 644,189  |
| Capital outlay   | 900,774              | 21,864,945          | 1,780,606          | 20,084,339   |
| Total expenditures   | <u>65,092,474</u>    | <u>87,682,584</u>   | <u>61,195,318</u>  | <u>26,487,266</u>                                      |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(1,008,905)</u>   | <u>(23,324,484)</u> | <u>5,659,342</u>   | <u>28,983,826</u>                                      |
| <b>Other financing sources (uses):</b>                       |                      |                     |                    |  |
| Transfers in   | 2,099,086            | 2,099,086           | 1,797,265          | (301,821)  |
| Transfers out  | (3,300,994)          | (4,136,947)         | (3,281,976)        | 854,971  |
| Proceeds from sale of property                               | 15,000               | 15,000              | 38,961             | 23,961   |
| Total other financing sources (uses)                         | <u>(1,186,908)</u>   | <u>(2,022,861)</u>  | <u>(1,445,750)</u> | <u>577,111</u>   |
| Net change in fund balance                                   | (2,195,813)          | (25,347,345)        | 4,213,592          | 29,560,937   |
| Fund balance-beginning                                       | <u>80,447,496</u>    | <u>80,447,496</u>   | <u>80,447,496</u>  | <u>-</u>   |
| Fund balance-ending  | <u>\$ 78,251,683</u> | <u>55,100,151</u>   | <u>84,661,088</u>  | <u>29,560,937</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, 2013**

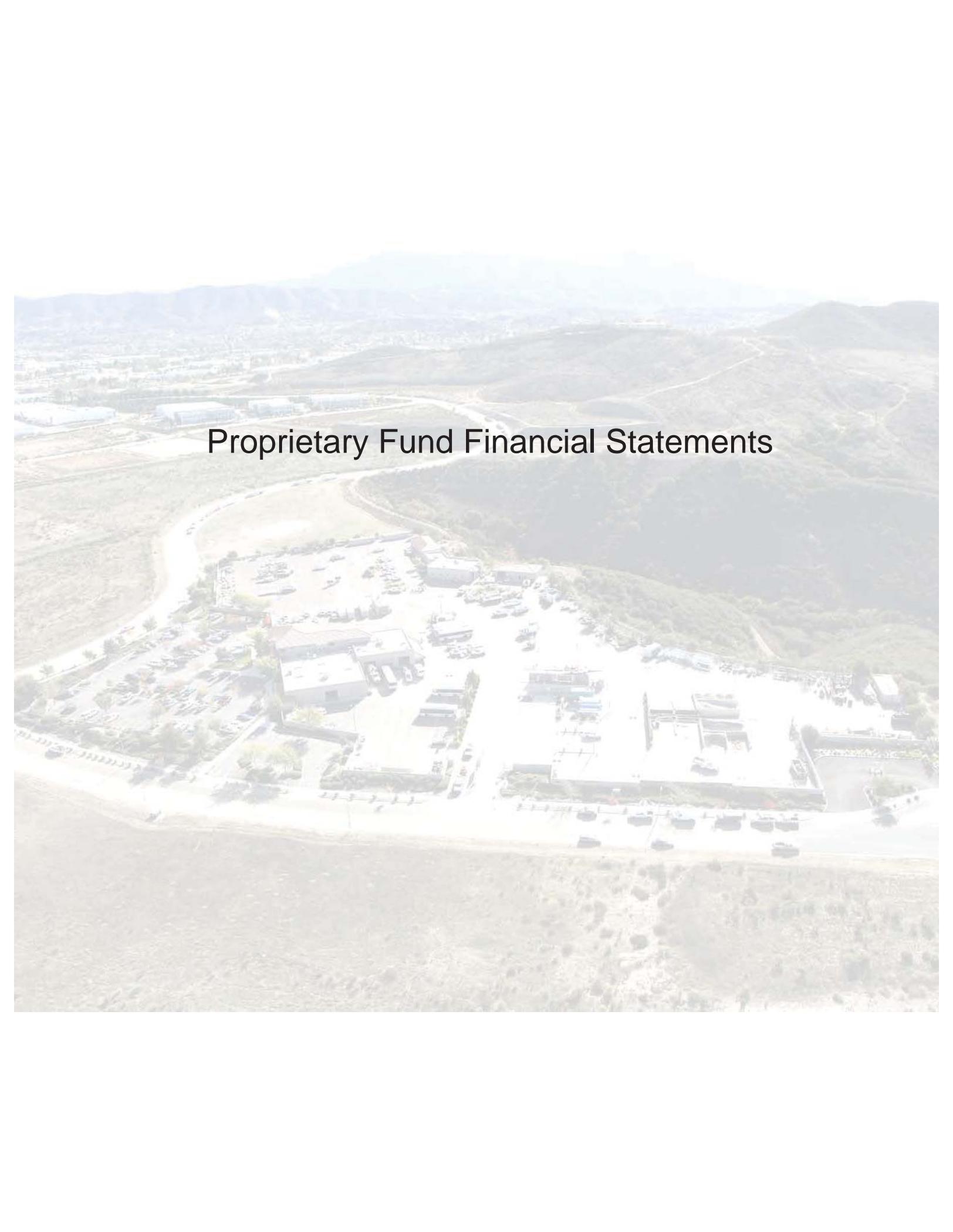
|  | Budgeted Amounts   |                    |                    | Variance with<br>Final Budget -<br>Positive (Negative) |
|--|--------------------|--------------------|--------------------|--|
|  | Original Budget    | Final Budget       | Actual             |  |
| <b>Revenues:</b>   |                    |                    |                    |  |
| Taxes  | \$ 5,674,815       | 5,674,815          | 6,023,301          | 348,486  |
| Fines and forfeitures  | 159,000            | 159,000            | 171,262            | 12,262   |
| Use of money and property                                    | 25,000             | 25,000             | 8,265              | (16,735)   |
| Charges for current services                                 | 15,000             | 15,000             | 15,314             | 314  |
| Other  | 43,200             | 43,200             | 48,179             | 4,979  |
| Total revenues   | <u>5,917,015</u>   | <u>5,917,015</u>   | <u>6,266,321</u>   | <u>349,306</u>   |
| <b>Expenditures:</b>   |                    |                    |                    |  |
| Current:   |                    |                    |                    |  |
| Culture and leisure  | 7,643,684          | 7,719,204          | 7,175,189          | 544,015  |
| Capital outlay   | 31,711             | 1,952,425          | 1,116,574          | 835,851  |
| Total expenditures   | <u>7,675,395</u>   | <u>9,671,629</u>   | <u>8,291,763</u>   | <u>1,379,866</u>                                       |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(1,758,380)</u> | <u>(3,754,614)</u> | <u>(2,025,442)</u> | <u>1,729,172</u>                                       |
| <b>Other financing sources (uses):</b>                       |                    |                    |                    |  |
| Transfers in   | 1,719,573          | 2,555,573          | 2,025,442          | (530,131)  |
| Total other financing sources (uses)                         | <u>1,719,573</u>   | <u>2,555,573</u>   | <u>2,025,442</u>   | <u>(530,131)</u>                                       |
| Net change in fund balance                                   | (38,807)           | (1,199,041)        | -                  | 1,199,041  |
| Fund balance-beginning                                       | -                  | -                  | -                  | -  |
| Fund balance-ending  | <u>\$ (38,807)</u> | <u>(1,199,041)</u> | <u>-</u>           | <u>1,199,041</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, 2013**

|  | Budgeted Amounts      |                     |                    | Variance with<br>Final Budget -<br>Positive (Negative) |
|--|-----------------------|---------------------|--------------------|--|
|  | Original Budget       | Final Budget        | Actual             |  |
| <b>Revenues:</b>   |                       |                     |                    |  |
| Taxes  | \$ 700,000            | 700,000             | 768,626            | 68,626   |
| Use of money and property                                    | 83,750                | 83,750              | 10,600             | (73,150)   |
| Intergovernmental revenue                                    | 3,477,700             | 9,205,600           | 6,552,561          | (2,653,039)  |
| Other  | -                     | -                   | 13,491             | 13,491   |
| Total revenues   | <u>4,261,450</u>      | <u>9,989,350</u>    | <u>7,345,278</u>   | <u>(2,644,072)</u>                                     |
| <b>Expenditures:</b>   |                       |                     |                    |  |
| Current:   |                       |                     |                    |  |
| Transportation   | 13,718,583            | 30,571,863          | 12,455,472         | 18,116,391   |
| Capital outlay   | 1,792,126             | 1,792,126           | -                  | 1,792,126  |
| Total expenditures   | <u>15,510,709</u>     | <u>32,363,989</u>   | <u>12,455,472</u>  | <u>19,908,517</u>                                      |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(11,249,259)</u>   | <u>(22,374,639)</u> | <u>(5,110,194)</u> | <u>17,264,445</u>                                      |
| <b>Other financing sources (uses):</b>                       |                       |                     |                    |  |
| Transfers out  | (952,800)             | (952,800)           | (966,147)          | (13,347)   |
| Total other financing sources (uses)                         | <u>(952,800)</u>      | <u>(952,800)</u>    | <u>(966,147)</u>   | <u>(13,347)</u>  |
| Net change in fund balance                                   | (12,202,059)          | (23,327,439)        | (6,076,341)        | 17,251,098   |
| Fund balance-beginning                                       | <u>8,295,417</u>      | <u>8,295,417</u>    | <u>8,295,417</u>   | <u>-</u>   |
| Fund balance-ending  | <u>\$ (3,906,642)</u> | <u>(15,032,022)</u> | <u>2,219,076</u>   | <u>17,251,098</u>                                      |

See accompanying notes to basic financial statements.

An aerial photograph of a large industrial or commercial complex. The facility consists of several large, interconnected buildings with flat roofs, surrounded by extensive parking areas filled with cars. The complex is situated on a hillside, with a road curving around it. In the background, there are rolling hills and a cityscape under a clear sky. The text "Proprietary Fund Financial Statements" is overlaid in the center of the image.

Proprietary Fund Financial Statements

**CITY OF THOUSAND OAKS**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**

Page 1 of 2

|  | Business-type Activities |                       |                   |                  |
|--|--------------------------|-----------------------|-------------------|------------------|
|  | Water Utility            | Wastewater<br>Utility | Golf Course       | Transportation   |
| <b>Assets:</b>   |                          |                       |                   |                  |
| Current assets:  |                          |                       |                   |                  |
| Cash and investments   | \$ 22,600,673            | 42,982,770            | 3,433,625         | 1,566,671        |
| Receivables:   |                          |                       |                   |                  |
| Accounts   | 4,174,677                | 2,583,986             | 96,445            | 460,100          |
| Accrued interest   | 42,376                   | 80,789                | 6,506             | 3,375            |
| Intergovernmental  | -                        | 3,706                 | -                 | 788,886          |
| Inventories - supplies   | 165,118                  | 254,202               | 69,272            | -                |
| Prepaid items  | -                        | -                     | 28,320            | -                |
| <b>Total current assets</b>  | <b>26,982,844</b>        | <b>45,905,453</b>     | <b>3,634,168</b>  | <b>2,819,032</b> |
| Noncurrent assets:   |                          |                       |                   |                  |
| Restricted cash and investments  | -                        | 1,310,562             | -                 | -                |
| Net OPEB asset   | 302,789                  | 576,343               | -                 | 9,734            |
| Capital assets:  |                          |                       |                   |                  |
| Land   | 2,344,632                | 1,463,180             | 1,217,610         | -                |
| Intangibles, non-depreciable   | 45,473                   | 89,865                | -                 | -                |
| Buildings and improvements   | 58,315,540               | 201,517,565           | 10,495,253        | 537,452          |
| Equipment  | 897,642                  | 3,035,226             | 1,321,089         | 2,738,883        |
| Intangibles, depreciable   | 482,291                  | -                     | -                 | -                |
| Construction in progress   | 1,641,015                | 1,100,043             | 1,138,462         | 1,410,397        |
| Less accumulated depreciation  | (25,344,260)             | (73,497,404)          | (4,817,605)       | (1,436,381)      |
| <b>Total noncurrent assets</b>   | <b>38,685,122</b>        | <b>135,595,380</b>    | <b>9,354,809</b>  | <b>3,260,085</b> |
| <b>Total assets</b>  | <b>65,667,966</b>        | <b>181,500,833</b>    | <b>12,988,977</b> | <b>6,079,117</b> |
| <b>Liabilities:</b>  |                          |                       |                   |                  |
| Current liabilities:   |                          |                       |                   |                  |
| Accounts payable   | 2,159,078                | 1,228,104             | 427,165           | 687,271          |
| Accrued liabilities  | -                        | 317,281               | -                 | -                |
| Due to other agencies  | -                        | -                     | 11,380            | -                |
| Interfund payables (note 6)  | -                        | -                     | 2,930,000         | -                |
| Unearned revenue   | -                        | -                     | 161,421           | 2,096,585        |
| Deposits   | 822,502                  | 500                   | -                 | -                |
| Compensated absences - current   | 168,706                  | 317,281               | -                 | 10,725           |
| Notes/loans payable - current  | -                        | 1,688,092             | -                 | -                |
| Revenue bonds payable - current  | -                        | 1,174,622             | -                 | -                |
| Capital lease payable - current  | -                        | -                     | 132,847           | -                |
| <b>Total current liabilities</b>   | <b>3,150,286</b>         | <b>4,725,880</b>      | <b>3,662,813</b>  | <b>2,794,581</b> |
| Noncurrent liabilities:  |                          |                       |                   |                  |
| Claims payable   | -                        | -                     | -                 | -                |
| Compensated absences   | 346,787                  | 532,546               | -                 | 5,682            |
| Notes/loans payable  | -                        | 16,762,276            | -                 | -                |
| Revenue bonds payable, (net of unamortized discounts and deferred amounts) | -                        | 7,952,470             | -                 | -                |
| Capital lease payable  | -                        | -                     | 332,131           | -                |
| <b>Total noncurrent liabilities</b>  | <b>346,787</b>           | <b>25,247,292</b>     | <b>332,131</b>    | <b>5,682</b>     |
| <b>Total liabilities</b>   | <b>3,497,073</b>         | <b>29,973,172</b>     | <b>3,994,944</b>  | <b>2,800,263</b> |
| <b>Net position:</b>   |                          |                       |                   |                  |
| Net investments in capital assets  | 38,382,333               | 106,131,015           | 8,889,831         | 3,250,351        |
| Restricted for:  |                          |                       |                   |                  |
| Capital refurbishment and replacement reserve                              | -                        | 9,100,000             | -                 | -                |
| Debt service reserve   | -                        | 3,617,654             | -                 | -                |
| Emergency reserve  | 4,000,000                | 2,400,000             | -                 | -                |
| Operating reserve  | 5,200,000                | 3,700,000             | -                 | -                |
| Unrestricted   | 14,588,560               | 26,578,992            | 104,202           | 28,503           |
| <b>Total net position</b>  | <b>\$ 62,170,893</b>     | <b>151,527,661</b>    | <b>8,994,033</b>  | <b>3,278,854</b> |

See accompanying notes to basic financial statements.

| Business-type Activities  |                  |                    | Govt. Activities -<br>Internal Service<br>Funds    |
|---------------------------|------------------|--------------------|--|
| Solid Waste<br>Management | Theatres         | Total              |  |
| 3,868,562                 | 2,996,587        | 77,448,888         | 12,055,220   |
| 321,171                   | 120,613          | 7,756,992          | -  |
| 7,924                     | 4,227            | 145,197            | 22,293   |
| 237,388                   | -                | 1,029,980          | -  |
| -                         | -                | 488,592            | -  |
| -                         | 69,023           | 97,343             | 6,609  |
| <u>4,435,045</u>          | <u>3,190,450</u> | <u>86,966,992</u>  | <u>12,084,122</u>                                  |
| -                         | -                | 1,310,562          | -  |
| 44,156                    | 114,967          | 1,047,989          | -  |
| 746,754                   | -                | 5,772,176          | -  |
| -                         | -                | 135,338            | -  |
| 156,000                   | 745,686          | 271,767,496        | -  |
| 14,500                    | 547,617          | 8,554,957          | -  |
| -                         | -                | 482,291            | -  |
| 1,915,006                 | -                | 7,204,923          | -  |
| (68,234)                  | (630,755)        | (105,794,639)      | -  |
| <u>2,808,182</u>          | <u>777,515</u>   | <u>190,481,093</u> | <u>-</u>   |
| <u>7,243,227</u>          | <u>3,967,965</u> | <u>277,448,085</u> | <u>12,084,122</u>                                  |
| 323,336                   | 219,272          | 5,044,226          | 64,894   |
| -                         | -                | 317,281            | -  |
| -                         | -                | 11,380             | -  |
| -                         | -                | 2,930,000          | -  |
| 65,255                    | 2,708,144        | 5,031,405          | -  |
| -                         | 342              | 823,344            | -  |
| 62,986                    | 92,153           | 651,851            | -  |
| -                         | -                | 1,688,092          | -  |
| -                         | -                | 1,174,622          | -  |
| -                         | -                | 132,847            | -  |
| <u>451,577</u>            | <u>3,019,911</u> | <u>17,805,048</u>  | <u>64,894</u>                                      |
| -                         | -                | -                  | 1,877,300  |
| 112,512                   | 240,252          | 1,237,779          | -  |
| -                         | -                | 16,762,276         | -  |
| -                         | -                | 7,952,470          | -  |
| -                         | -                | 332,131            | -  |
| <u>112,512</u>            | <u>240,252</u>   | <u>26,284,656</u>  | <u>1,877,300</u>                                   |
| <u>564,089</u>            | <u>3,260,163</u> | <u>44,089,704</u>  | <u>1,942,194</u>                                   |
| 2,764,026                 | 662,548          | 160,080,104        | -  |
| -                         | -                | 9,100,000          | -  |
| -                         | -                | 3,617,654          | -  |
| -                         | -                | 6,400,000          | -  |
| -                         | -                | 8,900,000          | -  |
| 3,915,112                 | 45,254           | 45,260,623         | 10,141,928   |
| <u>6,679,138</u>          | <u>707,802</u>   | <u>233,358,381</u> | <u>10,141,928</u>                                  |
|                           |                  | <u>1,052,369</u>   | Adjustment to reflect accumulated internal         |
|                           |                  | <u>234,410,750</u> | service fund profit related to enterprise funds    |
|                           |                  |                    | net position of business-type activities (page 25) |

**CITY OF THOUSAND OAKS**  
**Statement of Revenues, Expenses, and Changes In Net Position**  
**Proprietary Funds**  
**Year ended June 30, 2013**

Page 1 of 2

|   | Business-type Activities |                       |                  |                  |
|---|--------------------------|-----------------------|------------------|------------------|
|   | Water Utility            | Wastewater<br>Utility | Golf Course      | Transportation   |
| <b>Operating revenues:</b>                            |                          |                       |                  |                  |
| Sales of water and wastewater services                | \$ 24,759,909            | 17,580,783            | -                | -                |
| Theatre rentals and fees                              | -                        | -                     | -                | -                |
| Charges for services and supplies                     | -                        | -                     | -                | -                |
| Bus and subsidized taxi fares                         | -                        | -                     | -                | 345,895          |
| Green fees, cart rentals and course memberships       | -                        | -                     | 4,359,328        | -                |
| Recycling fees  | -                        | -                     | -                | -                |
| Fees for service                                      | 638,923                  | 1,670,312             | -                | -                |
| Other   | 56,560                   | 28,145                | 279,689          | 1,185,397        |
| <b>Total operating revenues</b>                       | <b>25,455,392</b>        | <b>19,279,240</b>     | <b>4,639,017</b> | <b>1,531,292</b> |
| <b>Operating expenses:</b>                            |                          |                       |                  |                  |
| Salaries and employee benefits                        | 3,155,186                | 6,131,089             | -                | 148,774          |
| Contract services                                     | 1,647,688                | 3,465,648             | 4,233,831        | 3,094,592        |
| Utilities   | 420,686                  | 948,137               | -                | 4,312            |
| Purchase of water                                     | 14,382,245               | -                     | -                | -                |
| Materials and supplies                                | 655,074                  | 2,073,775             | -                | 968,827          |
| Claims expenses                                       | -                        | -                     | -                | -                |
| Administrative expenses                               | 57,128                   | 234,614               | 3,170            | 129,313          |
| Depreciation  | 1,797,115                | 5,312,938             | 380,004          | 309,184          |
| <b>Total operating expenses</b>                       | <b>22,115,122</b>        | <b>18,166,201</b>     | <b>4,617,005</b> | <b>4,655,002</b> |
| Operating income (loss)                               | 3,340,270                | 1,113,039             | 22,012           | (3,123,710)      |
| <b>Nonoperating revenues (expenses):</b>              |                          |                       |                  |                  |
| Interest income                                       | 64,931                   | -                     | 7,362            | 17,835           |
| Interest expense                                      | -                        | (778,470)             | (112,233)        | -                |
| Donations   | -                        | -                     | -                | -                |
| Rental of facilities                                  | 28,343                   | 57,600                | -                | 31,021           |
| Property taxes  | -                        | 10,302                | -                | -                |
| Federal assistance                                    | -                        | -                     | -                | 1,075,873        |
| State tax subventions                                 | -                        | -                     | -                | 3,017,230        |
| <b>Total nonoperating revenues (expenses)</b>         | <b>93,274</b>            | <b>(710,568)</b>      | <b>(104,871)</b> | <b>4,141,959</b> |
| Income (loss) before contributions and transfers      | 3,433,544                | 402,471               | (82,859)         | 1,018,249        |
| Capital contributions                                 | 188,597                  | 1,978,262             | -                | -                |
| Transfers out   | -                        | -                     | (60,108)         | -                |
| Change in net position                                | 3,622,141                | 2,380,733             | (142,967)        | 1,018,249        |
| Total net position - beginning, as restated (note 18) | 58,548,752               | 149,146,928           | 9,137,000        | 2,260,605        |
| <b>Total net position - ending</b>                    | <b>\$ 62,170,893</b>     | <b>151,527,661</b>    | <b>8,994,033</b> | <b>3,278,854</b> |

See accompanying notes to basic financial statements.

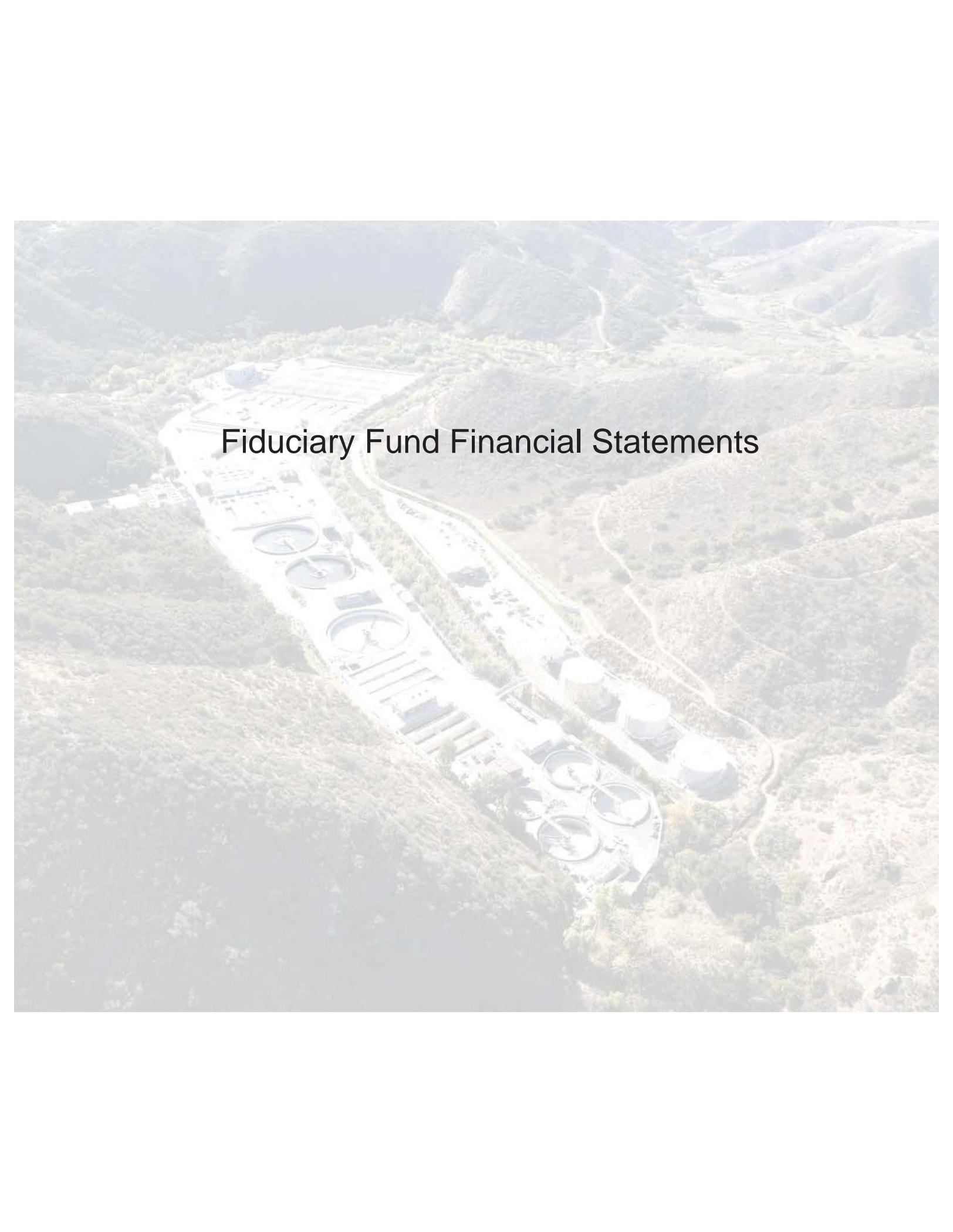
| Business-type Activities  |                  |                   | Govt. Activities -<br>Internal Service<br>Funds                                 |
|---------------------------|------------------|-------------------|---|
| Solid Waste<br>Management | Theatres         | Total             |   |
| -                         | -                | 42,340,692        | -   |
| -                         | 2,723,549        | 2,723,549         | -   |
| -                         | -                | -                 | 440,606   |
| -                         | -                | 345,895           | -   |
| -                         | -                | 4,359,328         | -   |
| 1,303,631                 | -                | 1,303,631         | -   |
| -                         | -                | 2,309,235         | -   |
| 312,788                   | 551,926          | 2,414,505         | -   |
| <u>1,616,419</u>          | <u>3,275,475</u> | <u>55,796,835</u> | <u>440,606</u>  |
| 894,510                   | 2,016,951        | 12,346,510        | -   |
| 695,525                   | 1,231,812        | 14,369,096        | -   |
| 41,654                    | 332,019          | 1,746,808         | -   |
| -                         | -                | 14,382,245        | -   |
| 205,159                   | 33,864           | 3,936,699         | -   |
| -                         | -                | -                 | 665,789   |
| 56,688                    | 374,972          | 855,885           | -   |
| 4,581                     | 81,890           | 7,885,712         | -   |
| <u>1,898,117</u>          | <u>4,071,508</u> | <u>55,522,955</u> | <u>665,789</u>  |
| <u>(281,698)</u>          | <u>(796,033)</u> | <u>273,880</u>    | <u>(225,183)</u>  |
| 5,455                     | 2,940            | 98,523            | 124,395   |
| -                         | -                | (890,703)         | -   |
| -                         | 300,000          | 300,000           | -   |
| -                         | -                | 116,964           | -   |
| -                         | -                | 10,302            | -   |
| -                         | -                | 1,075,873         | -   |
| -                         | -                | 3,017,230         | -   |
| <u>5,455</u>              | <u>302,940</u>   | <u>3,728,189</u>  | <u>124,395</u>  |
| (276,243)                 | (493,093)        | 4,002,069         | (100,788)   |
| -                         | -                | 2,166,859         | -   |
| -                         | -                | (60,108)          | -   |
| (276,243)                 | (493,093)        | 6,108,820         | (100,788)   |
| <u>6,955,381</u>          | <u>1,200,895</u> |                   | <u>10,242,716</u>   |
| <u>6,679,138</u>          | <u>707,802</u>   |                   | <u>10,141,928</u>   |
|                           |                  | <u>(74,861)</u>   | Adjustment to reflect internal service fund loss related to<br>enterprise funds |
|                           |                  | <u>6,033,959</u>  | Change in net position of business-type activities (page 27)                    |

**CITY OF THOUSAND OAKS**  
**Statement of Cash Flows - Proprietary Funds**  
**Year ended June 30, 2013**

|  | Business-type Activities |                       |                    |                    |
|--|--------------------------|-----------------------|--------------------|--------------------|
|  | Water Utility            | Wastewater<br>Utility | Golf Course        | Transportation     |
| <b>Cash flows from operating activities:</b>   |                          |                       |                    |                    |
| Cash received from customers   | \$ 25,448,709            | 19,361,527            | 4,817,374          | 690,991            |
| Cash payments for goods and services   | (16,845,130)             | (6,079,070)           | (4,129,219)        | (3,922,609)        |
| Cash payments to employees   | (3,195,874)              | (6,126,240)           | -                  | (148,145)          |
| Net cash provided by (used for) operating activities   | <u>5,407,705</u>         | <u>7,156,217</u>      | <u>688,155</u>     | <u>(3,379,763)</u> |
| <b>Cash flows from noncapital financing activities:</b>  |                          |                       |                    |                    |
| Property taxes and state tax subventions received  | -                        | 10,302                | -                  | 3,017,230          |
| Federal assistance   | -                        | -                     | -                  | 1,075,873          |
| Donations  | -                        | -                     | -                  | -                  |
| Transfers out  | -                        | -                     | (60,108)           | -                  |
| Net cash provided by (used for) noncapital financing activities  | <u>-</u>                 | <u>10,302</u>         | <u>(60,108)</u>    | <u>4,093,103</u>   |
| <b>Cash flows from capital and related financing activities:</b>   |                          |                       |                    |                    |
| Payments for capital acquisitions  | (1,514,004)              | (3,601,843)           | (961,856)          | (1,308,628)        |
| Principal repayments   | -                        | (2,793,700)           | -                  | -                  |
| Capital lease obligation repayments  | -                        | -                     | (136,781)          | -                  |
| Interest paid  | -                        | (778,470)             | (112,233)          | -                  |
| Net cash used for capital and related financing activities   | <u>(1,514,004)</u>       | <u>(7,174,013)</u>    | <u>(1,210,870)</u> | <u>(1,308,628)</u> |
| <b>Cash flows from investing activities:</b>   |                          |                       |                    |                    |
| Interest received (paid)   | 57,275                   | (1,018)               | 8,056              | 17,511             |
| Rental payments received   | 28,343                   | 57,600                | -                  | 31,021             |
| Net cash provided by investing activities  | <u>85,618</u>            | <u>56,582</u>         | <u>8,056</u>       | <u>48,532</u>      |
| Net increase (decrease) in cash and cash equivalents   | 3,979,319                | 49,088                | (574,767)          | (546,756)          |
| Cash and cash equivalents, beginning 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>   |
| Cash and cash equivalents, end of year (including \$1,310,562 for the Wastewater Utility fund reported in restricted accounts)       | <u>\$ 22,600,673</u>     | <u>44,293,332</u>     | <u>3,433,625</u>   | <u>1,566,671</u>   |
| <b>Reconciliation of operating income to net cash provided by operating activities:</b>  |                          |                       |                    |                    |
| Operating income (loss)  | <u>\$ 3,340,270</u>      | <u>1,113,039</u>      | <u>22,012</u>      | <u>(3,123,710)</u> |
| <b>Adjustments to reconcile operating loss to net cash used for operating activities:</b>  |                          |                       |                    |                    |
| Depreciation expense   | 1,797,115                | 5,312,938             | 380,004            | 309,184            |
| (Increase) decrease in accounts/notes receivable   | (192,727)                | 83,414                | 162,500            | (370,263)          |
| (Increase) decrease in due from other governments  | 163,817                  | (1,127)               | -                  | (440,480)          |
| (Increase) decrease in inventories   | (10,493)                 | 33,032                | (4,358)            | -                  |
| (Increase) decrease in prepaid expenses  | -                        | -                     | 100,912            | -                  |
| (Increase) decrease in net OPEB asset  | (887)                    | (1,673)               | -                  | (36)               |
| Increase (decrease) in accounts payables   | (473,374)                | 638,555               | 230,077            | 274,435            |
| Increase (decrease) in accrued liabilities   | 801,558                  | (28,483)              | -                  | -                  |
| (Decrease) in due to other agencies  | -                        | -                     | (13,849)           | -                  |
| (Decrease) in due to other funds   | -                        | -                     | (205,000)          | -                  |
| Increase (decrease) in compensated absences  | (39,801)                 | 6,522                 | -                  | 665                |
| Increase (decrease) in unearned revenue and deposits   | 22,227                   | -                     | 15,857             | (29,558)           |
| (Decrease) in claims payable   | -                        | -                     | -                  | -                  |
| Total adjustments  | <u>2,067,435</u>         | <u>6,043,178</u>      | <u>666,143</u>     | <u>(256,053)</u>   |
| Net cash provided by (used for) operating activities   | <u>\$ 5,407,705</u>      | <u>7,156,217</u>      | <u>688,155</u>     | <u>(3,379,763)</u> |
| <b>Noncash investing, capital, and financing activities:</b>   |                          |                       |                    |                    |
| Contributions of property, plant and equipment from developers and other funds   | 188,597                  | 1,978,262             | -                  | -                  |

See accompanying notes to basic financial statements.

| Business-type Activities |                  |                     | Govt. Activities       |
|--------------------------|------------------|---------------------|------------------------|
| Solid Waste Management   | Theatres         | Total               | Internal Service Funds |
| 1,390,764                | 3,642,987        | 55,352,352          | 440,606                |
| (788,451)                | (1,899,040)      | (33,663,519)        | (966,966)              |
| (822,578)                | (2,004,485)      | (12,297,322)        | -                      |
| <u>(220,265)</u>         | <u>(260,538)</u> | <u>9,391,511</u>    | <u>(526,360)</u>       |
| -                        | -                | 3,027,532           | -                      |
| -                        | -                | 1,075,873           | -                      |
| -                        | 300,000          | 300,000             | -                      |
| -                        | -                | (60,108)            | -                      |
| <u>-</u>                 | <u>300,000</u>   | <u>4,343,297</u>    | <u>-</u>               |
| (1,536,659)              | (55,902)         | (8,978,892)         | -                      |
| -                        | -                | (2,793,700)         | -                      |
| -                        | -                | (136,781)           | -                      |
| -                        | -                | (890,703)           | -                      |
| <u>(1,536,659)</u>       | <u>(55,902)</u>  | <u>(12,800,076)</u> | <u>-</u>               |
| 8,533                    | 4,047            | 94,404              | 125,662                |
| -                        | -                | 116,964             | -                      |
| <u>8,533</u>             | <u>4,047</u>     | <u>211,368</u>      | <u>125,662</u>         |
| (1,748,391)              | (12,393)         | 1,146,100           | (400,698)              |
| <u>5,616,953</u>         | <u>3,008,980</u> | <u>77,613,350</u>   | <u>12,455,918</u>      |
| <u>3,868,562</u>         | <u>2,996,587</u> | <u>78,759,450</u>   | <u>12,055,220</u>      |
| <u>(281,698)</u>         | <u>(796,033)</u> | <u>273,880</u>      | <u>(225,183)</u>       |
| 4,581                    | 81,890           | 7,885,712           | -                      |
| 2,729                    | 81,645           | (232,702)           | -                      |
| (237,388)                | -                | (515,178)           | -                      |
| -                        | -                | 18,181              | -                      |
| -                        | (3,120)          | 97,792              | (101)                  |
| (220)                    | (407)            | (3,223)             | -                      |
| 210,575                  | 76,747           | 957,015             | (83,476)               |
| -                        | -                | 773,075             | -                      |
| -                        | -                | (13,849)            | -                      |
| -                        | -                | (205,000)           | -                      |
| 72,152                   | 12,873           | 52,411              | -                      |
| 9,004                    | 285,867          | 303,397             | -                      |
| -                        | -                | -                   | (217,600)              |
| <u>61,433</u>            | <u>535,495</u>   | <u>9,117,631</u>    | <u>(301,177)</u>       |
| <u>(220,265)</u>         | <u>(260,538)</u> | <u>9,391,511</u>    | <u>(526,360)</u>       |
| -                        | -                | 2,166,859           | -                      |



Fiduciary Fund Financial Statements

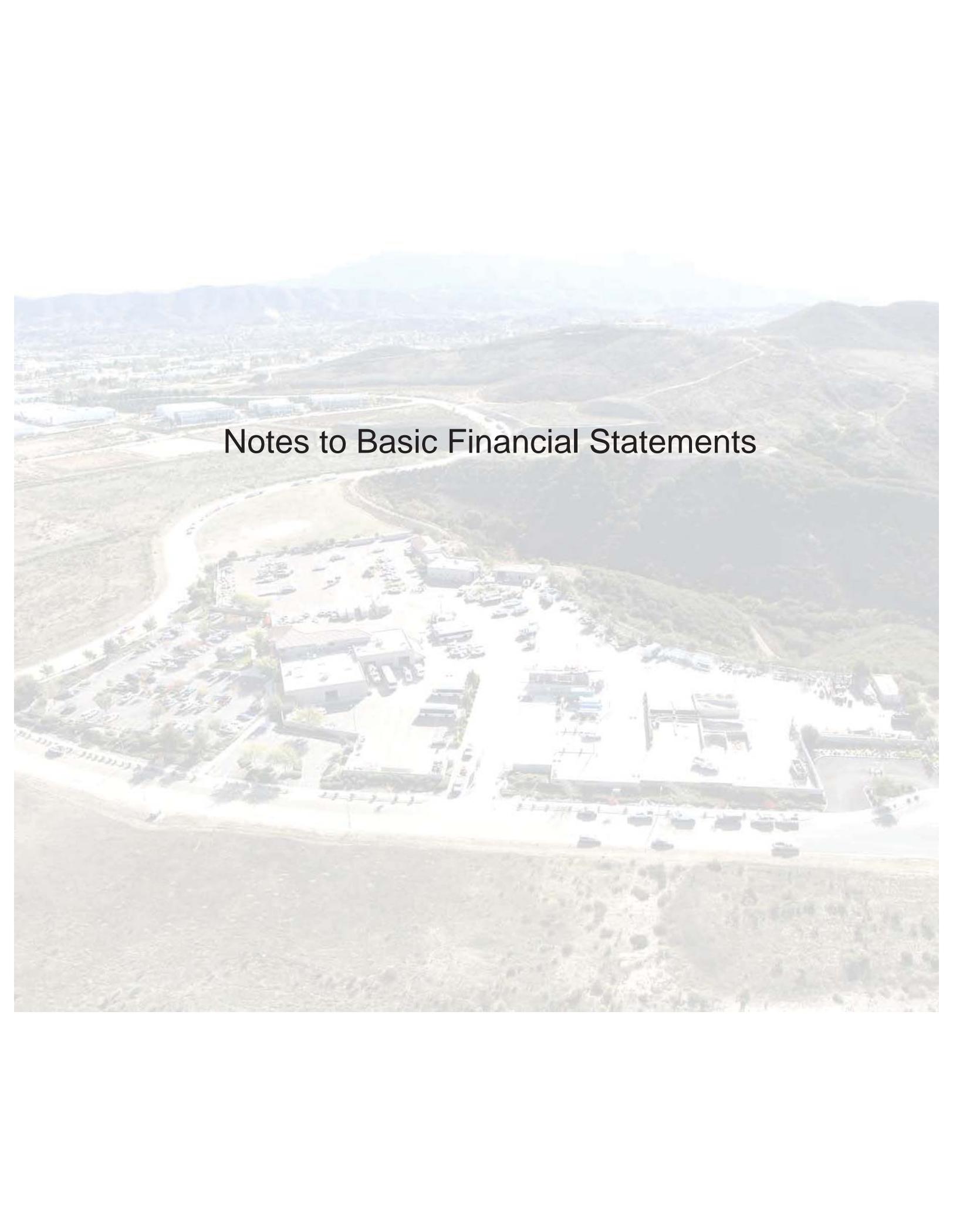
**CITY OF THOUSAND OAKS**  
**Statement of Fiduciary Net Position - Fiduciary Funds**  
**June 30, 2013**

|   | Agency Funds     | Thousand Oaks<br>Redevelopment<br>Successor Agency | Defined Benefits<br>Trust Fund |
|---|------------------|--|--------------------------------|
| <b>Assets:</b>                            |                  |  |                                |
| Current assets:                           |                  |  |                                |
| Cash and investments                      | \$ 6,586,524     | 30,619,932   | 1,627,892                      |
| Receivables:                              |                  |  |                                |
| Accounts                                  | 93,395           | 8,780  | -                              |
| Accrued interest                          | 10,197           | -  | -                              |
| Total current assets                      | <u>6,690,116</u> | <u>30,628,712</u>                                  | <u>1,627,892</u>               |
| Noncurrent assets:                        |                  |  |                                |
| Capital assets:                           |                  |  |                                |
| Land                                      | -                | 20,163,290   | -                              |
| Buildings and improvements                | -                | 25,799,767   | -                              |
| Infrastructure                            | -                | 4,391,713  | -                              |
| Construction in progress                  | -                | 120,473  | -                              |
| Less accumulated depreciation             | -                | (1,434,200)  | -                              |
| Total noncurrent assets                   | <u>-</u>         | <u>49,041,043</u>                                  | <u>-</u>                       |
| Total assets                              | <u>6,690,116</u> | <u>79,669,755</u>                                  | <u>1,627,892</u>               |
| <b>Liabilities:</b>                       |                  |  |                                |
| Current liabilities:                      |                  |  |                                |
| Accounts payable                          | 48,542           | 312  | 12,220                         |
| Accrued liabilities                       | -                | 237,474  | -                              |
| Due to other agencies                     | 5,690            | -  | -                              |
| Deposits                                  | 6,635,884        | 69,200   | -                              |
| Notes/loans payable - current             | -                | 6,850,468  | -                              |
| Total current liabilities                 | <u>6,690,116</u> | <u>7,157,454</u>                                   | <u>12,220</u>                  |
| Noncurrent liabilities:                   |                  |  |                                |
| Notes/loans payable, less current portion | -                | 50,230,000   | -                              |
| Total liabilities                         | <u>6,690,116</u> | <u>57,387,454</u>                                  | <u>12,220</u>                  |
| <b>Net position:</b>                      |                  |  |                                |
| Held in trust for pension benefits        | -                | -  | 1,615,671                      |
| Held in trust for other purposes          | -                | 22,282,301   | -                              |
| Total net position                        | <u>\$ -</u>      | <u>22,282,301</u>                                  | <u>1,615,671</u>               |

See accompanying notes to basic financial statements.

**CITY OF THOUSAND OAKS**  
**Statement of Changes in Net Position - Fiduciary Funds**  
**June 30, 2013**

|   | Thousand Oaks<br>Redevelopment<br>Successor Agency | Defined Benefits<br>Trust Fund |
|---|--|--------------------------------|
| <b>Additions:</b>                               |  |                                |
| Property taxes                                  | \$ 8,716,163                                       | -                              |
| Contributions:                                  |  |                                |
| Employer  | -  | 211,981                        |
| Employee  | -  | 76,777                         |
| Investment earnings                             | 25,668   | 78,092                         |
| Other   | 111,231  | -                              |
| Total Additions                                 | <u>8,853,062</u>                                   | <u>366,850</u>                 |
| <b>Deductions:</b>                              |  |                                |
| Program expenses                                | 6,732,352  | -                              |
| Benefits  | -  | 159,533                        |
| Administrative expenses                         | 250,000  | 41,965                         |
| Interest and fiscal agency expenses             | 2,573,975  | -                              |
| Depreciation                                    | 1,039,266  | -                              |
| Total Deductions                                | <u>10,595,593</u>                                  | <u>201,498</u>                 |
| Changes in net position                         | (1,742,531)  | 165,352                        |
| Net position - beginning, as restated (note 18) | <u>24,024,832</u>                                  | <u>1,450,319</u>               |
| Net position - ending                           | <u>\$ 22,282,301</u>                               | <u>1,615,671</u>               |

An aerial photograph of a large industrial or commercial complex. The facility consists of several large, interconnected buildings with flat roofs, surrounded by extensive parking areas filled with cars. The complex is situated on a hillside, with a road curving around it. In the background, there are rolling hills and a cityscape under a clear sky. The text "Notes to Basic Financial Statements" is overlaid in the center of the image.

Notes to Basic Financial Statements

# CITY OF THOUSAND OAKS

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

June 30, 2013

### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Description of Reporting Entity

##### **City**

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.

##### **Authority**

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 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 Authority has been accounted for as a "blended" component unit of the City. The following specific criteria were used in determining that the Authority was a "blended" component unit:

- The members of the City Council also act as the governing body of the Authority.
- The Authority is managed by employees of 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, this entity is so intertwined with the City that it is, in substance, part of the City's operations. Accordingly, the balances and transactions of this component unit are reported within the funds of the City. The City does not issue separate financial statements for the Authority.

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.

## CITY OF THOUSAND OAKS

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

June 30, 2013

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

Effective July 1, 2012, the City adopted the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1939 FASB and AICPA Pronouncements*. The objective of GASB Statement No. 62 is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

Effective July 1, 2012, the City adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of GASB Statement No. 63 is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It will alleviate uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

GASB Statement No. 63 amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

Effective July 1, 2012, the City adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB 65, among other things, amends prior guidance with respect to the treatment of debt issuance costs. Debt issuance costs should be recognized in the period incurred rather than reported on the statement of net position as deferred charges and recognized systematically over the life of the debt. The accounting changes of this statement should be applied retroactively and therefore the City has reported a restatement of beginning net position for any unamortized debt issuance costs (deferred charges) previously reported on the statement of net position to conform.

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

The government-wide financial statements consist of the statement of net position and statement of activities, as well as, report information on all of the nonfiduciary activities of the City and its component unit. 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 position have been eliminated, with the exception of those representing balances between governmental activities and the business-type

## CITY OF THOUSAND OAKS

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

June 30, 2013

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 reported as program revenues are reported 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 30 and 33.

#### **(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 position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources, which represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

## CITY OF THOUSAND OAKS

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

June 30, 2013

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.

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.

## CITY OF THOUSAND OAKS

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

June 30, 2013

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

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.

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.

## CITY OF THOUSAND OAKS

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

June 30, 2013

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 43-44 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 43 and by fund in the combining statements on pages 114-120. 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 former Redevelopment Agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations 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.

## CITY OF THOUSAND OAKS

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

June 30, 2013

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 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.

#### **(e) Net Position Reporting and Business Fund Type Definitions**

As of June 30, 2013, business funds were made up of the following net position classifications:

**Net Investments in Capital Assets** consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the asset.

#### **Restricted for:**

*Capital Refurbishment and Replacement* is a restriction to fund future replacement of current capital assets held by the utility. Reserve amounts are 5% of current capital assets value.

## CITY OF THOUSAND OAKS

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

June 30, 2013

*Debt Service* is a restriction used to fund future obligations that are necessary to maintain reliable infrastructure. Reserve amounts are ensuring a required coverage ratio of 125%.

*Emergency Reserve* is a restriction to allow the utility to provide uninterrupted service in light of a fiscal or physical emergency. Reserve amounts are projected replacement costs of key components of the utility.

*Operating Reserve* is a restriction to provide working capital to support the operation, maintenance, and administration of the utility. Reserve amounts are targeted to be 25% of operating budget.

**Unrestricted** consists of the remaining net position that does not meet the definition of “net investments in capital assets” or “restricted net position”.

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.

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

As of June 30, 2013, governmental funds were made up of the following fund balance classifications:

**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).

## CITY OF THOUSAND OAKS

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

June 30, 2013

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.

#### **(g) 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. As of June 30, 2013, the aggregate unrealized loss for the City's entire investment portfolio across all funds was \$1,168,206, with \$574,924 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 \$30,375,647 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.

#### **(h) 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

## CITY OF THOUSAND OAKS

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

June 30, 2013

10. The County of Ventura bills and collects property taxes on behalf of the City. Delinquent property taxes receivable as of June 30, 2013, was \$229,705.

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, 2013, the City did not have a liability due.

#### **(i) 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 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.

#### **(j) 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.

#### **(k) 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 outlays are recorded as expenditures in the Governmental 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

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

**(l) 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.

**(m) 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 compensated absences in the government-wide and proprietary fund statements of net position. 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 position as of June 30, 2013, is as follows:

| Fund Type                               | Fiscal Year<br>2012-13 |                       |                     | Fiscal Year<br>2011-12 |
|---|------------------------|-----------------------|---------------------|------------------------|
|   | Current<br>Portion     | Noncurrent<br>Portion | Total               | Total                  |
| <b>Governmental Activities:</b>         |                        |                       |                     |                        |
| General Fund                            | \$ 1,573,644           | \$ 2,479,631          | \$ 4,053,275        | \$ 4,257,500           |
| Library                                 | 233,672                | 602,124               | 835,796             | 857,631                |
| County Flood Control Benefit Assessment | 24,073                 | 31,238                | 55,311              | 53,097                 |
| Landscape and Lighting Districts        | 50,872                 | 61,394                | 112,266             | 124,948                |
| <b>Total Governmental Activities</b>    | <b>\$ 1,882,261</b>    | <b>\$ 3,174,387</b>   | <b>\$ 5,056,648</b> | <b>\$ 5,293,176</b>    |
| <b>Business-type Activities:</b>        |                        |                       |                     |                        |
| Water                                   | 168,706                | 346,787               | 515,493             | 555,294                |
| Wastewater                              | 317,281                | 532,546               | 849,827             | 843,305                |
| Transportation                          | 10,725                 | 5,682                 | 16,407              | 15,742                 |
| Solid Waste                             | 62,986                 | 112,512               | 175,498             | 103,346                |
| Theatres                                | 92,153                 | 240,252               | 332,405             | 319,532                |
| <b>Total Business-type Activities</b>   | <b>\$ 651,851</b>      | <b>\$ 1,237,779</b>   | <b>\$ 1,889,630</b> | <b>\$ 1,837,219</b>    |
| <b>Total Compensated Absences</b>       | <b>\$ 2,534,112</b>    | <b>\$ 4,412,166</b>   | <b>\$ 6,946,278</b> | <b>\$ 7,130,395</b>    |

**(n) 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 position. Bond premiums are deferred and amortized over the life of the bonds. Bond payables are reported net of the applicable bond premiums.

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2013

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 was 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.

### (o) 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 position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. 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 (\$19,905,287) difference are as follows:

|  |                              |
|--|------------------------------|
| Lease revenue bond payable   | \$(14,940,093)               |
| Loss on refunding  | 195,845                      |
| Compensated absences   | (5,056,648)                  |
| Interest payable   | (51,809)                     |
| Termination benefits   | <u>(52,582)</u>              |
| Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i> | <u><b>\$(19,905,287)</b></u> |

Another element of the reconciliation states that “other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.” The details of this \$16,474,285 difference are as follows:

|  |                             |
|--|-----------------------------|
| Other post employment benefit asset  | \$ 4,547,774                |
| Accrued insurance liability  | 402                         |
| Unearned revenues  | <u>11,926,109</u>           |
| Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i> | <u><b>\$ 16,474,285</b></u> |

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements  
(Continued)

June 30, 2013

**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 position 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 \$5,415,532 difference are as follows:

|  |                            |
|--|----------------------------|
| Capital outlay   | \$ 19,404,120              |
| Depreciation expense   | <u>(13,988,588)</u>        |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> | <u><b>\$ 5,415,532</b></u> |

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 position.” The details of this \$1,489,196 difference are as follows:

|  |                            |
|--|----------------------------|
| In the statement of activities, 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 position differs from the change in fund balance by the cost of the capital assets sold. | \$ 110,776                 |
| Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.  | <u>1,378,420</u>           |
| Net adjustment to increase <i>net changes in fund balance - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> .  | <u><b>\$ 1,489,196</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 position. Also, governmental funds report the effect of premiums, gains or losses on defeasance of debt, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$285,417 difference are as follows on the next page:

# CITY OF THOUSAND OAKS

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

June 30, 2013

|  |                          |
|--|--------------------------|
| Lease revenue bonds principal payments   | \$ 520,000               |
| Write-off of debt issuance cost  | (230,333)                |
| Amortization of loss on refunding  | (10,308)                 |
| Amortization of premiums   | <u>6,058</u>             |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> | <u><b>\$ 285,417</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 \$235,308 difference are as follows:

|   |                          |
|---|--------------------------|
| Compensated absences  | \$ 236,528               |
| Accrued interest  | 1,300                    |
| Termination benefits  | (11,186)                 |
| Net change in prepaid expense   | <u>8,666</u>             |
| Net adjustments to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> | <u><b>\$ 235,308</b></u> |

### **(p) 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, 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 budget was adopted for, and 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.

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.

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

Budgetary data is presented in the basic financial statements, pages 34-36, and combining financial statements and schedules sections, pages 105-109.

**(q) 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.

**(r) 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.

**(2) CASH AND INVESTMENTS**

Cash and investments as of June 30, 2013, are classified in the accompanying financial statements as follows:

|                                       |                       |
|---------------------------------------|-----------------------|
| Statement of Net Position:            |                       |
| Cash and investments                  | \$ 220,622,486        |
| Restricted cash and investments       | 2,478,327             |
| Fiduciary Funds:                      |                       |
| Agencies cash and investments         | 6,586,524             |
| Successor agency cash and investments | 30,619,932            |
| Pension trust cash and investments    | 1,627,892             |
| Total cash and investments            | <u>\$ 261,935,161</u> |

Cash and investments as of June 30, 2013, consist of the following:

|   |                       |
|---|-----------------------|
| Cash on hand                              | \$ 106,394            |
| Deposits with financial institutions      | 104,058,976           |
| Investments held by City and bond trustee | 156,157,896           |
| Investments held by pension plan          | 1,611,895             |
| Total cash and investments                | <u>\$ 261,935,161</u> |

**(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

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

**concentration of credit risk.** This table does not address investments of debt proceeds held by bond trustee which are governed by the provision of debt agreements of the City.

| 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.

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

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than by 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**.

| Authorized Investment Type   | Maximum Maturity | Maximum Percentage Allowed | Maximum Investment in One Issuer |
|--|------------------|----------------------------|----------------------------------|
| U.S. Treasury Obligations  | None             | None                       | N/A                              |
| U.S. Agencies  | None             | None                       | None                             |
| U.S. Dollar Denominated Deposit Accounts,<br>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

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

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>Amount</u>         | <u>Weighted Average<br/>Maturity (in years)</u> |
|---------------------------------|-----------------------|---|
| U.S. Agencies - Fixed Coupons   | \$ 68,624,050         | 3.74  |
| U.S. Agencies - Step-Up Coupons | 8,288,391             | 4.36  |
| Municipal Bonds                 | 21,737,294            | 2.23  |
| LAIF                            | 30,375,647            | 0.76  |
| GNMA Passthrough Securities     | 475                   | 3.04  |
| Held by Fiscal Agent:           |                       |   |
| Money Market Funds              | 13,803,553            | 0.15  |
| LAIF                            | 13,328,486            | 0.76  |
|                                 | <u>\$ 156,157,896</u> |   |

**(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>          | <u>Amount</u>         | <u>Minimum<br/>Legal<br/>Rating</u> | <u>AAA</u> | <u>AA/A</u>   | <u>Unrated</u> |
|---------------------------------|-----------------------|-------------------------------------|------------|---------------|----------------|
| U.S. Agencies - Fixed Coupons   | \$ 68,624,050         | None                                |            | \$ 68,624,050 |                |
| U.S. Agencies - Step-Up Coupons | 8,288,391             | None                                |            | 8,288,391     |                |
| Municipal Bonds                 | 21,737,294            | A                                   |            | 21,737,294    |                |
| LAIF                            | 30,375,647            | None                                |            |               | \$ 30,375,647  |
| GNMA Passthrough Securities     | 475                   | None                                | \$ 475     |               |                |
| Held by Fiscal Agent:           |                       |                                     |            |               |                |
| Money Market Funds              | 13,803,553            | AAA                                 | 13,803,553 |               |                |
| LAIF                            | 13,328,486            | None                                |            |               | 13,328,486     |
| Total                           | <u>\$ 156,157,896</u> |                                     |            |               |                |

**(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

## CITY OF THOUSAND OAKS

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

June 30, 2013

securities that are in the possession of an outside party. As of June 30, 2013, \$104,058,976 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 fully insured up to \$250,000 by the FDIC. As of June 30, 2013, the City had \$104,058,976 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       | \$ 17,188,308          |
| Federal Home Loan Mortgage Corporation | Coupon Securities       | \$ 20,934,907          |
| Federal National Mortgage Association  | Coupon Securities       | \$ 32,895,681          |
| Comerica Bank                          | Collateralized Deposits | \$ 19,000,000          |
| Community Bank                         | Collateralized Deposits | \$ 28,000,000          |
| Rabobank, N.A.                         | Collateralized Deposits | \$ 15,000,000          |
| Union Bank, N.A.                       | Collateralized Deposits | \$ 35,028,269          |

#### **(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.

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

**(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, 2013, was as follows:

| <u>Pension Plan Trust Fund Investments</u> | <u>Fair Value</u> | <u>Percent<br/>of Portfolio</u> |
|--|-------------------|---------------------------------|
| HighMark PLUS Moderate                     | \$ 1,611,895      | 100%                            |

**(3) LOANS AND NOTES RECEIVABLE**

The former Redevelopment Agency engaged in projects designed to improve, construct, and preserve low and moderate income housing units. Under these housing projects, notes and loans were provided under favorable terms to non-profit organizations or developers who agreed to comply with the former Redevelopment Agency's terms. As a result of the dissolution of the former Redevelopment Agency on February 1, 2012, the loans and notes were transferred to the Thousand Oaks Housing Successor Fund. As of June 30, 2013, loans and notes receivable totaling \$30,894,152 consists of \$28,601,731 from the Thousand Oaks Housing Successor Fund and \$2,292,421 from other governmental funds:

|  |                             |
|--|-----------------------------|
| Thousand Oaks Housing Successor Fund:      |                             |
| 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                     | 338,608                     |
| Others                                     | 97,423                      |
| Total Thousand Oaks Housing Successor Fund | <u>\$ 28,601,731</u>        |
| Other Governmental Funds:                  |                             |
| CDBG                                       | \$ 1,254,600                |
| Thomas Terrace Senior Housing              | 500,000                     |
| Others                                     | 537,821                     |
| Total Other Governmental Funds:            | <u>\$ 2,292,421</u>         |
| Total loans/notes receivable               | <u><u>\$ 30,894,152</u></u> |

## CITY OF THOUSAND OAKS

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

June 30, 2013

Major housing loan projects that the Thousand Oaks Housing Successor Fund and other Governmental Funds are involved in are described as follows:

#### **Shadows Apartments**

During fiscal year 2006-07, the former Redevelopment 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. Loan repayment shall be made from residual receipts and the loan is expected to be repaid in full by April 1, 2062.

#### **Los Feliz Drive**

During fiscal year 2006-07, the former Redevelopment Agency entered into a \$5.9 million City loan agreement with Area Housing Authority of the County of Ventura for the acquisition and development of a 56 unit low and very-low income housing project on five parcels located on Los Feliz Drive. During fiscal year 2010-11, an Owner Participation Agreement was executed for an additional \$0.7 million pre-development loan, for a total of \$6.6 million. Promissory notes were executed during fiscal year 2012-13 with \$5.1 million of the loan bearing 3 percent interest per annum. Loan repayment shall be made from residual receipts and the loan is expected to be repaid in full by March 8, 2068. The remaining \$1.5 million loan bears no interest and is due in installments in fiscal year 2013-14 through fiscal year 2015-16 based on construction milestones subject to mutual modifications.

#### **Hillcrest Drive**

During fiscal years 2006-07 and 2007-08, the former Redevelopment Agency entered into a \$5.6 million loan agreement with Many Mansions for the acquisition and pre-development of a 60 unit low, very-low, and extremely-low income housing project on five parcels located on Hillcrest Drive and Los Feliz Drive. 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. 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 within 55 years from project completion.

#### **Bella Vista Apartments**

During fiscal year 2004-05, the former Redevelopment 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.

## CITY OF THOUSAND OAKS

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

June 30, 2013

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

During fiscal year 2004-05, the former Redevelopment 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.

#### **Thomas Terrace Senior Housing**

The City entered into a \$2.0 million loan agreement with Many Mansions during April 2013 to finance the development of Thomas Terrace, an 82-unit senior affordable housing project. Pursuant to the loan agreement, \$0.5 million of the loan was funded by the Housing Trust Fund and disbursed in May 2013 for pre-development costs. The remaining funds are to be disbursed for property acquisition and development expenses, subject to further project approval. As of June 30, 2013, the outstanding loan receivable balance of \$0.5 million is expected to be repaid without interest in October 2014.

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

As part of the former Low and Moderate Income Housing Fund activities, the former Redevelopment Agency exercised 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 Thousand Oaks 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, 2013, assets held for resale totaling \$0.7 million consist of two Park Lane Condominiums acquired during fiscal years 2005-06 and 2006-07.

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

**(5) CAPITAL ASSETS**

**(a) Governmental Activities:**

Capital assets governmental activity for the year ended June 30, 2013, was as follows:

**Capital Asset Governmental Activity**

|   | Balance at<br>July 1, 2012   | Additions                  | Disposals                  | Balance at<br>June 30, 2013  |
|---|------------------------------|----------------------------|----------------------------|------------------------------|
| <b>Capital assets, not being depreciated:</b> |                              |                            |                            |                              |
| Land  | \$ 112,011,644               | \$ 36,667                  | \$ -                       | \$ 112,048,311               |
| Intangibles                                   | 289,297                      | 459,333                    | -                          | 748,630                      |
| Construction in progress                      | 10,137,484                   | 13,417,887                 | 2,627,710                  | 20,927,661                   |
| Total   | <u>122,438,425</u>           | <u>13,913,887</u>          | <u>2,627,710</u>           | <u>133,724,602</u>           |
| <b>Capital assets, being depreciated:</b>     |                              |                            |                            |                              |
| Buildings and improvements                    | 129,836,927                  | 4,458,586                  | 372,539                    | 133,922,974                  |
| Equipment                                     | 10,599,247                   | 764,455                    | 380,670                    | 10,983,032                   |
| Intangibles                                   | 789,947                      | 119,576                    | -                          | 909,523                      |
| Infrastructure                                | 411,298,703                  | 4,153,746                  | -                          | 415,452,449                  |
| Total   | <u>552,524,824</u>           | <u>9,496,363</u>           | <u>753,209</u>             | <u>561,267,978</u>           |
| Less accumulated depreciation for:            |                              |                            |                            |                              |
| Buildings and improvements                    | 37,921,353                   | 3,377,290                  | 372,539                    | 40,926,104                   |
| Equipment*                                    | 6,778,575                    | 878,169                    | 380,670                    | 7,276,074                    |
| Intangibles                                   | 502,432                      | 85,094                     | -                          | 587,526                      |
| Infrastructure                                | 192,313,623                  | 9,648,035                  | -                          | 201,961,658                  |
| Total   | <u>237,515,983</u>           | <u>13,988,588</u>          | <u>753,209</u>             | <u>250,751,362</u>           |
| Total, net depreciation                       | <u>315,008,841</u>           | <u>(4,492,225)</u>         | <u>-</u>                   | <u>310,516,616</u>           |
| <b>Total net capital assets</b>               | <u><b>\$ 437,447,266</b></u> | <u><b>\$ 9,421,662</b></u> | <u><b>\$ 2,627,710</b></u> | <u><b>\$ 444,241,218</b></u> |

\*Beginning balance restated due to prior period adjustment.

Construction in progress additions of \$13.4 million resulted primarily from \$5.6 million for Wendy Drive/101 freeway interchange improvements, \$2.4 million for pavement overlay projects, \$1.6 million for Erbes Road improvements, \$0.9 million for hi-maintenance relief drain improvements, \$0.9 million for Municipal Service Center (MSC) expansion, and \$0.6 million for Civic Arts Plaza security upgrades. The remaining \$1.4 million resulted from various projects such as: Lynn Road bike lanes, parking structure improvements, and Kavli Theatre lobby renovation.

Buildings and improvements additions of \$4.5 million resulted primarily from \$1.9 million for Hillcrest roof deck improvements, \$1.4 million for Neighborhood Improvement program, and \$1.0 million for library mechanical improvements. The remaining \$0.2 million resulted from various projects such as improvements to City facilities communication system and traffic signals.

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

Infrastructure additions of \$4.2 million resulted primarily from \$1.7 million of pavement overlay, \$1.2 million for Moorpark Road repavement and sidewalk improvements, and \$0.9 million in developer donations for roads, sidewalks, and storm drains. The remaining \$0.4 million resulted from various projects such as: bike paths, street signs, and sidewalks.

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

Water Fund construction in progress additions of \$1.2 million is primarily due to \$0.9 million for reservoir and pump improvements and \$0.2 million for MSC expansion. The remaining \$0.1 million is for miscellaneous water improvements.

Wastewater Fund buildings and improvements additions of \$4.9 million were primarily for installation of: wastewater lines for \$2.0 million, interceptor for \$1.8 million, utility covers for \$0.4 million, and primary clarifiers for \$0.4 million. The remaining \$0.3 million was for miscellaneous improvements.

Transportation Fund construction in progress additions of \$1.3 million is primarily due to \$1.0 million for transportation center parking expansion and \$0.3 million for MSC expansion.

Solid Waste Fund construction in progress additions of \$1.5 million is primarily due to the MSC expansion.

Capital asset business-type activity for the year ended June 30, 2013, was as follows:

**Capital Asset Business-type Activity**

|  | Balance at<br>July 1, 2012  | Additions                 | Disposals               | Balance at<br>June 30, 2013 |
|--|-----------------------------|---------------------------|-------------------------|-----------------------------|
| <b><u>Water Utility Fund:</u></b>            |                             |                           |                         |                             |
| Capital assets, not being depreciated:       |                             |                           |                         |                             |
| Land   | \$ 2,344,632                | \$ -                      | \$ -                    | \$ 2,344,632                |
| Intangibles                                  | 45,473                      | -                         | -                       | 45,473                      |
| Construction in progress                     | 407,496                     | 1,233,519                 | -                       | 1,641,015                   |
| Total  | <u>2,797,601</u>            | <u>1,233,519</u>          | <u>-</u>                | <u>4,031,120</u>            |
| Capital assets, being depreciated:           |                             |                           |                         |                             |
| Buildings and improvements                   | 57,870,671                  | 489,740                   | 44,871                  | 58,315,540                  |
| Equipment                                    | 897,642                     | -                         | -                       | 897,642                     |
| Intangibles                                  | 482,291                     | -                         | -                       | 482,291                     |
| Total  | <u>59,250,604</u>           | <u>489,740</u>            | <u>44,871</u>           | <u>59,695,473</u>           |
| Less accumulated depreciation for:           |                             |                           |                         |                             |
| Buildings and improvements                   | 22,755,349                  | 1,667,537                 | 24,213                  | 24,398,673                  |
| Equipment                                    | 644,365                     | 81,349                    | -                       | 725,714                     |
| Intangibles                                  | 171,644                     | 48,229                    | -                       | 219,873                     |
| Total  | <u>23,571,358</u>           | <u>1,797,115</u>          | <u>24,213</u>           | <u>25,344,260</u>           |
| Total, net depreciation                      | <u>35,679,246</u>           | <u>(1,307,375)</u>        | <u>20,658</u>           | <u>34,351,213</u>           |
| <b>Water Utility Fund net capital assets</b> | <b><u>\$ 38,476,847</u></b> | <b><u>\$ (73,856)</u></b> | <b><u>\$ 20,658</u></b> | <b><u>\$ 38,382,333</u></b> |

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

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

|   | Balance at<br>July 1, 2012   | Additions                  | Disposals               | Balance at<br>June 30, 2013  |
|---|------------------------------|----------------------------|-------------------------|------------------------------|
| <b><u>Wastewater Utility Fund:</u></b>            |                              |                            |                         |                              |
| Capital assets, not being depreciated:            |                              |                            |                         |                              |
| Land  | \$ 1,463,180                 | \$ -                       | \$ -                    | \$ 1,463,180                 |
| Intangibles                                       | 89,865                       | -                          | -                       | 89,865                       |
| Construction in progress                          | 586,616                      | 567,592                    | 54,165                  | 1,100,043                    |
| Total   | <u>2,139,661</u>             | <u>567,592</u>             | <u>54,165</u>           | <u>2,653,088</u>             |
| Capital assets, being depreciated:                |                              |                            |                         |                              |
| Buildings and improvements                        | 196,654,029                  | 4,863,716                  | 180                     | 201,517,565                  |
| Equipment   | 2,898,760                    | 217,443                    | 80,977                  | 3,035,226                    |
| Total   | <u>199,552,789</u>           | <u>5,081,159</u>           | <u>81,157</u>           | <u>204,552,791</u>           |
| Less accumulated depreciation for:                |                              |                            |                         |                              |
| Buildings and improvements                        | 66,772,990                   | 5,078,664                  | -                       | 71,851,654                   |
| Equipment   | 1,478,153                    | 234,274                    | 66,677                  | 1,645,750                    |
| Total   | <u>68,251,143</u>            | <u>5,312,938</u>           | <u>66,677</u>           | <u>73,497,404</u>            |
| Total, net depreciation                           | <u>131,301,646</u>           | <u>(231,779)</u>           | <u>14,480</u>           | <u>131,055,387</u>           |
| <b>Wastewater Utility Fund net capital assets</b> | <b><u>\$ 133,441,307</u></b> | <b><u>\$ 335,813</u></b>   | <b><u>\$ 68,645</u></b> | <b><u>\$ 133,708,475</u></b> |
| <b><u>Golf Course Fund:</u></b>                   |                              |                            |                         |                              |
| Capital assets, not being depreciated:            |                              |                            |                         |                              |
| Land  | \$ 1,217,610                 | \$ -                       | \$ -                    | \$ 1,217,610                 |
| Construction in progress                          | 190,166                      | 948,296                    | -                       | 1,138,462                    |
| Total   | <u>1,407,776</u>             | <u>948,296</u>             | <u>-</u>                | <u>2,356,072</u>             |
| Capital assets, being depreciated:                |                              |                            |                         |                              |
| Buildings and improvements                        | 10,495,253                   | -                          | -                       | 10,495,253                   |
| Equipment   | 1,041,427                    | 507,609                    | 227,947                 | 1,321,089                    |
| Total   | <u>11,536,680</u>            | <u>507,609</u>             | <u>227,947</u>          | <u>11,816,342</u>            |
| Less accumulated depreciation for:                |                              |                            |                         |                              |
| Buildings and improvements                        | 3,779,967                    | 312,259                    | -                       | 4,092,226                    |
| Equipment   | 885,579                      | 67,745                     | 227,947                 | 725,377                      |
| Total   | <u>4,665,546</u>             | <u>380,004</u>             | <u>227,947</u>          | <u>4,817,603</u>             |
| Total, net depreciation                           | <u>6,871,134</u>             | <u>127,605</u>             | <u>-</u>                | <u>6,998,739</u>             |
| <b>Golf Course Fund net capital assets</b>        | <b><u>\$ 8,278,910</u></b>   | <b><u>\$ 1,075,901</u></b> | <b><u>\$ -</u></b>      | <b><u>\$ 9,354,811</u></b>   |
| <b><u>Transportation Fund:</u></b>                |                              |                            |                         |                              |
| Capital assets, not being depreciated:            |                              |                            |                         |                              |
| Construction in progress                          | \$ 143,882                   | \$ 1,266,515               | \$ -                    | \$ 1,410,397                 |
| Total   | <u>143,882</u>               | <u>1,266,515</u>           | <u>-</u>                | <u>1,410,397</u>             |
| Capital assets, being depreciated:                |                              |                            |                         |                              |
| Buildings and improvements                        | 534,442                      | 3,010                      | -                       | 537,452                      |
| Equipment   | 2,699,780                    | 39,103                     | -                       | 2,738,883                    |
| Total   | <u>3,234,222</u>             | <u>42,113</u>              | <u>-</u>                | <u>3,276,335</u>             |
| Less accumulated depreciation for:                |                              |                            |                         |                              |
| Buildings and improvements                        | 47,202                       | 25,617                     | -                       | 72,819                       |
| Equipment   | 1,079,995                    | 283,567                    | -                       | 1,363,562                    |
| Total   | <u>1,127,197</u>             | <u>309,184</u>             | <u>-</u>                | <u>1,436,381</u>             |
| Total, net depreciation                           | <u>2,107,025</u>             | <u>(267,071)</u>           | <u>-</u>                | <u>1,839,954</u>             |
| <b>Transportation Fund net capital assets</b>     | <b><u>\$ 2,250,907</u></b>   | <b><u>\$ 999,444</u></b>   | <b><u>\$ -</u></b>      | <b><u>\$ 3,250,351</u></b>   |

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

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

|  | Balance at<br>July 1, 2012   | Additions                  | Disposals               | Balance at<br>June 30, 2013  |
|--|------------------------------|----------------------------|-------------------------|------------------------------|
| <b>Solid Waste Management Fund:</b>        |                              |                            |                         |                              |
| Capital assets, not being depreciated:     |                              |                            |                         |                              |
| Land                                       | \$ 746,754                   | \$ -                       | \$ -                    | \$ 746,754                   |
| Construction in progress                   | 378,347                      | 1,536,659                  | -                       | 1,915,006                    |
| Total                                      | <u>1,125,101</u>             | <u>1,536,659</u>           | <u>-</u>                | <u>2,661,760</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                 | 56,463                       | 3,143                      | -                       | 59,606                       |
| Equipment                                  | 7,190                        | 1,438                      | -                       | 8,628                        |
| Total                                      | <u>63,653</u>                | <u>4,581</u>               | <u>-</u>                | <u>68,234</u>                |
| Total, net depreciation                    | <u>106,847</u>               | <u>(4,581)</u>             | <u>-</u>                | <u>102,266</u>               |
| <b>Solid Waste Fund net capital assets</b> | <b><u>\$ 1,231,948</u></b>   | <b><u>\$ 1,532,078</u></b> | <b><u>\$ -</u></b>      | <b><u>\$ 2,764,026</u></b>   |
| <b>Theatres Fund:</b>                      |                              |                            |                         |                              |
| Capital assets, being depreciated:         |                              |                            |                         |                              |
| Buildings and improvements                 | \$ 745,686                   | \$ -                       | \$ -                    | \$ 745,686                   |
| Equipment                                  | 491,715                      | 55,902                     | -                       | 547,617                      |
| Total                                      | <u>1,237,401</u>             | <u>55,902</u>              | <u>-</u>                | <u>1,293,303</u>             |
| Less accumulated depreciation for:         |                              |                            |                         |                              |
| Buildings and improvements                 | 253,999                      | 56,069                     | -                       | 310,068                      |
| Equipment                                  | 294,866                      | 25,821                     | -                       | 320,687                      |
| Total                                      | <u>548,865</u>               | <u>81,890</u>              | <u>-</u>                | <u>630,755</u>               |
| Total, net depreciation                    | <u>688,536</u>               | <u>(25,988)</u>            | <u>-</u>                | <u>662,548</u>               |
| <b>Theatres Fund net capital assets</b>    | <b><u>\$ 688,536</u></b>     | <b><u>\$ (25,988)</u></b>  | <b><u>\$ -</u></b>      | <b><u>\$ 662,548</u></b>     |
| <b>Total capital assets, net</b>           | <b><u>\$ 184,368,453</u></b> | <b><u>\$ 3,843,392</u></b> | <b><u>\$ 89,303</u></b> | <b><u>\$ 188,122,542</u></b> |

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2013

### (c) Depreciation Expense

Depreciation expense charged to functions/programs of the primary government as of June 30, 2013, was as follows:

|   |                      |
|---|----------------------|
| Governmental activities:                              |                      |
| General government                                    | \$ 1,548,978         |
| Public safety   | 294,641              |
| Transportation  | 10,096,634           |
| Community development                                 | 654,128              |
| Culture and leisure                                   | 1,394,207            |
| Total depreciation expense - governmental activities  | <u>\$ 13,988,588</u> |
| Business-type activities:                             |                      |
| Water   | \$ 1,797,115         |
| Wastewater  | 5,312,938            |
| Golf Course   | 380,004              |
| Transportation  | 309,184              |
| Solid Waste Management                                | 4,581                |
| Theatres  | 81,890               |
| Total depreciation expense - business-type activities | <u>\$ 7,885,712</u>  |

### (d) Construction and Significant Commitments

As of June 30, 2013, the City had eight material construction commitments evidenced by contractual commitments with contractors: 1) \$15.8 million (zero spent to date) for 101/23 interchange improvements, funded by General Fund, 2) \$9.3 million (\$4.7 million spent to date) for Wendy Drive/101 freeway interchange improvements, funded by General Fund, Federal Highway Administration (FHA) grant, and Wendy Drive/101 freeway interchange developer fee revenue, 3) \$7.0 million (\$1.0 million spent to date) for Erbes Road improvements, funded by General Fund, State Gas Tax revenue, FHA grant, and Thousand Oaks Road Improvement developer fee revenue, 4) \$5.7 million (\$3.0 million spent to date) for Municipal Service Center expansion, funded by General Fund, Lighting and Landscaping Management, FHA grant, Air Quality Impact fee revenue, Water Fund, Wastewater Fund, Solid Waste Management Fund, and Transportation Fund, 5) \$3.7 million (\$3.5 million spent to date) for citywide pavement overlay projects, funded by General Fund and State Gas Tax revenue, 6) \$2.0 million (\$0.3 million spent to date) for Lynn Road bike lanes, funded by State Gas Tax Revenue, FHA grant, and Air Quality Impact fee revenue, 7) \$1.8 million (\$0.2 million spent to date) for Kavli Theatre lobby renovation, funded by General Fund, 8) \$1.6 million (\$0.9 million spent to date) for Los Robles Golf Course event area, funded by Golf Course Fund, and 9) \$1.5 million for the rehabilitation of the cogeneration system at the Hill Canyon Treatment Plant, funded by Wastewater Fund.

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

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

**(a) Interfund Receivables and Payables**

Total interfund receivables and payables as of June 30, 2013, were as follows:

| Receivable Fund:                     | Payable Fund:       | Purpose          | Amount              |
|--------------------------------------|---------------------|------------------|---------------------|
| General                              | Golf Course         | Internal loan    | \$ 2,930,000        |
|                                      | Capital Improvement | Interest due     | 9                   |
|                                      | Capital Improvement | Internal loan    | 688,856             |
|                                      | State Gas Tax       | Advance payments | 2,353,051           |
|                                      | Other governmental  | Advance payments | 406,298             |
| Total Interfund Receivables/Payables |                     |                  | <u>\$ 6,378,214</u> |

Interfund receivable/payable of \$2,930,000 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, 2013, \$2,930,000 was outstanding.

Interfund receivable/payable of \$688,856 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 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 repayments shall commence upon completion of the project, in annual installments on June 30 of each year and consist of all available cash in the Wendy Drive/US 101 Freeway Interchange Developer Fee Fund, up to the outstanding loan balance and interest accrued. 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 preceding five year average of the City portfolio's annual rate of return, and every five years thereafter. As of June 30, 2013, \$688,856 was outstanding.

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

**(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, 2013:

| From Fund:               | To Fund:                 | Purpose  | Amount              |
|--------------------------|--------------------------|--|---------------------|
| General                  | Library                  | Library subsidy  | \$ 2,025,442        |
| General                  | Other governmental funds | COP debt service payment   | 1,153,190           |
|                          |                          | Flood control fund subsidy   | 3,344               |
|                          |                          | Open space transfer  | 100,000             |
| State Gas Tax            | General                  | Reimbursement for engineering expenditures   | 966,147             |
| Other governmental funds | General                  | Reimbursement for traffic enforcement expenditures and reimbursement of administrative costs       | 549,344             |
| Capital Improvement      | General                  | Reimbursement for engineering expenditures, Library facility transfer and Police facility transfer | 281,774             |
| Capital Improvement      | Other governmental funds | Reimbursement for signal maintenance   | 132,520             |
| Golf Course              | Other governmental funds | Reimbursement for non-resident fees  | 60,108              |
| Total Transfers In/Out   |                          |  | <u>\$ 5,271,869</u> |

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

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

Fund balances as of June 30, 2013, for the governmental funds were categorized as nonspendable, restricted, committed, assigned or unassigned for the following purposes:

|                               | <u>Major Funds</u>   |                     |                      |                     | <b>Total<br/>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-------------------------------|----------------------|---------------------|----------------------|---------------------|---|---|
|                               | General              | State Gas           | Capital              | TO Housing          |   |   |
|                               | Fund                 | Tax Fund            | Improvements<br>Fund | Successor<br>Fund   |   |   |
| <b>Fund Balances:</b>         |                      |                     |                      |                     |   |   |
| <b>Nonspendable:</b>          |                      |                     |                      |                     |   |   |
| Inventories                   | \$ 444,070           | \$ -                | \$ -                 | \$ -                | \$ -  | \$ 444,070                              |
| Assets held for resale        | -                    | -                   | -                    | 671,083             | -   | 671,083                                 |
| <b>Subtotal</b>               | <u>444,070</u>       | <u>-</u>            | <u>-</u>             | <u>671,083</u>      | <u>-</u>  | <u>1,115,153</u>                        |
| <b>Restricted for:</b>        |                      |                     |                      |                     |   |   |
| Capital projects              | -                    | 2,219,076           | 14,052,795           | -                   | 1,029,319   | 17,301,190                              |
| Debt service                  | -                    | -                   | -                    | -                   | 813   | 813                                     |
| Housing & community dev.      | -                    | -                   | -                    | 177,887             | 1,955,333   | 2,133,220                               |
| Law enforcement               | -                    | -                   | -                    | -                   | 257,290   | 257,290                                 |
| Special assessment districts  | -                    | -                   | -                    | -                   | 5,578,011   | 5,578,011                               |
| <b>Subtotal</b>               | <u>-</u>             | <u>2,219,076</u>    | <u>14,052,795</u>    | <u>177,887</u>      | <u>8,820,766</u>                                  | <u>25,270,524</u>                       |
| <b>Committed to:</b>          |                      |                     |                      |                     |   |   |
| Capital projects              | 5,442,000            | -                   | -                    | -                   | 1,643,144   | 7,085,144                               |
| Grant endowments              | 8,000,000            | -                   | -                    | -                   | -   | 8,000,000                               |
| Emergency reserve             | 4,677,076            | -                   | -                    | -                   | -   | 4,677,076                               |
| Working capital reserve       | 14,031,230           | -                   | -                    | -                   | -   | 14,031,230                              |
| <b>Subtotal</b>               | <u>32,150,306</u>    | <u>-</u>            | <u>-</u>             | <u>-</u>            | <u>1,643,144</u>                                  | <u>33,793,450</u>                       |
| <b>Assigned to:</b>           |                      |                     |                      |                     |   |   |
| Equipment replacement         | -                    | -                   | -                    | -                   | 11,812,512  | 11,812,512                              |
| Capital projects              | -                    | -                   | 7,139,953            | -                   | -   | 7,139,953                               |
| Compensated absences          | 4,889,071            | -                   | -                    | -                   | -   | 4,889,071                               |
| Continuing appropriations     | 15,245,726           | -                   | -                    | -                   | -   | 15,245,726                              |
| General government            | 335,821              | -                   | -                    | -                   | -   | 335,821                                 |
| Public safety                 | 133,871              | -                   | -                    | -                   | -   | 133,871                                 |
| Transportation                | 3,725,623            | -                   | -                    | -                   | -   | 3,725,623                               |
| Community development         | 144,522              | -                   | -                    | -                   | -   | 144,522                                 |
| Culture and leisure           | 1,750,728            | -                   | -                    | -                   | -   | 1,750,728                               |
| Legal contingency             | 2,500,000            | -                   | -                    | -                   | -   | 2,500,000                               |
| Loans and notes receivable    | 7,545,166            | -                   | -                    | -                   | -   | 7,545,166                               |
| Public bldg replacement/mtrnc | 14,700,000           | -                   | -                    | -                   | -   | 14,700,000                              |
| Housing repairs               | -                    | -                   | -                    | 393,240             | -   | 393,240                                 |
| <b>Subtotal</b>               | <u>50,970,528</u>    | <u>-</u>            | <u>7,139,953</u>     | <u>393,240</u>      | <u>11,812,512</u>                                 | <u>70,316,233</u>                       |
| <b>Unassigned:</b>            | <u>1,096,184</u>     | <u>-</u>            | <u>-</u>             | <u>-</u>            | <u>(38,159)</u>                                   | <u>1,058,025</u>                        |
| <b>Total fund balances</b>    | <u>\$ 84,661,088</u> | <u>\$ 2,219,076</u> | <u>\$21,192,748</u>  | <u>\$ 1,242,210</u> | <u>\$ 22,238,263</u>                              | <u>\$ 131,553,385</u>                   |

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

**(8) LONG-TERM LIABILITIES**

The following is a summary of changes in the City's long-term liabilities for the year ended June 30, 2013:

|                                  | Balance at<br>July 1, 2012 | Additions           | Disposals           | Balance at<br>June 30, 2013 | Due Within<br>One Year |
|----------------------------------|----------------------------|---------------------|---------------------|-----------------------------|------------------------|
| <b>Governmental Activities</b>   |                            |                     |                     |                             |                        |
| Claims payable (1)               | \$ 2,094,900               | \$ 394,422          | \$ 612,022          | \$ 1,877,300                | \$ 691,695             |
| Compensated absences (1)         | 5,293,176                  | 3,395,896           | 3,632,424           | 5,056,648                   | 1,882,261              |
| Lease revenue bonds (2)          | 15,466,151                 | -                   | 526,058             | 14,940,093                  | 541,058                |
| <b>Total</b>                     | <b>\$ 22,854,227</b>       | <b>\$ 3,790,318</b> | <b>\$ 4,770,504</b> | <b>\$ 21,874,041</b>        | <b>\$ 3,115,014</b>    |
| <b>Business-type Activities:</b> |                            |                     |                     |                             |                        |
| Water Utility Fund:              |                            |                     |                     |                             |                        |
| Compensated absences (1)         | \$ 555,294                 | \$ 571,434          | \$ 611,235          | \$ 515,493                  | \$ 168,706             |
| Wastewater Utility Fund:         |                            |                     |                     |                             |                        |
| Compensated absences (1)         | 843,305                    | 100,160             | 93,638              | 849,827                     | 317,281                |
| Notes/loans payable              | 20,094,446                 | -                   | 1,644,078           | 18,450,368                  | 1,688,092              |
| Revenue refunding bonds (3)      | 10,276,714                 | -                   | 1,149,622           | 9,127,092                   | 1,174,622              |
| Golf Course Fund:                |                            |                     |                     |                             |                        |
| Capital lease payable            | 107,711                    | 486,097             | 128,830             | 464,978                     | 132,847                |
| Transportation Fund:             |                            |                     |                     |                             |                        |
| Compensated absences (1)         | 15,742                     | 10,213              | 9,548               | 16,407                      | 10,725                 |
| Solid Waste Management Fund:     |                            |                     |                     |                             |                        |
| Compensated absences (1)         | 103,346                    | 1,108,058           | 1,035,906           | 175,498                     | 62,986                 |
| Theatres Fund:                   |                            |                     |                     |                             |                        |
| Compensated absences (1)         | 319,532                    | 197,694             | 184,821             | 332,405                     | 92,153                 |
| <b>Total</b>                     | <b>\$ 32,316,090</b>       | <b>\$ 2,473,656</b> | <b>\$ 4,857,678</b> | <b>\$ 29,932,068</b>        | <b>\$ 3,647,412</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 \$14,940,093 consist of par amount of \$16,405,000 and unamortized issue premiums of \$115,093, net of cumulative principal payments of \$1,580,000. The beginning balance was increased by the amount of unamortized loss on defeasance reclassified to deferred outflow of resources per GASB 63 and 65.

(3) Revenue refunding bonds of \$9,127,092 consist of par amount of \$11,690,000 and unamortized capitalized issue premium of \$557,092, net of cumulative principal payments of \$3,120,000.

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

**(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 of 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, 2013, amounts outstanding with and without amortized premiums were \$14,940,093 and \$14,825,000, respectively.

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

As of June 30, 2013, the total future debt payments for the 2010 Refunding Lease Revenue Bonds, including interest thereon, were as follows:

| Year Ending<br>June 30, | 2010 Refunding Lease Revenue Bonds |                     |                      |
|-------------------------|------------------------------------|---------------------|----------------------|
|                         | Principal                          | Interest            | Total                |
| 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                    | 630,000                            | 524,713             | 1,154,713            |
| 2019-2023               | 3,505,000                          | 2,272,063           | 5,777,063            |
| 2024-2028               | 4,275,000                          | 1,506,738           | 5,781,738            |
| 2029-2032               | 4,140,000                          | 485,825             | 4,625,825            |
| Total                   | <u>\$ 14,825,000</u>               | <u>\$ 7,143,991</u> | <u>\$ 21,968,991</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 waste discharge requirements and expand the capacity 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, 2013, \$821,453 was outstanding.

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

**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 waste discharge requirements and expand the capacity 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, 2013, \$17,628,915 was outstanding.

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

As of June 30, 2013, the total future debt payments for the SWRCB loan payable, including interest thereon, are as follow:

| Year Ending<br>June 30, | 1999 SWRCB Loan   |                  |                   | 2000 SWRCB Loan      |                     |                      |
|-------------------------|-------------------|------------------|-------------------|----------------------|---------------------|----------------------|
|                         | Principal         | Interest         | Total             | Principal            | Interest            | Total                |
| 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                    | 141,773           | 6,884            | 148,657           | 1,734,481            | 300,649             | 2,035,130            |
| 2019-2023               | 145,045           | 3,481            | 148,526           | 9,400,676            | 774,975             | 10,175,651           |
| Total                   | <u>\$ 821,453</u> | <u>\$ 70,357</u> | <u>\$ 891,810</u> | <u>\$ 17,628,915</u> | <u>\$ 2,722,388</u> | <u>\$ 20,351,303</u> |

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

**2010 Wastewater Revenue Refunding Bonds**

On January 28, 2010, the City issued \$11,690,000 of 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, 2013, amounts outstanding with and without amortized premiums were \$9,127,092 and \$8,570,000, respectively.

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

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

As of June 30, 2013, the total future debt payments for the 2010 Wastewater Revenue Refunding Bonds, including interest thereon, was as follows:

| Year Ending<br>June 30, | 2010 Wastewater Revenue Refunding Bonds |              |              |
|-------------------------|---|--------------|--------------|
|                         | Principal                               | Interest     | Total        |
| 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                    | 1,280,000                               | 116,488      | 1,396,488    |
| 2019-2020               | 2,705,000                               | 83,344       | 2,788,344    |
| Total                   | \$ 8,570,000                            | \$ 1,204,996 | \$ 9,774,996 |

**(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, 2013, lease agreements covering Prolink Prostar GPS, LP Yamaha 95 YDRE Carts, LP Yamaha YT2A beverage cart, Luber Bros Jackobsen equipment package, and a Luber Bros Smithco 3180 Sprayer totaled \$679,718. 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 were as follows:

| Year Ending June 30, 2013              | Golf Course |
|--|-------------|
| Asset:                                 |             |
| Prolink Prostar GPS                    | \$ 185,670  |
| LP Yamaha 95 YDRE carts                | 327,734     |
| LP Yamaha YT2A beverage cart           | 9,660       |
| Luber Bros Jackobsen equipment package | 115,389     |
| Luber Bros Smithco 3180 Sprayer        | 41,265      |
| Less: Accumulated depreciation         | (138,212)   |
| Total                                  | \$ 541,506  |

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013, were as follows:

| <u>Year Ending June 30,</u>             | <u>Golf Course</u> |
|---|--------------------|
| 2014                                    | \$ 159,725         |
| 2015                                    | 117,342            |
| 2016                                    | 117,342            |
| 2017                                    | 112,530            |
| 2018                                    | 19,700             |
| Total minimum lease payments            | 526,639            |
| Less: Interest                          | (61,661)           |
| Present value of minimum lease payments | <u>\$ 464,978</u>  |

The \$76,528 difference between the \$541,506 net book value of the assets and the \$464,978 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 \$25,943,000 at June 30, 2013, 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 \$11,136,377 at June 30, 2013, 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, 2013**

**(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, 2013, were \$325,300 for general liability and \$1,552,000 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, 2013, 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 2012-13 and 2011-12 are presented as follows:

|                       | Claims Payable<br>Balance<br>July 1, 2012 | Claims and<br>Changes<br>in Estimates | Claims<br>Payments  | Claims Payable<br>Balance<br>June 30, 2013 |
|-----------------------|---|---------------------------------------|---------------------|--|
| <u>2012-13</u>        |   |                                       |                     |  |
| General Liability     | \$ 433,900                                | \$ 66,235                             | \$ (174,835)        | \$ 325,300                                 |
| Workers' Compensation | 1,661,000                                 | 328,187                               | (437,187)           | 1,552,000                                  |
| Total                 | <u>\$ 2,094,900</u>                       | <u>\$ 394,422</u>                     | <u>\$ (612,022)</u> | <u>\$ 1,877,300</u>                        |
|                       | Claims Payable<br>Balance<br>July 1, 2011 | Claims and<br>Changes<br>in Estimates | Claims<br>Payments  | Claims Payable<br>Balance<br>June 30, 2012 |
| <u>2011-12</u>        |   |                                       |                     |  |
| 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>                        |

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

**(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 position, 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, 2013, was as follows:

|                                   | Joint Venture | City Portion  |
|-----------------------------------|---------------|---------------|
| Total assets                      | \$ 75,216,831 | \$ 37,608,415 |
| Total liabilities                 | 36,223        | 18,111        |
| Net position:                     |               |               |
| Net investment in capital assets  | 74,124,697    | 37,062,349    |
| Unrestricted net position         | 1,055,911     | 527,955       |
| Total net position, June 30, 2013 | \$ 75,180,608 | \$ 37,590,304 |
| Total revenues                    | 7,907,069     | 3,953,534     |
| Total expenses                    | (1,145,893)   | (572,947)     |
| Change in net position            | \$ 6,761,176  | \$ 3,380,587  |

**(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, 2013

#### **(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, 2013, was \$28,424,266 out of total payroll of \$31,496,420.

All full-time City employees are eligible to participate in CalPERS, with benefits vesting after 5 years of service. Classic 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.

Per the Public Employees’ Pension Reform Act of 2013 (PEPRA), anyone hired after January 1, 2013 and not a member of any other public retirement system is subject to the 2% at age 62 formula. The factors range from 1.000 percent at age 52 to 2.5000 percent at age 67 and up. Final compensation for members is the monthly average of the member’s highest 36 consecutive months’ full-time equivalent monthly pay.

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

**Funding Policy – Full Time Employees**

Classic employees are required to contribute 7 percent of their annual covered salary as established by state statute. The City made the contributions required by CalPERS on behalf of its classic employees. PEPRA employees are required to contribute half of the normal cost of the plan. The City made the contributions required by CalPERS on behalf of its PEPRA employees due to an impairment of the existing MOU. 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 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, 2012 to June 30, 2013, was 14.749 percent. The actual rate for fiscal year 2013-14 is 16.85 percent, and the projected rate for fiscal year 2014-15 is 16.778 percent.

**Annual Pension Cost – Full Time Employees**

For fiscal year 2012-13, the City's annual pension cost and actual contribution was \$4,204,903. The required contribution for fiscal year 2012-13 was determined as part of the June 30, 2010, 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, 2012, is estimated at twenty years.

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

| <u>Fiscal<br/>Year</u> | <u>Annual<br/>Pension<br/>Cost (APC)</u> | <u>Percentage<br/>of APC<br/>Contributed</u> | <u>Net<br/>Pension<br/>Obligation</u> |
|------------------------|--|--|---------------------------------------|
| 2010-11                | \$ 3,778,761                             | 100%   | -                                     |
| 2011-12                | \$ 4,143,529                             | 100%   | -                                     |
| 2012-13                | \$ 4,204,903                             | 100%   | -                                     |

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

As of the most recent actuarial valuation date of June 30, 2012, the plan was 83.2 percent funded. The actuarial accrued liability for benefits was \$222,076,793, and the actuarial

## CITY OF THOUSAND OAKS

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

June 30, 2013

value of assets was \$184,807,863, resulting in an unfunded actuarial accrued liability (UAAL) of \$37,268,930. The covered payroll (annual payroll of active employees covered by the plan) was \$29,590,337, and the ratio of the UAAL to the covered payroll was 126.0 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 96.

#### **(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. Prior to January 1, 2013 the City contracted for administration services with Aon Hewitt and contracted for banking services with City National Bank for the plan. Effective January 1, 2013 the City terminated its relationship with Aon Hewitt and City National and appointed Public Agency Retirement System (PARS) as trust administrator of the Plan and U.S. Bank as trustee of the Plan. Separate financial statements for PARS may be obtained by contacting PARS at Public Agency Retirement Services, 4350 Von Karman Ave, Suite 100, Newport Beach, CA 92660. Separate financial statements for U.S. Bank may be obtained by contacting U.S. Bank at U.S. Bank, 3121 Michelson Drive, Suite 300, Irvine, CA 92612. The City's payroll for employees covered by the plan was \$1,954,388 for the year ended December 31, 2012.

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, 2013 valuation, the Plan had 207 active participants and 134 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 10 percent, which covers the actuarially determined amount and the administrative costs of the plan.

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

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

For the fiscal year ended June 30, 2013, the City's annual pension cost was \$174,147. The City's actual contribution was \$174,147. The required annual contribution for fiscal year 2012-13 was determined as part of the January 1, 2012, 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 4 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 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, 2013, were as follows:

|   |                   |                  |
|---|-------------------|------------------|
| Net pension obligation (asset) at June 30, 2012     | \$                | -                |
| Annual required contribution for 2013 (fiscal year) | <u>\$ 174,147</u> |                  |
| Annual pension cost                                 |                   | 174,147          |
| Employer contributions made                         |                   | <u>(174,147)</u> |
| Net pension obligation (asset) at June 30, 2013     | <u>\$</u>         | <u>-</u>         |

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 was as follows:

| Fiscal<br>Year | Annual<br>Pension<br>Cost (APC) | Percentage<br>of APC<br>Contributed | Net<br>Pension<br>Obligation<br>(Asset) |
|----------------|---------------------------------|-------------------------------------|---|
| 2010-11        | \$ 128,745                      | 100%                                | \$ -                                    |
| 2011-12        | \$ 126,950                      | 100%                                | \$ -                                    |
| 2012-13        | \$ 174,147                      | 100%                                | \$ -                                    |

## CITY OF THOUSAND OAKS

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

June 30, 2013

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

As of the most recent actuarial valuation date of January 1, 2013, the plan was 59.0 percent funded. The actuarial accrued liability for benefits was \$2,697,678, and the actuarial value of assets was \$1,602,085, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,095,593. The covered payroll (annual payroll of active employees covered by the plan) was \$1,954,388, and the ratio of the UAAL to the covered payroll was 56.1 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 95.

#### **(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, 2013, deferred compensation assets were \$44,063,001 and have been excluded from the City's financial statements. Employee contributions to the 401(a) plan totaled \$154,988, employee contributions to the 457 plan totaled \$2,223,943, and employer contributions to the 401(a) plan totaled \$466,397 for the fiscal year ended June 30, 2013.

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

**(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 Public Employee's Medical and Hospital Care Act (PEMHCA). As of June 30, 2013, the PEMHCA minimum was \$115 per month. As of June 30, 2013, there were 241 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 4.72 percent of annual covered payroll (annual payroll of active employees covered by the plan). As of June 30, 2013, 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)                 | \$ 1,356,584          |
| Interest on net OPEB obligation (asset)            | (402,093)             |
| Adjustment to ARC                                  | <u>366,012</u>        |
| Annual OPEB cost                                   | 1,320,503             |
| Contribution made                                  | <u>(1,332,392)</u>    |
| (Increase) decrease in net OPEB obligation (asset) | (11,889)              |
| Net OPEB obligation (asset) June 30, 2012          | <u>(5,583,874)</u>    |
| Net OPEB obligation (asset) June 30, 2013          | <u>\$ (5,595,763)</u> |

The contribution rate of 4.72 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

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

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 2012-13, the City's annual OPEB cost (expense) of \$1,320,503 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 was as follows:

| Fiscal<br>Year<br>Ended | Annual<br>OPEB Cost | Actual<br>Contribution | Percentage of<br>Annual OPEB<br>Cost Contributed | Net OPEB<br>Obligation<br>(Asset) |
|-------------------------|---------------------|------------------------|--|-----------------------------------|
| 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)                    |
| 6/30/2013               | \$ 1,320,503        | \$ 1,332,392           | 101%   | \$ (5,595,763)                    |

**(d) Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2013, was as follows:

|   |                      |
|---|----------------------|
| Actuarial accrued liability (AAL)                 | \$ 21,577,055        |
| Actuarial value of plan assets                    | (8,683,317)          |
| Unfunded actuarial accrued liability (UAAL)       | <u>\$ 12,893,738</u> |
| <br>  |                      |
| Funded ratio (actuarial value of plan assets/AAL) | 40.2%                |
| Covered payroll (active plan members)             | \$ 27,040,313        |
| UAAL as a percentage of covered payroll           | 47.7%                |

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 96.

**(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 June 30, 2011, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.61 percent

## CITY OF THOUSAND OAKS

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

June 30, 2013

investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.0 percent beginning January 1, 2014, reduced by decrements to an ultimate rate of 5.5 percent after five 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, 2013, was twenty-three years.

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

On June 11, 2013, City Council approved a Resolution to eliminate, effective July 1, 2013, Technical Services Manager allocated to the Cultural Affairs Department. A severance package was provided to the employee laid off as a result of the position reduction. The employee received a severance incentive equal to twenty two weeks' salary and in accordance with the MOU, two weeks of leave with pay upon separation from employment with the City. This has been recorded as an expense in the governmental activities in the Statement of Activities on pages 26-27.

#### **(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 of expenditures, if any, 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.

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

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

Assembly Bill X1 26 (Bill) impacted the reporting entity of the City of Thousand Oaks that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provided 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 former Redevelopment Agency in accordance with the Bill as part of City resolution number 2012-004.

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.

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

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

**(a) Cash and Investments**

Cash and investments as of June 30, 2013, are classified in the accompanying financial statements as follows:

|   |                      |
|---|----------------------|
| Cash and investments pooled with the City | \$ 5,968,321         |
| Cash and investments with fiscal agent    | 24,651,611           |
|   | <u>\$ 30,619,932</u> |

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

**(b) Capital Assets**

Capital assets activity for the year ended June 30, 2013, was as follows:

| <b>Capital Assets Activity</b>                |                             |                              |                    |                             |
|---|-----------------------------|------------------------------|--------------------|-----------------------------|
|   | Balance at<br>July 1, 2012  | Additions                    | Deletions          | Balance at<br>June 30, 2013 |
| <b>Capital assets, not being depreciated:</b> |                             |                              |                    |                             |
| Land  | \$ 20,163,290               | \$ -                         | \$ -               | \$ 20,163,290               |
| Construction in progress                      | 120,473                     | -                            | -                  | 120,473                     |
| Total   | <u>20,283,763</u>           | <u>-</u>                     | <u>-</u>           | <u>20,283,763</u>           |
| <b>Capital assets, being depreciated:</b>     |                             |                              |                    |                             |
| Buildings and improvements                    | 25,799,767                  | -                            | -                  | 25,799,767                  |
| Infrastructure                                | 4,391,713                   | -                            | -                  | 4,391,713                   |
| Total   | <u>30,191,480</u>           | <u>-</u>                     | <u>-</u>           | <u>30,191,480</u>           |
| Less accumulated depreciation for:            |                             |                              |                    |                             |
| Buildings and improvements                    | 356,173                     | 854,814                      | -                  | 1,210,987                   |
| Infrastructure                                | 38,761                      | 184,452                      | -                  | 223,213                     |
| Total   | <u>394,934</u>              | <u>1,039,266</u>             | <u>-</u>           | <u>1,434,200</u>            |
| Total, net depreciation                       | <u>29,796,546</u>           | <u>(1,039,266)</u>           | <u>-</u>           | <u>28,757,280</u>           |
| <b>Total capital assets, net</b>              | <b><u>\$ 50,080,309</u></b> | <b><u>\$ (1,039,266)</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 49,041,043</u></b> |

**(c) Long-term Liabilities**

Long-term liabilities as of June 30, 2013, were as follows:

|   | Balance at<br>June 30, 2012 | Additions   | Disposals           | Balance at<br>June 30, 2013 | Due Within<br>One Year |
|---|-----------------------------|-------------|---------------------|-----------------------------|------------------------|
| California Housing Finance Agency (CalHFA) loan | \$ 1,600,000                | \$ -        | \$ -                | \$ 1,600,000                | \$ 1,600,000           |
| Matured unpaid CalHFA loan interest             | 345,468                     | -           | -                   | 345,468                     | 345,468                |
| 2002 Tax allocation refunding bonds             | 3,500,000                   | -           | 105,000             | 3,395,000                   | 110,000                |
| 2005 Tax allocation refunding bonds             | 40,475,000                  | -           | 3,315,000           | 37,160,000                  | 3,460,000              |
| 2005 Tax allocation refunding bonds             | 15,860,000                  | -           | 1,280,000           | 14,580,000                  | 1,335,000              |
| Total   | <u>\$ 61,780,468</u>        | <u>\$ -</u> | <u>\$ 4,700,000</u> | <u>\$ 57,080,468</u>        | <u>\$ 6,850,468</u>    |

**California Housing Finance Agency (CalHFA) Loan**

On April 20, 2005, the former Redevelopment Agency received a \$1.6 million CalHFA Loan from the State of California, and the funds were loaned to Many Mansion for the acquisition, renovation, and conversion of the Bella Vista apartments to a 72 unit affordable housing project. Principal and 3 percent per annum simple interest are due on April 20, 2015. As of June 30, 2013, outstanding principal and accrued interest totaled \$1.6 million and \$0.3 million, respectively.

## CITY OF THOUSAND OAKS

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

June 30, 2013

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

The City 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. The 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 enforceable obligations of the former redevelopment agency. As of June 30, 2013, total principal and interest remaining on the debt was \$68,481,773 with annual debt service requirements as indicated on the next page. Total property tax revenues recognized by the City in the Successor Agency Fund for enforceable obligations of the former redevelopment agency was \$8,716,163 and the debt service obligation on the bonds was \$7,286,375. Description for each tax allocation bond is as follows:

#### **2005 Tax Allocation Refunding Bonds**

On December 22, 2005, the Agency issued \$56,215,000 of 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 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, 2013, \$37,160,000 was outstanding.

#### **2005 Housing Tax Refunding Allocation Bonds**

On December 22, 2005, the Agency issued \$21,500,000 of 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, 2013, \$14,580,000 was outstanding.

#### **2002 Tax Allocation Refunding Bonds**

On February 6, 2002, the Agency issued \$4,295,000 of 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

## CITY OF THOUSAND OAKS

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

June 30, 2013

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, 2013, \$3,395,000 was outstanding.

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

As of June 30, 2013, the total future debt payments for the tax allocation bonds, including interest thereon, are as follows below.

| Year Ending<br>June 30, | Tax Allocation Bonds |                      |                      |
|-------------------------|----------------------|----------------------|----------------------|
|                         | Principal            | Interest             | Total                |
| 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                    | 5,830,000            | 1,453,064            | 7,283,064            |
| 2019-2023               | 26,330,000           | 3,102,499            | 29,432,499           |
| 2024-2028               | 1,005,000            | 452,375              | 1,457,375            |
| 2029-2032               | 1,020,000            | 143,825              | 1,163,825            |
| Total                   | <u>\$ 55,135,000</u> | <u>\$ 13,346,773</u> | <u>\$ 68,481,773</u> |

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

##### **CalHFA Loan**

To take advantage of interest discounts, the City accepted a prepayment offer from CalHFA in July 2013 and paid off the CalHFA loan prior to its April 20, 2015 maturity date. The prepayment of this loan decreased debt service requirements from \$2,061,468 to \$1,849,867, for a total savings of \$211,601.

#### **Commitments and Contingencies**

On March 8, 2011, the Agency approved a funding agreement with the Thousand Oaks Auto Mall Association (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 with \$7.6 million remaining as of June 30, 2013. On November 19, 2013, a settlement agreement was executed by the City, Thousand Oaks Successor

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

Agency, Association, and the Department of Finance to finalize payment due under the Other Redevelopment Funds Due Diligence Review. Consequently, on November 26, 2013, \$7.2 million was remitted to the County Auditor-Controller and \$0.4 million in reimbursement was issued to the Association for its prior contributions.

**(18) RESTATEMENT OF PRIOR YEAR BALANCES**

**Governmental Activities**

Prior period adjustments reflected on the Statement of Activities on pages 26-27 shows a \$2,958,539 increase and decreases of \$1,600,000, \$1,200,000, and \$840,653 to the Governmental Activities' beginning net position. The \$2,958,539 adjustment is the result of a change in accounting policy to recognize interest earned from unearned revenues to revenues. The \$1,600,000 adjustment is the result of the dissolution of the former Redevelopment Agency and restating the extraordinary gain in the prior year. The \$1,200,000 is to recognize the disposal of a prior period capital asset. The \$840,653 adjustment is to properly restate unspent grant funds received as of fiscal year 2011-12 year-end from revenues to unearned revenues.

|   | Governmental<br>Activities |
|---|----------------------------|
| Governmental Activities   |                            |
| Net Position - beginning  | \$ 575,473,801             |
| Adjustments:  |                            |
| Recognition of interest earned  | 2,958,539                  |
| Change in extraordinary gain from<br>dissolution of former Redevelopment Agency | (1,600,000)                |
| Disposal of a prior period capital asset  | (1,200,000)                |
| Restatement of grant revenues   | (840,653)                  |
| Net Position - beginning, as restated   | \$ 574,791,687             |

**Business-type Activities**

Prior period adjustments reflected on the Statement of Revenues, Expenses, and Changes in Net Position on pages 39-40 show a \$801,559 increase and a \$138,044 decrease to the Water and Wastewater Funds' beginning net position, respectively. The adjustment in the Water Fund resulted from a reversal of anticipated legal liabilities accrued during fiscal year 2010-11 for water tank overflow incident claims that were ultimately resolved through contractor's insurance settlement. The adjustment in the Wastewater Fund resulted from the implementation of GASB Statements No. 63 and 65 by recognizing deferred debt issuance costs as expenses in the period incurred.

**CITY OF THOUSAND OAKS**

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

**June 30, 2013**

|                                       | <u>Water<br/>Fund</u> | <u>Wastewater<br/>Fund</u> |
|---------------------------------------|-----------------------|----------------------------|
| Business-type Activities              |                       |                            |
| Net Position - beginning              | \$ 57,747,193         | \$ 149,284,972             |
| Adjustment:                           |                       |                            |
| Reversal of accrued liabilities       | 801,559               |                            |
| Implementation of GASB 63 and 65      |                       | (138,044)                  |
| Net Position - beginning, as restated | <u>\$ 58,548,752</u>  | <u>\$ 149,146,928</u>      |

These restatements are also reflected on the Statement of Activities on pages 26-27.

**Fiduciary Funds Activities**

Prior period adjustments reflected on the Statement of Changes in Net Position on page 42 show a \$1,110,146 decrease to the Thousand Oaks Redevelopment Successor Agency Fund's beginning net position. This adjustment resulted from the implementation of GASB Statements No. 63 and 65 by recognizing deferred debt issuances costs as expenses in the period incurred.

|                                       | <u>Thousand Oaks<br/>Redevelopment<br/>Successor Agency<br/>Fund</u> |
|---------------------------------------|--|
| Fiduciary Funds Activities            |  |
| Net Position - beginning              | \$ 25,134,978  |
| Adjustment:                           |  |
| Implementation of GASB 63 and 65      | (1,110,146)  |
| Net Position - beginning, as restated | <u>\$ 24,024,832</u>   |

**(19) SUBSEQUENT EVENT**

**Thomas Terrace Senior Housing**

On November 5, 2013, the City approved a settlement and termination agreement with Many Mansions to cancel the Thomas Terrace Senior Housing loan agreement. Due to project infeasibility, Many Mansions cancelled the project during October 2013. Many Mansions had spent \$284,000 of the \$500,000 loan and had a remaining balance of \$216,000. The City granted Many Mansions loan relief by accepting the unspent portion of \$216,000 as full repayment of the loan. The \$216,000 loan repayment was received on November 6, 2013.

An aerial photograph of a wastewater treatment plant situated in a hilly, green landscape. The plant features several large circular aeration tanks, rectangular clarifiers, and various industrial buildings. The surrounding terrain is covered in dense vegetation and rolling hills. The text "Required Supplementary Information" is overlaid in the center of the image.

# Required Supplementary Information

**CITY OF THOUSAND OAKS**

**Required Supplementary Information  
(Unaudited)**

**June 30, 2013**

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) |
|--------------------------|-------------------------------|--|-----------------------------|----------------------|---------------------|---|
| 1/1/2008                 | \$ 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%   |
| 1/1/2013                 | 1,602,085                     | 2,697,678  | 1,095,593                   | 59.4%                | 1,954,388           | 56.1%   |

**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 |
|--------------------|-------------------------|----------------------------------|--------------------------------|-------------------------|--------------------------------|--|
| 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  |
| 2013               | 174,147                 | 174,147                          | 100%                           | 174,147                 | 100%                           | 0  |

**CITY OF THOUSAND OAKS**

***Required Supplementary Information  
(Continued)***

**June 30, 2013**

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

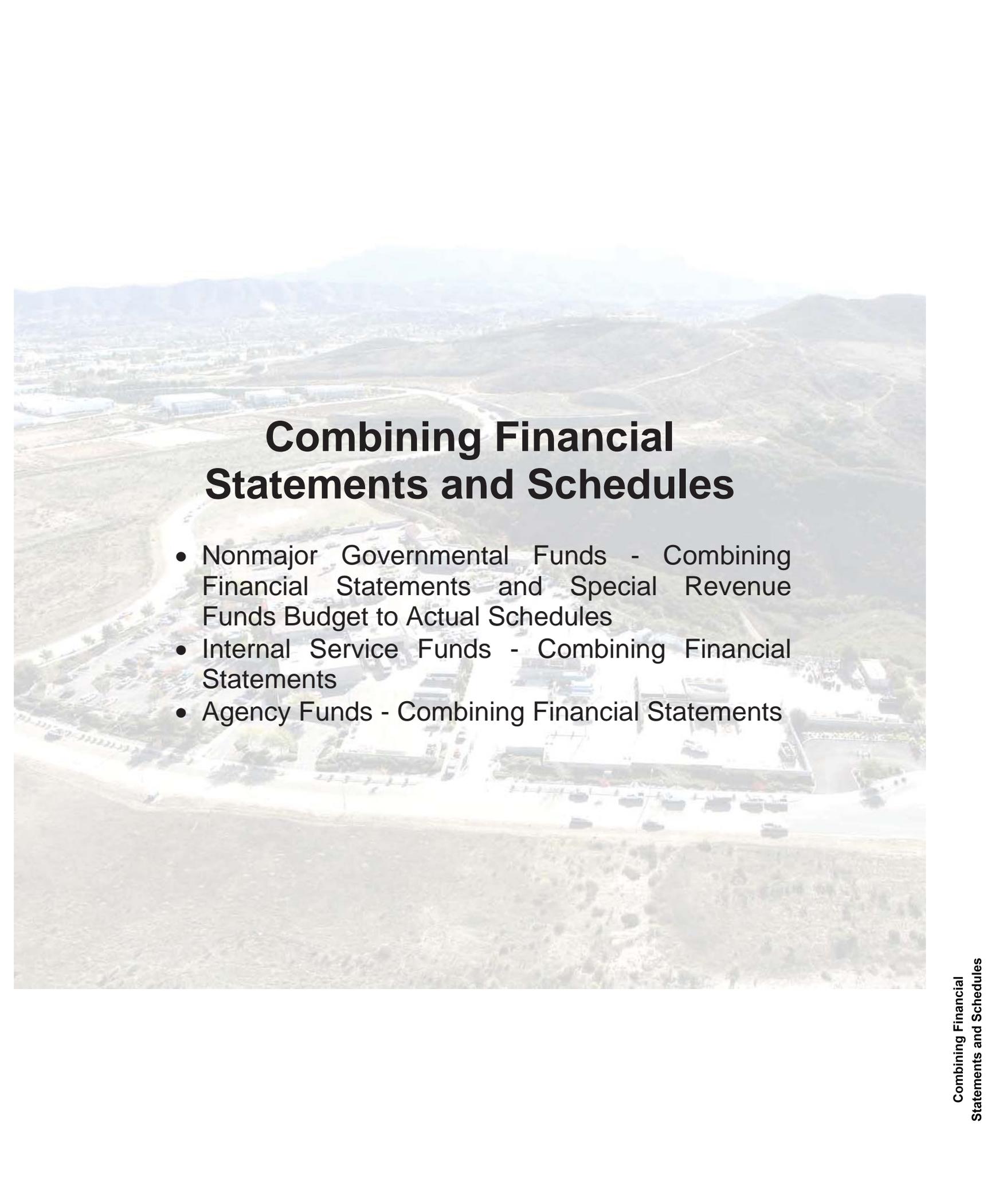
**SCHEDULE OF FUNDING PROGRESS (IN THOUSANDS) - FULL-TIME EMPLOYEES**

| 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 |
|---------------------|------------------------|------------------------------------|---------------------------|----------------------------------|--------------|------------------------|------------------------|
| 06/30/07            | 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%                 |
| 06/30/12            | 06/30/15               | 222,077                            | 184,808                   | 37,269                           | 83.2%        | 29,590                 | 126.0%                 |

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

**SCHEDULE OF FUNDING PROGRESS**

| 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 |
|---------------------|------------------------|------------------------------------|---------------------------|----------------------------------|--------------|------------------------|------------------------|
| 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%                  |
| 06/30/11            | 06/30/13               | 21,577,055                         | 8,683,317                 | 12,893,738                       | 40.2%        | 27,040,313             | 47.7%                  |



# 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, 2013, 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, 2013**

| <b>Special Revenue Funds</b> |  |                               |                                      |                          |   |
|------------------------------|--|-------------------------------|--------------------------------------|--------------------------|---|
|                              | Landscape<br>and Lighting<br>Districts | Traffic and<br>Bicycle Safety | Community<br>Facilities<br>Districts | Federal Asset<br>Seizure | HOME and<br>Community<br>Development<br>Block Grant |

**Assets**

|                                 |                     |                |                  |                |                  |
|---------------------------------|---------------------|----------------|------------------|----------------|------------------|
| Cash and investments            | \$ 5,902,218        | 337,828        | 2,762,979        | 824,570        | 2,167            |
| Receivables:                    |                     |                |                  |                |                  |
| Accounts                        | 38,441              | -              | -                | -              | 357              |
| Accrued interest                | 11,859              | 631            | 4,355            | 1,556          | 323,393          |
| Intergovernmental               | 123,651             | 134,189        | 12,062           | -              | 71,597           |
| Notes/loans                     | -                   | -              | -                | -              | 1,254,600        |
| Restricted cash and investments | -                   | -              | -                | -              | -                |
| <b>Totals assets</b>            | <b>\$ 6,076,169</b> | <b>472,648</b> | <b>2,779,396</b> | <b>826,126</b> | <b>1,652,114</b> |

**Liabilities, Deferred Inflows of  
Resources and Fund Balances**

|   |                     |                |                  |                |                  |
|---|---------------------|----------------|------------------|----------------|------------------|
| Liabilities:  |                     |                |                  |                |                  |
| Accounts payable  | \$ 561,370          | 1,549          | 2,481,621        | 6,198          | 21,686           |
| Due to other agencies   | -                   | -              | -                | -              | 254,600          |
| Interfund payables  | -                   | 30,302         | -                | -              | 49,362           |
| Unearned revenue  | -                   | -              | -                | 562,638        | 1,000,000        |
| Advances from other funds   | -                   | -              | -                | -              | -                |
| <b>Total liabilities</b>  | <b>561,370</b>      | <b>31,851</b>  | <b>2,481,621</b> | <b>568,836</b> | <b>1,325,648</b> |
| Deferred inflows of resources:  |                     |                |                  |                |                  |
| Unavailable revenue   | -                   | -              | -                | -              | 323,393          |
| <b>Total deferred inflows of resources</b>                                    | <b>-</b>            | <b>-</b>       | <b>-</b>         | <b>-</b>       | <b>323,393</b>   |
| Fund balances:  |                     |                |                  |                |                  |
| Nonspendable  | -                   | -              | -                | -              | -                |
| Restricted  | 5,514,799           | 440,797        | 297,775          | 257,290        | 3,073            |
| Committed   | -                   | -              | -                | -              | -                |
| Assigned  | -                   | -              | -                | -              | -                |
| Unassigned  | -                   | -              | -                | -              | -                |
| <b>Total fund balances</b>  | <b>5,514,799</b>    | <b>440,797</b> | <b>297,775</b>   | <b>257,290</b> | <b>3,073</b>     |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balances</b> | <b>\$ 6,076,169</b> | <b>472,648</b> | <b>2,779,396</b> | <b>826,126</b> | <b>1,652,114</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 |
| 11,668  | -                                       | 1,948,615        | 11,790,045        | -  |
| -   | 283,493                                 | -                | 322,291           | -  |
| -   | -                                       | 4,054            | 345,848           | -  |
| 108,801                                       | 170,440                                 | -                | 620,740           | -  |
| -   | -                                       | 216,000          | 1,470,600         | -  |
| -   | -                                       | -                | -                 | 1,167,765                                |
| <u>120,469</u>                                | <u>453,933</u>                          | <u>2,168,669</u> | <u>14,549,524</u> | <u>1,167,765</u>                         |
| 57,800  | 20,422                                  | 409              | 3,151,055         | -  |
| -   | -                                       | -                | 254,600           | -  |
| 62,669  | 263,965                                 | -                | 406,298           | -  |
| -   | -                                       | 216,000          | 1,778,638         | -  |
| -   | -                                       | -                | -                 | 1,166,952                                |
| <u>120,469</u>                                | <u>284,387</u>                          | <u>216,409</u>   | <u>5,590,591</u>  | <u>1,166,952</u>                         |
| <u>38,159</u>                                 | -                                       | -                | <u>361,552</u>    | -  |
| <u>38,159</u>                                 | -                                       | -                | <u>361,552</u>    | -  |
| -   | -                                       | -                | -                 | -  |
| -   | 169,546                                 | 1,952,260        | 8,635,540         | 813                                      |
| -   | -                                       | -                | -                 | -  |
| -   | -                                       | -                | -                 | -  |
| <u>(38,159)</u>                               | -                                       | -                | <u>(38,159)</u>   | -  |
| <u>(38,159)</u>                               | <u>169,546</u>                          | <u>1,952,260</u> | <u>8,597,381</u>  | <u>813</u>                               |
| <u>120,469</u>                                | <u>453,933</u>                          | <u>2,168,669</u> | <u>14,549,524</u> | <u>1,167,765</u>                         |

**CITY OF THOUSAND OAKS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**

| <b>Capital Projects Funds</b>  |                            |  |   |                   |  |
|--|----------------------------|--|---|-------------------|--|
|  | Fixed Asset<br>Replacement | Community<br>Recreation and<br>Open Space<br>Endowment<br>Fund | Thousand<br>Oaks Public<br>Financing<br>Authority | Total             | Total<br>Nonmajor<br>Governmental<br>Funds |
| <b><u>Assets</u></b>   |                            |  |   |                   |  |
| Cash and investments   | \$ 11,824,552              | 1,640,127  | 184,073   | 13,648,752        | 25,438,797                                 |
| Receivables:   |                            |  |   |                   |  |
| Accounts   | -                          | -  | -   | -                 | 322,291                                    |
| Accrued interest   | -                          | 3,017  | 340   | 3,357             | 349,205                                    |
| Intergovernmental  | -                          | -  | -   | -                 | 620,740                                    |
| Notes/loans  | -                          | -  | -   | -                 | 1,470,600                                  |
| Restricted cash and investments  | -                          | -  | -   | -                 | 1,167,765                                  |
| <b>Totals assets</b>   | <b>\$ 11,824,552</b>       | <b>1,643,144</b>   | <b>184,413</b>                                    | <b>13,652,109</b> | <b>29,369,398</b>                          |
| <b><u>Liabilities, Deferred Inflows of Resources and Fund Balances</u></b> |                            |  |   |                   |  |
| <b>Liabilities:</b>  |                            |  |   |                   |  |
| Accounts payable   | \$ 12,040                  | -  | -   | 12,040            | 3,163,095                                  |
| Due to other agencies  | -                          | -  | -   | -                 | 254,600                                    |
| Interfund payables   | -                          | -  | -   | -                 | 406,298                                    |
| Unearned revenue   | -                          | -  | -   | -                 | 1,778,638                                  |
| Advances from other funds  | -                          | -  | -   | -                 | 1,166,952                                  |
| <b>Total liabilities</b>   | <b>12,040</b>              | <b>-</b>   | <b>-</b>  | <b>12,040</b>     | <b>6,769,583</b>                           |
| <b>Deferred inflows of resources:</b>                                      |                            |  |   |                   |  |
| Unavailable revenue  | -                          | -  | -   | -                 | 361,552                                    |
| <b>Total deferred inflows of resources</b>                                 | <b>-</b>                   | <b>-</b>   | <b>-</b>  | <b>-</b>          | <b>361,552</b>                             |
| <b>Fund balances:</b>  |                            |  |   |                   |  |
| Nonspendable   | -                          | -  | -   | -                 | -  |
| Restricted   | -                          | -  | 184,413   | 184,413           | 8,820,766                                  |
| Committed  | -                          | 1,643,144  | -   | 1,643,144         | 1,643,144                                  |
| Assigned   | 11,812,512                 | -  | -   | 11,812,512        | 11,812,512                                 |
| Unassigned   | -                          | -  | -   | -                 | (38,159)                                   |
| <b>Total fund balances</b>   | <b>11,812,512</b>          | <b>1,643,144</b>   | <b>184,413</b>                                    | <b>13,640,069</b> | <b>22,238,263</b>                          |
| <b>Total liabilities, deferred inflows of resources and fund balances</b>  | <b>\$ 11,824,552</b>       | <b>1,643,144</b>   | <b>184,413</b>                                    | <b>13,652,109</b> | <b>29,369,398</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, 2013**

| <b>Special Revenue Funds</b>                                 |  |                               |                                      |                          |   |
|--|--|-------------------------------|--------------------------------------|--------------------------|---|
|  | Landscape<br>and Lighting<br>Districts | Traffic and<br>Bicycle Safety | Community<br>Facilities<br>Districts | Federal Asset<br>Seizure | HOME and<br>Community<br>Development<br>Block Grant |
| <b>Revenues:</b>   |  |                               |                                      |                          |   |
| Taxes  | \$ 1,800,157                           | -                             | -                                    | -                        | -   |
| Fines and forfeitures  | -                                      | 679,846                       | -                                    | -                        | -   |
| Use of money and property                                    | 60,516                                 | 2,416                         | 17,134                               | 8,713                    | -   |
| Charges for current services                                 | 3,677,183                              | -                             | -                                    | -                        | -   |
| Intergovernmental revenue                                    | -                                      | 1,309                         | -                                    | 65,950                   | 1,445,560   |
| Other  | 42,930                                 | -                             | 21,949                               | -                        | -   |
| <b>Total revenues</b>  | <b>5,580,786</b>                       | <b>683,571</b>                | <b>39,083</b>                        | <b>74,663</b>            | <b>1,445,560</b>                                    |
| <b>Expenditures:</b>   |  |                               |                                      |                          |   |
| Current:   |  |                               |                                      |                          |   |
| General government   | -                                      | -                             | -                                    | -                        | -   |
| Public safety  | 1,317,606                              | -                             | -                                    | 66,509                   | -   |
| Transportation   | 4,588,347                              | 60,986                        | -                                    | -                        | -   |
| Community development  | -                                      | -                             | 405,843                              | -                        | 355,761   |
| Culture and leisure  | -                                      | -                             | -                                    | -                        | -   |
| Debt service:  |  |                               |                                      |                          |   |
| Principal  | -                                      | -                             | -                                    | -                        | -   |
| Interest   | -                                      | -                             | -                                    | -                        | -   |
| Capital outlay   | 289,611                                | -                             | -                                    | -                        | 1,089,799   |
| <b>Total expenditures</b>                                    | <b>6,195,564</b>                       | <b>60,986</b>                 | <b>405,843</b>                       | <b>66,509</b>            | <b>1,445,560</b>                                    |
| Excess (deficiency) of revenues over<br>(under) expenditures | <b>(614,778)</b>                       | <b>622,585</b>                | <b>(366,760)</b>                     | <b>8,154</b>             | <b>-</b>  |
| <b>Other financing sources (uses):</b>                       |  |                               |                                      |                          |   |
| Transfers in   | 132,520                                | -                             | -                                    | -                        | -   |
| Transfers out  | -                                      | (549,344)                     | -                                    | -                        | -   |
| <b>Total other financing sources (uses)</b>                  | <b>132,520</b>                         | <b>(549,344)</b>              | <b>-</b>                             | <b>-</b>                 | <b>-</b>  |
| Net change in fund balance                                   | (482,258)                              | 73,241                        | (366,760)                            | 8,154                    | -   |
| Fund balance-beginning                                       | <b>5,997,057</b>                       | <b>367,556</b>                | <b>664,535</b>                       | <b>249,136</b>           | <b>3,073</b>  |
| Fund balance-ending  | <b>\$ 5,514,799</b>                    | <b>440,797</b>                | <b>297,775</b>                       | <b>257,290</b>           | <b>3,073</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 |
| -   | -                                       | -                | 1,800,157         | -  |
| -   | -                                       | -                | 679,846           | -  |
| -   | -                                       | 7,560            | 96,339            | 3,838                                    |
| -   | 522,261                                 | 112,069          | 4,311,513         | -  |
| 1,730,216                                     | -                                       | -                | 3,243,035         | -  |
| -   | 8,330                                   | -                | 73,209            | -  |
| <u>1,730,216</u>                              | <u>530,591</u>                          | <u>119,629</u>   | <u>10,204,099</u> | <u>3,838</u>                             |
| -   | -                                       | -                | -                 | -  |
| -   | -                                       | -                | 1,384,115         | -  |
| 787,951                                       | 702,311                                 | -                | 6,139,595         | -  |
| -   | -                                       | 530,000          | 1,291,604         | -  |
| -   | -                                       | -                | -                 | -  |
| -   | -                                       | -                | -                 | 520,000                                  |
| -   | -                                       | -                | -                 | 637,312                                  |
| 576,392                                       | -                                       | -                | 1,955,802         | -  |
| <u>1,364,343</u>                              | <u>702,311</u>                          | <u>530,000</u>   | <u>10,771,116</u> | <u>1,157,312</u>                         |
| <u>365,873</u>                                | <u>(171,720)</u>                        | <u>(410,371)</u> | <u>(567,017)</u>  | <u>(1,153,474)</u>                       |
| -   | 3,344                                   | -                | 135,864           | 1,153,190                                |
| -   | -                                       | -                | (549,344)         | -  |
| -   | <u>3,344</u>                            | -                | <u>(413,480)</u>  | <u>1,153,190</u>                         |
| 365,873                                       | (168,376)                               | (410,371)        | (980,497)         | (284)                                    |
| <u>(404,032)</u>                              | <u>337,922</u>                          | <u>2,362,631</u> | <u>9,577,878</u>  | <u>1,097</u>                             |
| <u>(38,159)</u>                               | <u>169,546</u>                          | <u>1,952,260</u> | <u>8,597,381</u>  | <u>813</u>                               |

**CITY OF THOUSAND OAKS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year ended June 30, 2013**

Page 3 of 3

|  | Capital Projects Funds     |  |   |                | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|----------------------------|--|---|----------------|--|
|  | Fixed Asset<br>Replacement | Community<br>Recreation and<br>Open Space<br>Endowment<br>Fund | Thousand<br>Oaks Public<br>Financing<br>Authority | Total          |  |
| <b>Revenues:</b>   |                            |  |   |                |  |
| Taxes  | \$ -                       | 16,150   | -   | 16,150         | 1,816,307                                  |
| Fines and forfeitures  | -                          | -  | -   | -              | 679,846                                    |
| Use of money and property                                    | -                          | 16,536   | 1,910   | 18,446         | 118,623                                    |
| Charges for current services                                 | -                          | -  | -   | -              | 4,311,513                                  |
| Intergovernmental revenue                                    | -                          | -  | -   | -              | 3,243,035                                  |
| Other  | 950,459                    | 2,557  | -   | 953,016        | 1,026,225                                  |
| <b>Total revenues</b>  | <b>950,459</b>             | <b>35,243</b>  | <b>1,910</b>                                      | <b>987,612</b> | <b>11,195,549</b>                          |
| <b>Expenditures:</b>   |                            |  |   |                |  |
| Current:   |                            |  |   |                |  |
| General government   | 95,650                     | -  | -   | 95,650         | 95,650                                     |
| Public safety  | 70,722                     | -  | -   | 70,722         | 1,454,837                                  |
| Transportation   | 518,471                    | -  | -   | 518,471        | 6,658,066                                  |
| Community development  | 10,660                     | -  | -   | 10,660         | 1,302,264                                  |
| Culture and leisure  | 12,656                     | -  | -   | 12,656         | 12,656                                     |
| Debt service:  |                            |  |   |                |  |
| Principal  | -                          | -  | -   | -              | 520,000                                    |
| Interest   | -                          | -  | -   | -              | 637,312                                    |
| Capital outlay   | -                          | 36,268   | -   | 36,268         | 1,992,070                                  |
| <b>Total expenditures</b>                                    | <b>708,159</b>             | <b>36,268</b>  | <b>-</b>  | <b>744,427</b> | <b>12,672,855</b>                          |
| Excess (deficiency) of revenues over<br>(under) expenditures | 242,300                    | (1,025)  | 1,910   | 243,185        | (1,477,306)                                |
| <b>Other financing sources (uses):</b>                       |                            |  |   |                |  |
| Transfers in   | -                          | 160,108  | -   | 160,108        | 1,449,162                                  |
| Transfers out  | -                          | -  | -   | -              | (549,344)                                  |
| <b>Total other financing sources (uses)</b>                  | <b>-</b>                   | <b>160,108</b>   | <b>-</b>  | <b>160,108</b> | <b>899,818</b>                             |
| Net change in fund balance                                   | 242,300                    | 159,083  | 1,910   | 403,293        | (577,488)                                  |
| Fund balance-beginning                                       | 11,570,212                 | 1,484,061  | 182,503   | 13,236,776     | 22,815,751                                 |
| Fund balance-ending  | \$ 11,812,512              | 1,643,144  | 184,413   | 13,640,069     | 22,238,263                                 |

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, 2013**

|  | Budgeted Amounts    |                    |                  | Variance with<br>Final Budget -<br>Positive (Negative) |
|--|---------------------|--------------------|------------------|--|
|  | Original Budget     | Final Budget       | Actual           |  |
| <b>Revenues:</b>   |                     |                    |                  |  |
| Taxes  | \$ 1,769,200        | 1,769,200          | 1,800,157        | 30,957   |
| Use of money and property                                    | 66,200              | 66,200             | 60,516           | (5,684)  |
| Charges for current services                                 | 3,288,414           | 3,288,414          | 3,677,183        | 388,769  |
| Other  | 14,700              | 14,700             | 42,930           | 28,230   |
| Total revenues   | <u>5,138,514</u>    | <u>5,138,514</u>   | <u>5,580,786</u> | <u>442,272</u>   |
| <b>Expenditures:</b>   |                     |                    |                  |  |
| Current:   |                     |                    |                  |  |
| Public safety  | 1,506,363           | 1,506,363          | 1,317,606        | 188,757  |
| Transportation   | 5,001,793           | 5,071,881          | 4,588,347        | 483,534  |
| Capital outlay   | 5,945               | 3,402,116          | 289,611          | 3,112,505  |
| Total expenditures   | <u>6,514,101</u>    | <u>9,980,360</u>   | <u>6,195,564</u> | <u>3,784,796</u>                                       |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(1,375,587)</u>  | <u>(4,841,846)</u> | <u>(614,778)</u> | <u>4,227,068</u>                                       |
| <b>Other financing sources (uses):</b>                       |                     |                    |                  |  |
| Transfers in   | 219,900             | 219,900            | 132,520          | (87,380)   |
| Total other financing sources (uses)                         | <u>219,900</u>      | <u>219,900</u>     | <u>132,520</u>   | <u>(87,380)</u>  |
| Net change in fund balance                                   | (1,155,687)         | (4,621,946)        | (482,258)        | 4,139,688  |
| Fund balance-beginning                                       | <u>5,997,057</u>    | <u>5,997,057</u>   | <u>5,997,057</u> | <u>-</u>   |
| Fund balance-ending  | <u>\$ 4,841,370</u> | <u>1,375,111</u>   | <u>5,514,799</u> | <u>4,139,688</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, 2013**

|  | Budgeted Amounts  |                  |                  | Variance with<br>Final Budget -<br>Positive (Negative) |
|--|-------------------|------------------|------------------|--|
|  | Original Budget   | Final Budget     | Actual           |  |
| <b>Revenues:</b>                       |                   |                  |                  |  |
| Fines and forfeitures                  | \$ 800,000        | 800,000          | 679,846          | (120,154)  |
| Use of money and property              | 4,000             | 4,000            | 2,416            | (1,584)  |
| Intergovernmental revenue              | 21,500            | 21,500           | 1,309            | (20,191)   |
| Total revenues                         | <u>825,500</u>    | <u>825,500</u>   | <u>683,571</u>   | <u>(141,929)</u>                                       |
| <b>Expenditures:</b>                   |                   |                  |                  |  |
| Current:                               |                   |                  |                  |  |
| Transportation                         | 130,542           | 450,298          | 60,986           | 389,312  |
| Total expenditures                     | <u>130,542</u>    | <u>450,298</u>   | <u>60,986</u>    | <u>389,312</u>   |
| Excess of revenues over expenditures   | <u>694,958</u>    | <u>375,202</u>   | <u>622,585</u>   | <u>247,383</u>   |
| <b>Other financing sources (uses):</b> |                   |                  |                  |  |
| Transfers out                          | (814,000)         | (814,000)        | (549,344)        | 264,656  |
| Total other financing sources (uses)   | <u>(814,000)</u>  | <u>(814,000)</u> | <u>(549,344)</u> | <u>264,656</u>   |
| Net change in fund balance             | (119,042)         | (438,798)        | 73,241           | 512,039  |
| Fund balance-beginning                 | <u>367,556</u>    | <u>367,556</u>   | <u>367,556</u>   | <u>-</u>   |
| Fund balance-ending                    | <u>\$ 248,514</u> | <u>(71,242)</u>  | <u>440,797</u>   | <u>512,039</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, 2013**

|  | Budgeted Amounts  |                 |                  | Variance with<br>Final Budget -<br>Positive (Negative) |
|--|-------------------|-----------------|------------------|--|
|  | Original Budget   | Final Budget    | Actual           |  |
| <b>Revenues:</b>                             |                   |                 |                  |  |
| Use of money and property                    | \$ -              | -               | 17,134           | 17,134   |
| Other  | -                 | -               | 21,949           | 21,949   |
| Total revenues                               | <u>-</u>          | <u>-</u>        | <u>39,083</u>    | <u>39,083</u>  |
| <b>Expenditures:</b>                         |                   |                 |                  |  |
| Current:                                     |                   |                 |                  |  |
| Community development                        | 63,869            | 80,481          | 405,843          | (325,362)  |
| Total expenditures                           | <u>63,869</u>     | <u>80,481</u>   | <u>405,843</u>   | <u>(325,362)</u>                                       |
| Deficiency of revenues under<br>expenditures | <u>(63,869)</u>   | <u>(80,481)</u> | <u>(366,760)</u> | <u>(286,279)</u>                                       |
| Net change in fund balance                   | (63,869)          | (80,481)        | (366,760)        | (286,279)  |
| Fund balance-beginning                       | <u>664,535</u>    | <u>664,535</u>  | <u>664,535</u>   | <u>-</u>   |
| Fund balance-ending                          | <u>\$ 600,666</u> | <u>584,054</u>  | <u>297,775</u>   | <u>(286,279)</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, 2013**

|  | Budgeted Amounts      |                    |                  | Variance with<br>Final Budget -<br>Positive (Negative) |
|--|-----------------------|--------------------|------------------|--|
|  | Original Budget       | Final Budget       | Actual           |  |
| <b>Revenues:</b>   |                       |                    |                  |  |
| Intergovernmental revenue                                    | \$ 607,085            | 832,938            | 1,445,560        | 612,622  |
| Total revenues   | <u>607,085</u>        | <u>832,938</u>     | <u>1,445,560</u> | <u>612,622</u>   |
| <b>Expenditures:</b>   |                       |                    |                  |  |
| Current:   |                       |                    |                  |  |
| Community development  | 886,843               | 847,708            | 355,761          | 491,947  |
| Capital outlay   | 839,880               | 1,104,868          | 1,089,799        | 15,069   |
| Total expenditures   | <u>1,726,723</u>      | <u>1,952,576</u>   | <u>1,445,560</u> | <u>507,016</u>   |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(1,119,638)</u>    | <u>(1,119,638)</u> | -                | <u>1,119,638</u>                                       |
| Net change in fund balance                                   | (1,119,638)           | (1,119,638)        | -                | 1,119,638  |
| Fund balance-beginning                                       | <u>3,073</u>          | <u>3,073</u>       | <u>3,073</u>     | -  |
| Fund balance-ending  | <u>\$ (1,116,565)</u> | <u>(1,116,565)</u> | <u>3,073</u>     | <u>1,119,638</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, 2013**

|  | Budgeted Amounts  |                  |                  | Variance with<br>Final Budget -<br>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          | 522,261          | (133,739)  |
| Other  | 500               | 500              | 8,330            | 7,830  |
| Total revenues   | <u>657,011</u>    | <u>657,011</u>   | <u>530,591</u>   | <u>(126,420)</u>                                       |
| <b>Expenditures:</b>   |                   |                  |                  |  |
| Current:   |                   |                  |                  |  |
| Transportation   | <u>1,028,910</u>  | <u>1,028,910</u> | <u>702,311</u>   | <u>326,599</u>   |
| Total expenditures   | <u>1,028,910</u>  | <u>1,028,910</u> | <u>702,311</u>   | <u>326,599</u>   |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(371,899)</u>  | <u>(371,899)</u> | <u>(171,720)</u> | <u>200,179</u>   |
| <b>Other financing sources (uses):</b>                       |                   |                  |                  |  |
| Transfers in   | <u>321,774</u>    | <u>321,774</u>   | <u>3,344</u>     | <u>(318,430)</u>                                       |
| Total other financing sources (uses)                         | <u>321,774</u>    | <u>321,774</u>   | <u>3,344</u>     | <u>(318,430)</u>                                       |
| Net change in fund balance                                   | (50,125)          | (50,125)         | (168,376)        | (118,251)  |
| Fund balance-beginning                                       | <u>337,922</u>    | <u>337,922</u>   | <u>337,922</u>   | <u>-</u>   |
| Fund balance-ending  | <u>\$ 287,797</u> | <u>287,797</u>   | <u>169,546</u>   | <u>(118,251)</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 Position**  
**Internal Service Funds**  
**June 30, 2013**

|                         | Liability<br>Insurance | Workers'<br>Compensation<br>Insurance | Vision Insurance | Total             |
|-------------------------|------------------------|---------------------------------------|------------------|-------------------|
| <b>Assets:</b>          |                        |                                       |                  |                   |
| Current assets:         |                        |                                       |                  |                   |
| Cash and investments    | \$ 4,413,773           | 7,584,870                             | 56,577           | 12,055,220        |
| Receivables:            |                        |                                       |                  |                   |
| Accrued interest        | 8,072                  | 14,121                                | 100              | 22,293            |
| Prepaid items           | 6,609                  | -                                     | -                | 6,609             |
| Total current assets    | <u>4,428,454</u>       | <u>7,598,991</u>                      | <u>56,677</u>    | <u>12,084,122</u> |
| Total assets            | <u>4,428,454</u>       | <u>7,598,991</u>                      | <u>56,677</u>    | <u>12,084,122</u> |
| <b>Liabilities:</b>     |                        |                                       |                  |                   |
| Current liabilities:    |                        |                                       |                  |                   |
| Accounts payable        | 39,597                 | 20,615                                | 4,682            | 64,894            |
| Noncurrent liabilities: |                        |                                       |                  |                   |
| Claims payable          | 325,300                | 1,552,000                             | -                | 1,877,300         |
| Total liabilities       | <u>364,897</u>         | <u>1,572,615</u>                      | <u>4,682</u>     | <u>1,942,194</u>  |
| <b>Net position:</b>    |                        |                                       |                  |                   |
| Unrestricted            | 4,063,557              | 6,026,376                             | 51,995           | 10,141,928        |
| Total net position      | <u>\$ 4,063,557</u>    | <u>6,026,376</u>                      | <u>51,995</u>    | <u>10,141,928</u> |

See accompanying independent auditors' report.

**CITY OF THOUSAND OAKS**  
**Combining Statement of Revenues, Expenses, and Changes In Net Position**  
**Internal Service Funds**  
**Year ended June 30, 2013**

|  | Liability<br>Insurance | Workers'<br>Compensation<br>Insurance | Vision Insurance | Total             |
|--|------------------------|---------------------------------------|------------------|-------------------|
| <b>Operating revenues:</b>               |                        |                                       |                  |                   |
| Charges for services and supplies        | \$ 395,207             | -                                     | 45,399           | 440,606           |
| Total operating revenues                 | <u>395,207</u>         | <u>-</u>                              | <u>45,399</u>    | <u>440,606</u>    |
| <b>Operating expenses:</b>               |                        |                                       |                  |                   |
| Claims expenses                          | 290,442                | 328,187                               | 47,160           | 665,789           |
| Total operating expenses                 | <u>290,442</u>         | <u>328,187</u>                        | <u>47,160</u>    | <u>665,789</u>    |
| Operating income (loss)                  | <u>104,765</u>         | <u>(328,187)</u>                      | <u>(1,761)</u>   | <u>(225,183)</u>  |
| <b>Nonoperating revenues (expenses):</b> |                        |                                       |                  |                   |
| Interest income                          | 44,130                 | 79,701                                | 564              | 124,395           |
| Total nonoperating revenues              | <u>44,130</u>          | <u>79,701</u>                         | <u>564</u>       | <u>124,395</u>    |
| Change in net position                   | 148,895                | (248,486)                             | (1,197)          | (100,788)         |
| Total net position - beginning           | <u>3,914,662</u>       | <u>6,274,862</u>                      | <u>53,192</u>    | <u>10,242,716</u> |
| Total net position - ending              | <u>\$ 4,063,557</u>    | <u>6,026,376</u>                      | <u>51,995</u>    | <u>10,141,928</u> |

See accompanying independent auditors' report.

**CITY OF THOUSAND OAKS**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year ended June 30, 2013**

|   | Liability<br>Insurance | Workers'<br>Compensation<br>Insurance | Vision<br>Insurance | Total             |
|---|------------------------|---------------------------------------|---------------------|-------------------|
| <b>Cash flows from operating activities:</b>  |                        |                                       |                     |                   |
| Cash received from customers  | \$ 395,207             | -                                     | 45,399              | 440,606           |
| Cash payments for goods and services  | (466,084)              | (453,719)                             | (47,163)            | (966,966)         |
| Net cash used for operating activities  | <u>(70,877)</u>        | <u>(453,719)</u>                      | <u>(1,764)</u>      | <u>(526,360)</u>  |
| <b>Cash flows from investing activities:</b>  |                        |                                       |                     |                   |
| Interest received   | 44,389                 | 80,712                                | 561                 | 125,662           |
| Net cash provided by investing activities   | <u>44,389</u>          | <u>80,712</u>                         | <u>561</u>          | <u>125,662</u>    |
| Net decrease in cash and cash equivalents   | (26,488)               | (373,007)                             | (1,203)             | (400,698)         |
| Cash and cash equivalents, beginning of year  | 4,440,261              | 7,957,877                             | 57,780              | 12,455,918        |
| Cash and cash equivalents, end of year  | <u>\$ 4,413,773</u>    | <u>7,584,870</u>                      | <u>56,577</u>       | <u>12,055,220</u> |
| <b>Reconciliation of operating income to net cash provided by operating activities:</b>   |                        |                                       |                     |                   |
| Operating income (loss)   | \$ 104,765             | (328,187)                             | (1,761)             | (225,183)         |
| <b>Adjustments to reconcile operating loss to net cash used for operating activities:</b> |                        |                                       |                     |                   |
| (Increase) in prepaid expenses  | (101)                  | -                                     | -                   | (101)             |
| (Decrease) in accounts payables   | (66,941)               | (16,532)                              | (3)                 | (83,476)          |
| (Decrease) in claims payable  | (108,600)              | (109,000)                             | -                   | (217,600)         |
| Total adjustments   | <u>(175,642)</u>       | <u>(125,532)</u>                      | <u>(3)</u>          | <u>(301,177)</u>  |
| Net cash used for operating activities  | <u>\$ (70,877)</u>     | <u>(453,719)</u>                      | <u>(1,764)</u>      | <u>(526,360)</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 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, 2013**

Page 1 of 2

|                             | Strong Motion<br>Instrumentation | County Flood<br>Zone | Environment<br>Impact Reports | Planning<br>Security<br>Deposits | Public Works<br>Deposits |
|-----------------------------|----------------------------------|----------------------|-------------------------------|----------------------------------|--------------------------|
| <b>Assets:</b>              |                                  |                      |                               |                                  |                          |
| Cash and investments        | \$ 3,608                         | 18,152               | -                             | 838,416                          | 1,848,074                |
| Accounts receivable         | -                                | -                    | -                             | -                                | -                        |
| Accrued interest receivable | -                                | -                    | -                             | 1,544                            | 3,186                    |
| <b>Total assets</b>         | <b>\$ 3,608</b>                  | <b>18,152</b>        | <b>-</b>                      | <b>839,960</b>                   | <b>1,851,260</b>         |
| <b>Liabilities:</b>         |                                  |                      |                               |                                  |                          |
| Accounts payable            | \$ 3,608                         | 18,152               | -                             | 7,878                            | 6,000                    |
| Due to other agencies       | -                                | -                    | -                             | 5,690                            | -                        |
| Deposits                    | -                                | -                    | -                             | 826,392                          | 1,845,260                |
| <b>Total liabilities</b>    | <b>\$ 3,608</b>                  | <b>18,152</b>        | <b>-</b>                      | <b>839,960</b>                   | <b>1,851,260</b>         |

See accompanying independent auditors' report.

| Public Access<br>Television | Law<br>Enforcement | TOPASS         | COSCA            | Misc. Flow<br>Through | Total            |
|-----------------------------|--------------------|----------------|------------------|-----------------------|------------------|
| 920,399                     | 463,960            | 995,674        | 1,090,123        | 408,118               | 6,586,524        |
| 93,395                      | -                  | -              | -                | -                     | 93,395           |
| -                           | 869                | 1,841          | 2,011            | 746                   | 10,197           |
| <u>1,013,794</u>            | <u>464,829</u>     | <u>997,515</u> | <u>1,092,134</u> | <u>408,864</u>        | <u>6,690,116</u> |
| -                           | 8,489              | -              | -                | 4,415                 | 48,542           |
| -                           | -                  | -              | -                | -                     | 5,690            |
| <u>1,013,794</u>            | <u>456,340</u>     | <u>997,515</u> | <u>1,092,134</u> | <u>404,449</u>        | <u>6,635,884</u> |
| <u>1,013,794</u>            | <u>464,829</u>     | <u>997,515</u> | <u>1,092,134</u> | <u>408,864</u>        | <u>6,690,116</u> |

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year Ended June 30, 2013**

|   | Balance<br>July 1, 2012 | Additions     | Deductions    | Balance<br>June 30, 2013 |
|---|-------------------------|---------------|---------------|--------------------------|
| <b><u>Strong Motion Instrumentation</u></b> |                         |               |               |                          |
| Assets:                                     |                         |               |               |                          |
| Cash and investments                        | \$ 2,476                | 10,266        | 9,134         | 3,608                    |
| Total assets                                | <u>\$ 2,476</u>         | <u>10,266</u> | <u>9,134</u>  | <u>3,608</u>             |
| Liabilities:                                |                         |               |               |                          |
| Accounts payable                            | \$ 2,476                | 9,749         | 8,617         | 3,608                    |
| Due to other agencies                       | -                       | 10,266        | 10,266        | -                        |
| Total liabilities                           | <u>\$ 2,476</u>         | <u>20,015</u> | <u>18,883</u> | <u>3,608</u>             |
| <b><u>County Flood Zone</u></b>             |                         |               |               |                          |
| Assets:                                     |                         |               |               |                          |
| Cash and investments                        | \$ -                    | 30,311        | 12,159        | 18,152                   |
| Total assets                                | <u>\$ -</u>             | <u>30,311</u> | <u>12,159</u> | <u>18,152</u>            |
| Liabilities:                                |                         |               |               |                          |
| Accounts payable                            | \$ -                    | 30,311        | 12,159        | 18,152                   |
| Due to other agencies                       | -                       | 30,311        | 30,311        | -                        |
| Total liabilities                           | <u>\$ -</u>             | <u>60,622</u> | <u>42,470</u> | <u>18,152</u>            |
| <b><u>Environment Impact Reports</u></b>    |                         |               |               |                          |
| Assets:                                     |                         |               |               |                          |
| Cash and investments                        | \$ -                    | 25,117        | 25,117        | -                        |
| Total assets                                | <u>\$ -</u>             | <u>25,117</u> | <u>25,117</u> | <u>-</u>                 |
| Liabilities:                                |                         |               |               |                          |
| Deposits                                    | \$ -                    | 31,807        | 31,807        | -                        |
| Total liabilities                           | <u>\$ -</u>             | <u>31,807</u> | <u>31,807</u> | <u>-</u>                 |

(Continued ...)

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year Ended June 30, 2013**

|  | Balance<br>July 1, 2012 | Additions      | Deductions     | Balance<br>June 30, 2013 |
|--|-------------------------|----------------|----------------|--------------------------|
| (Continued ...)                          |                         |                |                |                          |
| <b><u>Planning Security Deposits</u></b> |                         |                |                |                          |
| Assets:                                  |                         |                |                |                          |
| Cash and investments                     | \$ 730,807              | 278,329        | 170,720        | 838,416                  |
| Accrued interest receivable              | 1,408                   | 5,174          | 5,038          | 1,544                    |
| Total assets                             | <u>\$ 732,215</u>       | <u>283,503</u> | <u>175,758</u> | <u>839,960</u>           |
| Liabilities:                             |                         |                |                |                          |
| Accounts payable                         | \$ 1,760                | 91,616         | 85,498         | 7,878                    |
| Due to other agencies                    | 5,690                   | -              | -              | 5,690                    |
| Deposits                                 | 724,765                 | 317,632        | 216,005        | 826,392                  |
| Total liabilities                        | <u>\$ 732,215</u>       | <u>409,248</u> | <u>301,503</u> | <u>839,960</u>           |
| <b><u>Public Works Deposits</u></b>      |                         |                |                |                          |
| Assets:                                  |                         |                |                |                          |
| Cash and investments                     | \$ 1,475,445            | 519,750        | 147,121        | 1,848,074                |
| Accrued interest receivable              | 2,724                   | 10,300         | 9,838          | 3,186                    |
| Total assets                             | <u>\$ 1,478,169</u>     | <u>530,050</u> | <u>156,959</u> | <u>1,851,260</u>         |
| Liabilities:                             |                         |                |                |                          |
| Accounts payable                         | \$ 2,650                | 123,071        | 119,721        | 6,000                    |
| Deposits                                 | 1,475,519               | 520,212        | 150,471        | 1,845,260                |
| Total liabilities                        | <u>\$ 1,478,169</u>     | <u>643,283</u> | <u>270,192</u> | <u>1,851,260</u>         |
| <b><u>Public Access Television</u></b>   |                         |                |                |                          |
| Assets:                                  |                         |                |                |                          |
| Cash and investments                     | \$ 546,124              | 841,116        | 466,841        | 920,399                  |
| Accounts receivable                      | 93,781                  | 93,395         | 93,781         | 93,395                   |
| Total assets                             | <u>\$ 639,905</u>       | <u>934,511</u> | <u>560,622</u> | <u>1,013,794</u>         |
| Liabilities:                             |                         |                |                |                          |
| Deposits                                 | \$ 639,905              | 373,889        | -              | 1,013,794                |
| Total liabilities                        | <u>\$ 639,905</u>       | <u>373,889</u> | <u>-</u>       | <u>1,013,794</u>         |
| (Continued ...)                          |                         |                |                |                          |

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year Ended June 30, 2013**

|                               | Balance<br>July 1, 2012 | Additions      | Deductions     | Balance<br>June 30, 2013 |
|-------------------------------|-------------------------|----------------|----------------|--------------------------|
| (Continued ...)               |                         |                |                |                          |
| <b><u>Law Enforcement</u></b> |                         |                |                |                          |
| Assets:                       |                         |                |                |                          |
| Cash and investments          | \$ 510,266              | 34,436         | 80,742         | 463,960                  |
| Accrued interest receivable   | 942                     | 3,066          | 3,139          | 869                      |
| Total assets                  | <u>\$ 511,208</u>       | <u>37,502</u>  | <u>83,881</u>  | <u>464,829</u>           |
| Liabilities:                  |                         |                |                |                          |
| Accounts payable              | \$ 5,957                | 78,428         | 75,896         | 8,489                    |
| Deposits                      | 505,251                 | 29,938         | 78,849         | 456,340                  |
| Total liabilities             | <u>\$ 511,208</u>       | <u>108,366</u> | <u>154,745</u> | <u>464,829</u>           |
| <b><u>TOPASS</u></b>          |                         |                |                |                          |
| Assets:                       |                         |                |                |                          |
| Cash and investments          | \$ 985,341              | 10,343         | 10             | 995,674                  |
| Accrued interest receivable   | 1,853                   | 6,212          | 6,224          | 1,841                    |
| Total assets                  | <u>\$ 987,194</u>       | <u>16,555</u>  | <u>6,234</u>   | <u>997,515</u>           |
| Liabilities:                  |                         |                |                |                          |
| Accounts payable              | \$ -                    | 10             | 10             | -                        |
| Deposits                      | 987,194                 | 10,331         | 10             | 997,515                  |
| Total liabilities             | <u>\$ 987,194</u>       | <u>10,341</u>  | <u>20</u>      | <u>997,515</u>           |
| <b><u>COSCA</u></b>           |                         |                |                |                          |
| Assets:                       |                         |                |                |                          |
| Cash and investments          | \$ 1,035,453            | 82,005         | 27,335         | 1,090,123                |
| Accounts receivable           | 2,030                   | 66,916         | 68,946         | -                        |
| Accrued interest receivable   | 1,905                   | 6,697          | 6,591          | 2,011                    |
| Total assets                  | <u>\$ 1,039,388</u>     | <u>155,618</u> | <u>102,872</u> | <u>1,092,134</u>         |
| Liabilities:                  |                         |                |                |                          |
| Accounts payable              | \$ 3,745                | -              | 3,745          | -                        |
| Deposits                      | 1,035,643               | 133,928        | 77,437         | 1,092,134                |
| Total liabilities             | <u>\$ 1,039,388</u>     | <u>133,928</u> | <u>81,182</u>  | <u>1,092,134</u>         |
| (Continued ...)               |                         |                |                |                          |

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year Ended June 30, 2013**

|                                  | Balance<br>July 1, 2012 | Additions        | Deductions       | Balance<br>June 30, 2013 |
|----------------------------------|-------------------------|------------------|------------------|--------------------------|
| (Continued ...)                  |                         |                  |                  |                          |
| <b><u>Misc. Flow Through</u></b> |                         |                  |                  |                          |
| Assets:                          |                         |                  |                  |                          |
| Cash and investments             | \$ 409,333              | 68,981           | 70,196           | 408,118                  |
| Accrued interest receivable      | 751                     | 2,519            | 2,524            | 746                      |
| Total assets                     | <u>\$ 410,084</u>       | <u>71,500</u>    | <u>72,720</u>    | <u>408,864</u>           |
| Liabilities:                     |                         |                  |                  |                          |
| Accounts payable                 | \$ 9,624                | 115,069          | 120,278          | 4,415                    |
| Deposits                         | 400,460                 | 329,334          | 325,345          | 404,449                  |
| Total liabilities                | <u>\$ 410,084</u>       | <u>444,403</u>   | <u>445,623</u>   | <u>408,864</u>           |
| <b><u>Total Agency Funds</u></b> |                         |                  |                  |                          |
| Assets:                          |                         |                  |                  |                          |
| Cash and investments             | \$ 5,695,245            | 1,900,654        | 1,009,375        | 6,586,524                |
| Accounts receivable              | 95,811                  | 160,311          | 162,727          | 93,395                   |
| Accrued interest receivable      | 9,583                   | 33,968           | 33,354           | 10,197                   |
| Total assets                     | <u>\$ 5,800,639</u>     | <u>2,094,933</u> | <u>1,205,456</u> | <u>6,690,116</u>         |
| Liabilities:                     |                         |                  |                  |                          |
| Accounts payable                 | \$ 26,212               | 448,254          | 425,924          | 48,542                   |
| Due to other agencies            | 5,690                   | 40,577           | 40,577           | 5,690                    |
| Deposits                         | 5,768,737               | 1,747,071        | 879,924          | 6,635,884                |
| Total liabilities                | <u>\$ 5,800,639</u>     | <u>2,235,902</u> | <u>1,346,425</u> | <u>6,690,116</u>         |



# STATISTICAL SECTION

City of Thousand Oaks  
Year Ended June 30, 2013

STATISTICAL SECTION

## 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><br>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.  | 122-131            |
| <b>Revenue Capacity</b><br>These tables contain information regarding the City's largest own-source revenue, property tax and sales tax.   | 132-137            |
| <b>Debt Capacity</b><br>These tables present information regarding the City's current debt requirements and the City's financial ability to issue additional debt in the future.   | 138-146            |
| <b>Demographic and Economic Information</b><br>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. | 147-148            |
| <b>Operating Information</b><br>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.                    | 149-152            |

Table 1

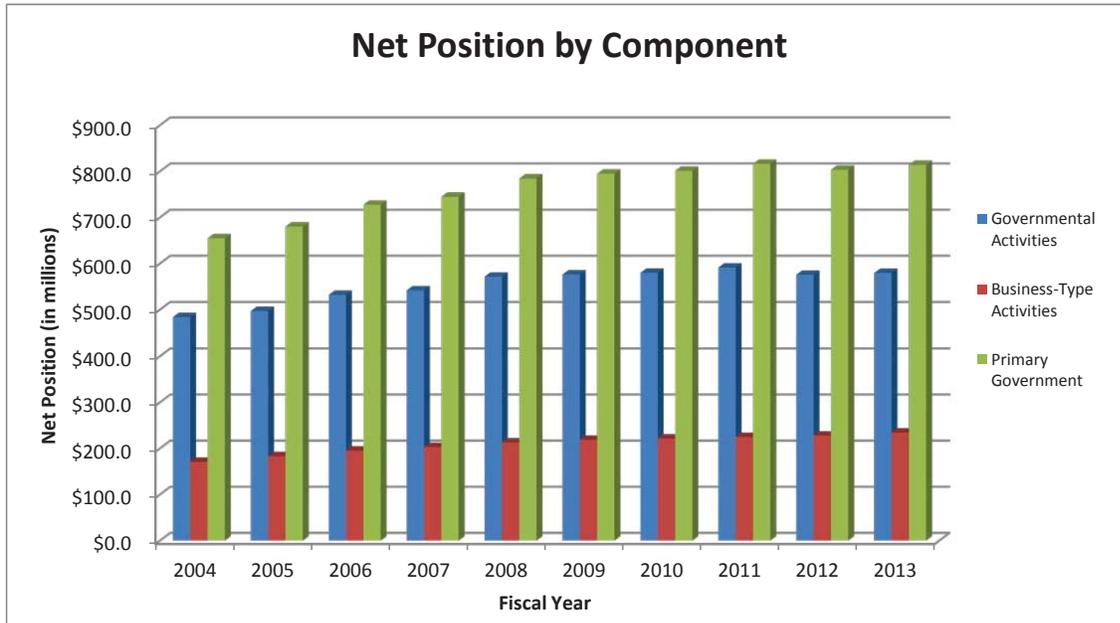
**CITY OF THOUSAND OAKS**

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

Page 1 of 2

|   | 2004                  | 2005                  | 2006                  | 2007                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities                     |                       |                       |                       |                       |
| Net investments in capital assets           | \$ 376,118,873        | \$ 387,500,748        | \$ 407,648,885        | \$ 418,355,893        |
| Restricted                                  | 25,412,896            | 28,561,340            | 31,169,108            | 35,924,063            |
| Unrestricted                                | 82,251,419            | 80,992,727            | 93,153,410            | 87,581,092            |
| Total governmental activities net position  | <u>\$ 483,783,188</u> | <u>\$ 497,054,815</u> | <u>\$ 531,971,403</u> | <u>\$ 541,861,048</u> |
| Business-type activities                    |                       |                       |                       |                       |
| Net investments in capital assets           | \$ 118,714,518        | \$ 128,678,380        | \$ 132,493,444        | \$ 142,591,730        |
| Restricted                                  | 1,897,857             | 1,523,477             | 1,523,349             | 2,531,163             |
| Unrestricted                                | 50,275,435            | 52,989,706            | 61,425,928            | 57,703,269            |
| Total business-type activities net position | <u>\$ 170,887,810</u> | <u>\$ 183,191,563</u> | <u>\$ 195,442,721</u> | <u>\$ 202,826,162</u> |
| Primary government                          |                       |                       |                       |                       |
| Net investments in capital assets           | \$ 494,833,391        | \$ 516,179,128        | \$ 540,142,329        | \$ 560,947,623        |
| Restricted                                  | 27,310,753            | 30,084,817            | 32,692,457            | 38,455,226            |
| Unrestricted                                | 132,526,854           | 133,982,433           | 154,579,338           | 145,284,361           |
| Total primary government net position       | <u>\$ 654,670,998</u> | <u>\$ 680,246,378</u> | <u>\$ 727,414,124</u> | <u>\$ 744,687,210</u> |

Source: City of Thousand Oaks



| 2008                  | 2009                  | 2010                  | 2011                  | 2012                  | 2013                  |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 434,736,557        | \$ 436,277,657        | \$ 434,777,106        | \$ 436,968,437        | \$ 424,876,492        | \$ 429,496,970        |
| 40,440,983            | 37,727,131            | 38,654,458            | 46,508,324            | 38,380,982            | 36,275,259            |
| 96,217,592            | 102,182,201           | 106,323,825           | 107,815,418           | 112,216,327           | 115,680,931           |
| <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> | <u>\$ 581,453,160</u> |
| <br>                  |                       |                       |                       |                       |                       |
| \$ 146,826,463        | \$ 148,313,106        | \$ 151,530,649        | \$ 153,821,273        | \$ 153,889,583        | \$ 160,080,104        |
| 2,522,780             | 2,734,026             | 2,018,609             | 2,196,556             | 2,093,726             | 30,111,380            |
| 63,558,847            | 67,572,396            | 67,811,296            | 68,823,038            | 71,729,967            | 44,219,266            |
| <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> | <u>\$ 234,410,750</u> |
| <br>                  |                       |                       |                       |                       |                       |
| \$ 581,563,020        | \$ 584,590,763        | \$ 586,307,755        | \$ 590,789,710        | \$ 578,766,075        | \$ 589,577,074        |
| 42,963,763            | 40,461,157            | 40,673,067            | 48,704,880            | 40,474,708            | 66,386,639            |
| 159,776,439           | 169,754,597           | 174,135,121           | 176,638,456           | 183,946,294           | 159,900,197           |
| <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> | <u>\$ 815,863,910</u> |

Table 2

## CITY OF THOUSAND OAKS

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

Page 1 of 4

|   | <u>2004</u>            | <u>2005</u>            | <u>2006</u>            | <u>2007</u>            |
|---|------------------------|------------------------|------------------------|------------------------|
| <b>Expenses</b>                                 |                        |                        |                        |                        |
| Governmental activities:                        |                        |                        |                        |                        |
| General government                              | \$ 18,743,165          | \$ 16,836,359          | \$ 17,206,821          | \$ 14,664,399          |
| Public safety                                   | 18,305,823             | 20,972,606             | 22,786,609             | 25,127,397             |
| Transportation                                  | 18,502,833             | 19,415,792             | 20,986,608             | 23,588,625             |
| Community development                           | 22,339,860             | 29,125,569             | 24,669,138             | 37,508,148             |
| Culture and leisure                             | 10,160,421             | 11,515,230             | 10,018,836             | 11,128,984             |
| Interest on long-term debt                      | 4,109,257              | 4,050,846              | 4,333,241              | 4,522,922              |
| Total governmental activities expenses          | <u>92,161,359</u>      | <u>101,916,402</u>     | <u>100,001,253</u>     | <u>116,540,475</u>     |
| Business-type activities:                       |                        |                        |                        |                        |
| Water   | 13,093,821             | 13,104,690             | 13,613,806             | 15,685,054             |
| Wastewater                                      | 14,753,954             | 15,752,429             | 15,326,168             | 16,485,524             |
| Golf Course                                     | 2,799,133              | 2,885,140              | 2,632,059              | 3,558,463              |
| Transportation                                  | 2,078,980              | 2,244,824              | 2,153,046              | 2,392,015              |
| Solid Waste Management                          | 1,109,634              | 1,204,671              | 1,095,095              | 1,218,699              |
| Theatres  | 3,280,574              | 3,364,571              | 3,261,166              | 3,531,891              |
| Total business-type activities expenses         | <u>37,116,096</u>      | <u>38,556,325</u>      | <u>38,081,340</u>      | <u>42,871,646</u>      |
| Total primary government expenses               | <u>\$129,277,455</u>   | <u>\$140,472,727</u>   | <u>\$138,082,593</u>   | <u>\$159,412,121</u>   |
| <b>Program Revenues</b>                         |                        |                        |                        |                        |
| Governmental activities:                        |                        |                        |                        |                        |
| Charges for services:                           |                        |                        |                        |                        |
| General government                              | \$ 4,781,210           | \$ 4,675,931           | \$ 5,364,362           | \$ 4,599,023           |
| Public safety                                   | 329,051                | 392,748                | 410,837                | 415,859                |
| Transportation                                  | 3,954,579              | 3,687,538              | 3,892,761              | 4,141,942              |
| Community development                           | 5,961,355              | 5,423,463              | 5,956,075              | 6,178,994              |
| Culture and leisure                             | 224,910                | 283,789                | 260,221                | 265,160                |
| Operating grants and contributions              | 10,104,962             | 9,714,763              | 15,910,652             | 13,984,520             |
| Capital grants and contributions                | 2,986,952              | 1,909,794              | 2,157,451              | 4,299,200              |
| Total governmental activities program revenues  | <u>28,343,019</u>      | <u>26,088,026</u>      | <u>33,952,359</u>      | <u>33,884,698</u>      |
| Business-type activities:                       |                        |                        |                        |                        |
| Charges for services:                           |                        |                        |                        |                        |
| Water   | 13,714,416             | 13,531,341             | 14,370,069             | 15,817,257             |
| Wastewater                                      | 19,667,533             | 24,859,087             | 23,293,090             | 21,780,500             |
| Golf Course                                     | 2,719,273              | 2,692,445              | 2,847,771              | 3,767,811              |
| Transportation                                  | 159,198                | 173,349                | 229,971                | 238,923                |
| Solid Waste Management                          | 1,356,590              | 1,495,382              | 1,587,575              | 1,686,762              |
| Theatres  | 2,545,525              | 2,747,968              | 3,055,383              | 3,320,816              |
| Operating grants and contributions              | 2,510,548              | 2,235,469              | 2,083,574              | 2,338,808              |
| Capital grants and contributions                | 914,728                | 2,570,615              | 2,389,038              | 1,194,074              |
| Total business-type activities program revenues | <u>43,587,811</u>      | <u>50,305,656</u>      | <u>49,856,471</u>      | <u>50,144,951</u>      |
| Total primary government program revenues       | <u>\$ 71,930,830</u>   | <u>\$ 76,393,682</u>   | <u>\$ 83,808,830</u>   | <u>\$ 84,029,649</u>   |
| <b>Net (expense)/revenue</b>                    |                        |                        |                        |                        |
| Governmental activities                         | \$ (63,818,340)        | \$ (75,828,376)        | \$ (66,048,894)        | \$ (82,655,777)        |
| Business-type activities                        | 6,471,715              | 11,749,331             | 11,775,131             | 7,273,305              |
| Total Primary government net expense            | <u>\$ (57,346,625)</u> | <u>\$ (64,079,045)</u> | <u>\$ (54,273,763)</u> | <u>\$ (75,382,472)</u> |

| <b>2008</b>            | <b>2009</b>            | <b>2010</b>            | <b>2011</b>            | <b>2012</b>            | <b>2013</b>            |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ 18,130,375          | \$ 19,274,242          | \$ 16,318,024          | \$ 15,818,365          | \$ 14,996,258          | \$ 15,544,721          |
| 26,181,258             | 26,737,000             | 26,917,106             | 27,165,601             | 27,853,732             | 27,487,842             |
| 24,322,484             | 24,812,778             | 24,205,410             | 27,308,063             | 25,844,691             | 26,109,347             |
| 24,412,525             | 23,525,974             | 31,472,631             | 26,004,932             | 19,757,842             | 11,162,235             |
| 11,497,376             | 11,657,026             | 11,438,101             | 10,880,231             | 10,435,600             | 9,719,771              |
| 4,432,146              | 4,426,267              | 4,002,329              | 3,672,066              | 1,845,302              | 636,012                |
| <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>     | <u>90,659,928</u>      |
| 16,651,251             | 17,578,603             | 18,690,402             | 19,430,010             | 20,779,897             | 22,133,144             |
| 18,530,603             | 18,033,389             | 18,795,351             | 18,565,664             | 19,022,278             | 18,988,040             |
| 5,229,818              | 5,002,620              | 5,099,519              | 4,923,681              | 4,918,517              | 4,729,238              |
| 2,656,945              | 2,928,854              | 3,447,324              | 3,764,116              | 4,097,237              | 4,655,099              |
| 1,225,934              | 1,250,469              | 1,332,067              | 1,424,288              | 1,571,469              | 1,899,126              |
| 3,959,594              | 4,152,677              | 3,915,498              | 3,716,595              | 4,101,536              | 4,083,872              |
| <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>56,488,519</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>   | <u>\$147,148,447</u>   |
| \$ 5,443,275           | \$ 5,569,675           | \$ 6,584,710           | \$ 5,620,394           | \$ 6,606,146           | \$ 6,281,280           |
| 454,311                | 473,720                | 643,054                | 518,740                | 849,732                | 847,579                |
| 4,055,638              | 4,231,897              | 4,693,392              | 4,271,158              | 5,949,669              | 5,460,232              |
| 5,498,065              | 4,462,726              | 4,352,037              | 4,764,843              | 4,694,052              | 3,962,106              |
| 268,351                | 256,812                | 316,762                | 260,421                | 343,042                | 244,486                |
| 12,520,302             | 11,360,407             | 11,453,153             | 13,906,945             | 13,194,721             | 11,561,006             |
| 10,556,495             | 2,792,857              | 1,622,157              | 1,652,089              | 483,744                | 5,570,206              |
| <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>      | <u>33,926,895</u>      |
| 17,180,172             | 18,436,321             | 18,896,852             | 21,283,333             | 22,828,323             | 25,548,666             |
| 24,047,603             | 21,871,495             | 20,657,404             | 20,028,254             | 19,091,002             | 19,347,142             |
| 5,527,842              | 5,570,050              | 5,307,892              | 4,874,576              | 5,074,016              | 4,646,379              |
| 266,518                | 285,926                | 396,405                | 301,075                | 457,938                | 998,709                |
| 1,676,715              | 1,574,351              | 1,602,364              | 1,388,587              | 1,484,372              | 1,621,874              |
| 4,000,422              | 3,569,127              | 3,191,463              | 3,142,176              | 3,155,208              | 3,278,415              |
| 3,548,963              | 2,845,062              | 3,620,080              | 3,989,932              | 4,057,467              | 4,393,103              |
| 1,481,682              | 236,070                | 225,179                | 175,441                | 1,068,810              | 2,748,298              |
| <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>62,582,586</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>   | <u>\$ 96,509,481</u>   |
| \$ (70,179,727)        | \$ (81,285,193)        | \$ (84,688,336)        | \$ (79,854,668)        | \$ (68,612,319)        | \$ (56,733,033)        |
| 9,475,772              | 5,441,790              | 2,617,478              | 3,359,020              | 2,726,202              | 6,094,067              |
| <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> | <u>\$ (50,638,966)</u> |

Table 2

**CITY OF THOUSAND OAKS**

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

Page 3 of 4

| <b>General Revenue and Other Changes in Net Position</b> | <b>2004</b>          | <b>2005</b>          | <b>2006</b>           | <b>2007</b>          |
|--|----------------------|----------------------|-----------------------|----------------------|
| Governmental activities:                                 |                      |                      |                       |                      |
| Taxes  |                      |                      |                       |                      |
| Property tax   | \$ 29,263,803        | \$ 30,831,917        | \$ 32,970,013         | \$ 32,239,737        |
| Sales tax  | 27,073,530           | 26,555,848           | 29,919,102            | 28,176,057           |
| Transient occupancy tax                                  | 2,087,242            | 2,203,145            | 2,541,091             | 2,830,919            |
| Franchise tax  | 4,374,567            | 4,715,999            | 4,720,176             | 5,363,492            |
| Business tax   | 1,577,169            | 1,633,662            | 1,781,543             | 1,826,253            |
| Property transfer tax                                    | 1,343,817            | 1,171,795            | 1,300,101             | 1,120,684            |
| Unrestricted intergovernmental revenue                   | 8,103,466            | 9,987,394            | 7,634,036             | 9,531,713            |
| Miscellaneous Revenue                                    | -                    | -                    | -                     | -                    |
| Proceeds from the sale of property                       | 8,528,797            | 10,323,579           | 18,746,601            | 6,449,961            |
| Unrestricted investment/interest earnings                | 421,841              | 2,231,086            | 2,677,146             | 5,116,742            |
| Extraordinary item - RDA dissolution (1)                 | -                    | -                    | -                     | -                    |
| Transfers  | (631,833)            | (554,422)            | (476,027)             | (110,136)            |
| Special item (2)   | -                    | -                    | (848,300)             | -                    |
| Total governmental activities                            | <u>82,142,399</u>    | <u>89,100,003</u>    | <u>100,965,482</u>    | <u>92,545,422</u>    |
| Business-type activities:                                |                      |                      |                       |                      |
| Transfers  | <u>631,833</u>       | <u>554,422</u>       | <u>476,027</u>        | <u>110,136</u>       |
| Total business-type activities                           | <u>631,833</u>       | <u>554,422</u>       | <u>476,027</u>        | <u>110,136</u>       |
| Total primary government                                 | <u>\$ 82,774,232</u> | <u>\$ 89,654,425</u> | <u>\$ 101,441,509</u> | <u>\$ 92,655,558</u> |
| <b>Change in Net Position</b>                            |                      |                      |                       |                      |
| Governmental activities                                  | \$ 18,324,059        | \$ 13,271,627        | \$ 34,916,588         | \$ 9,889,645         |
| Business-type activities                                 | <u>7,103,548</u>     | <u>12,303,753</u>    | <u>12,251,158</u>     | <u>7,383,441</u>     |
| Total primary government                                 | <u>\$ 25,427,607</u> | <u>\$ 25,575,380</u> | <u>\$ 47,167,746</u>  | <u>\$ 17,273,086</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>2008</u>           | <u>2009</u>          | <u>2010</u>          | <u>2011</u>          | <u>2012</u>            | <u>2013</u>          |
|-----------------------|----------------------|----------------------|----------------------|------------------------|----------------------|
| \$ 34,762,919         | \$ 37,321,236        | \$ 36,833,910        | \$ 34,355,639        | \$ 25,278,294          | \$ 14,829,441        |
| 26,356,909            | 24,132,888           | 23,873,911           | 22,123,406           | 25,957,903             | 25,197,744           |
| 2,859,810             | 2,493,840            | 2,281,581            | 2,702,879            | 2,977,691              | 3,162,291            |
| 5,117,984             | 5,282,424            | 5,200,169            | 5,790,082            | 5,984,921              | 6,204,829            |
| 1,843,606             | 1,782,198            | 1,673,282            | 1,708,860            | 1,705,654              | 1,840,690            |
| 703,515               | 525,900              | 573,839              | 588,295              | 634,332                | 734,488              |
| 9,965,147             | 10,225,069           | 10,186,178           | 10,302,283           | 9,707,468              | 9,894,767            |
| -                     | -                    | -                    | -                    | 500,000                | -                    |
| 12,529,289            | 1,668,014            | 6,161,617            | 1,535,345            | 3,989,070              | 1,378,420            |
| 6,180,788             | 2,686,701            | 1,595,797            | 931,529              | 1,342,253              | 91,728               |
| -                     | -                    | -                    | -                    | (25,137,438)           | -                    |
| (606,156)             | (41,220)             | (123,548)            | (121,293)            | (146,207)              | 60,108               |
| -                     | -                    | -                    | -                    | -                      | -                    |
| <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>63,394,506</u>    |
| <u>606,156</u>        | <u>41,220</u>        | <u>123,548</u>       | <u>121,293</u>       | <u>146,207</u>         | <u>(60,108)</u>      |
| <u>606,156</u>        | <u>41,220</u>        | <u>123,548</u>       | <u>121,293</u>       | <u>146,207</u>         | <u>(60,108)</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>   | <u>\$ 63,334,398</u> |
| <br>                  |                      |                      |                      |                        |                      |
| \$ 29,534,084         | \$ 4,791,857         | \$ 3,568,400         | \$ 62,357            | \$ (15,818,378)        | \$ 6,661,473         |
| 10,081,928            | 5,483,010            | 2,741,026            | 3,480,313            | 2,872,409              | 6,033,959            |
| <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> | <u>\$ 12,695,432</u> |

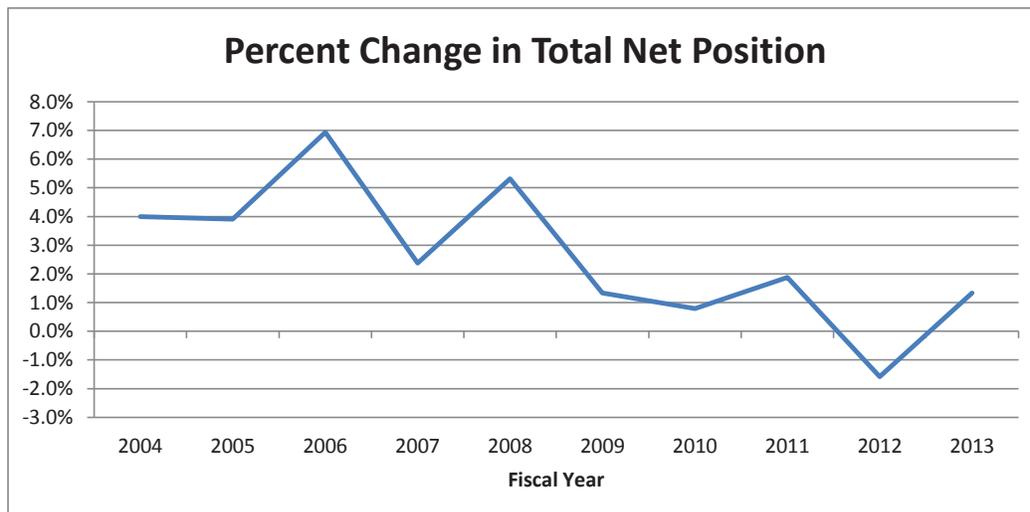


Table 3

CITY OF THOUSAND OAKS

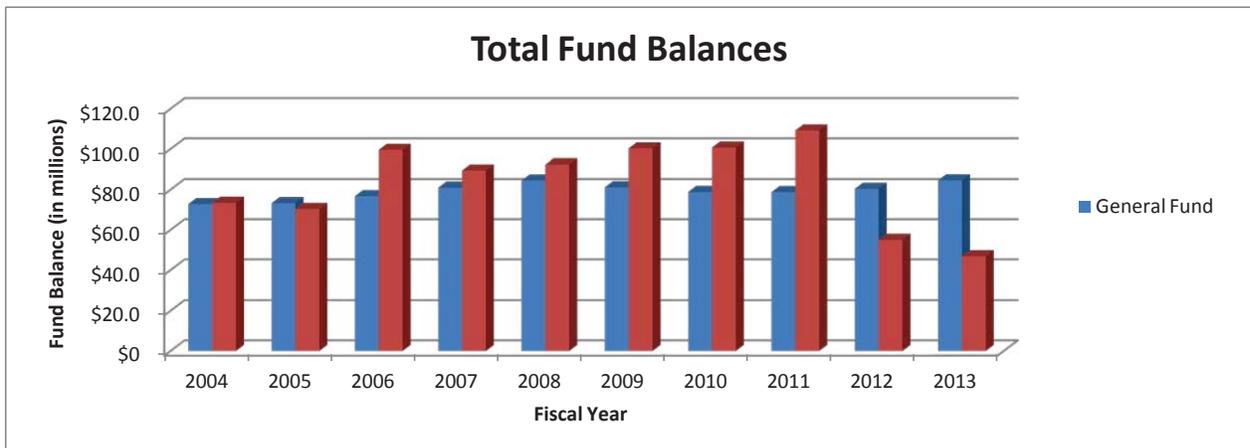
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

|                                    | 2004                 | 2005                 | 2006                 | 2007                 | 2008                 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund                       |                      |                      |                      |                      |                      |
| Reserved                           | \$ 2,348,887         | \$ 6,345,922         | \$ 5,686,993         | \$ 9,222,787         | \$ 8,078,178         |
| Unreserved                         | 70,496,143           | 66,974,161           | 71,118,732           | 71,791,197           | 76,484,258           |
| Nonspendable                       | -                    | -                    | -                    | -                    | -                    |
| Committed                          | -                    | -                    | -                    | -                    | -                    |
| Assigned                           | -                    | -                    | -                    | -                    | -                    |
| Unassigned                         | -                    | -                    | -                    | -                    | -                    |
| Total General Fund                 | <u>\$ 72,845,030</u> | <u>\$ 73,320,083</u> | <u>\$ 76,805,725</u> | <u>\$ 81,013,984</u> | <u>\$ 84,562,436</u> |
| All other governmental funds       |                      |                      |                      |                      |                      |
| Reserved                           | \$ 15,242,109        | \$ 15,895,720        | \$ 21,938,971        | \$ 28,821,905        | \$ 27,574,498        |
| Unreserved, reported in:           |                      |                      |                      |                      |                      |
| Special revenue funds              | 13,831,186           | 15,577,334           | 14,357,717           | 15,202,299           | 17,607,477           |
| Capital projects funds             | 44,420,861           | 38,939,654           | 63,308,782           | 45,493,233           | 47,247,642           |
| Nonspendable                       | -                    | -                    | -                    | -                    | -                    |
| Restricted                         | -                    | -                    | -                    | -                    | -                    |
| Committed                          | -                    | -                    | -                    | -                    | -                    |
| Assigned                           | -                    | -                    | -                    | -                    | -                    |
| Unassigned                         | -                    | -                    | -                    | -                    | -                    |
| Total all other governmental funds | <u>\$ 73,494,156</u> | <u>\$ 70,412,708</u> | <u>\$ 99,605,470</u> | <u>\$ 89,517,437</u> | <u>\$ 92,429,617</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



| <u>2009</u>          | <u>2010</u>          | <u>2011</u>          | <u>2012</u>          | <u>2013</u>          |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 7,346,454         | \$ 7,452,277         | \$ -                 | \$ -                 | \$ -                 |
| 73,848,723           | 71,441,836           | -                    | -                    | -                    |
| -                    | -                    | 386,487              | 458,467              | 444,070              |
| -                    | -                    | 30,382,360           | 29,133,665           | 32,150,306           |
| -                    | -                    | 47,971,223           | 49,836,670           | 50,970,528           |
| -                    | -                    | 75,762               | 1,018,694            | 1,096,184            |
| <u>\$ 81,195,177</u> | <u>\$ 78,894,113</u> | <u>\$ 78,815,832</u> | <u>\$ 80,447,496</u> | <u>\$ 84,661,088</u> |
| <br>                 |                      |                      |                      |                      |
| \$ 28,675,993        | \$ 35,259,948        | \$ -                 | \$ -                 | \$ -                 |
| 21,464,035           | 18,554,270           | -                    | -                    | -                    |
| 50,226,170           | 46,906,091           | -                    | -                    | -                    |
| -                    | -                    | 9,454,786            | 671,083              | 671,083              |
| -                    | -                    | 65,811,852           | 33,496,970           | 25,270,524           |
| -                    | -                    | 16,273,358           | 1,484,061            | 1,643,144            |
| -                    | -                    | 18,085,550           | 19,800,800           | 19,345,705           |
| -                    | -                    | (383,659)            | (404,032)            | (38,159)             |
| <u>\$100,366,198</u> | <u>\$100,720,309</u> | <u>\$109,241,887</u> | <u>\$ 55,048,882</u> | <u>\$ 46,892,297</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>2004</u>         | <u>2005</u>           | <u>2006</u>          | <u>2007</u>           | <u>2008</u>         |
|--|---------------------|-----------------------|----------------------|-----------------------|---------------------|
| Revenues   |                     |                       |                      |                       |                     |
| Taxes  | \$66,138,570        | \$66,968,618          | \$72,644,232         | \$74,087,967          | \$73,371,615        |
| Licenses and permits   | 6,333,498           | 6,069,507             | 6,828,237            | 7,067,251             | 6,444,165           |
| Fines and forfeitures  | 1,332,619           | 1,271,982             | 1,315,310            | 1,355,570             | 1,406,029           |
| Use of money and property                                    | 3,757,861           | 5,374,862             | 11,767,522           | 10,372,723            | 11,324,470          |
| Charges for current services                                 | 9,364,412           | 8,589,077             | 8,262,238            | 9,658,202             | 12,746,634          |
| Intergovernmental revenue                                    | 12,189,331          | 14,623,435            | 15,264,763           | 16,333,547            | 15,926,155          |
| Reimbursements   | 2,308,675           | 1,586,882             | 1,548,917            | 1,636,729             | 1,630,729           |
| Other  | 105,974             | 132,483               | 1,152,685            | 824,383               | 403,694             |
| Total revenues   | <u>101,530,940</u>  | <u>104,616,846</u>    | <u>118,783,904</u>   | <u>121,336,372</u>    | <u>123,253,491</u>  |
| Expenditures   |                     |                       |                      |                       |                     |
| Current:   |                     |                       |                      |                       |                     |
| General government   | 16,283,067          | 15,621,138            | 15,766,855           | 17,977,207            | 16,062,522          |
| Public safety  | 18,153,673          | 20,810,401            | 22,695,988           | 25,042,113            | 26,105,855          |
| Transportation   | 16,170,952          | 15,743,581            | 19,517,689           | 18,745,267            | 20,280,207          |
| Community development (2)                                    | 22,587,027          | 29,297,954            | 24,898,340           | 37,478,789            | 24,442,524          |
| Culture and leisure  | 9,346,445           | 10,559,066            | 9,155,333            | 10,205,274            | 10,130,739          |
| Debt service:  |                     |                       |                      |                       |                     |
| Principal  | 1,916,140           | 1,996,140             | 2,086,140            | 1,565,000             | 4,195,000           |
| Interest   | 4,116,462           | 4,058,309             | 4,288,548            | 4,528,991             | 4,447,340           |
| Issuance cost (1)  | -                   | -                     | 1,662,447            | -                     | -                   |
| Payment to refunded bond escrow agent - prior                | -                   | -                     | -                    | -                     | -                   |
| Capital outlay   | <u>3,674,055</u>    | <u>10,187,907</u>     | <u>9,789,053</u>     | <u>11,603,594</u>     | <u>10,528,549</u>   |
| Total expenditures   | <u>92,247,821</u>   | <u>108,274,496</u>    | <u>109,860,393</u>   | <u>127,146,235</u>    | <u>116,192,736</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>9,283,119</u>    | <u>(3,657,650)</u>    | <u>8,923,511</u>     | <u>(5,809,863)</u>    | <u>7,060,755</u>    |
| Other financing sources (uses)                               |                     |                       |                      |                       |                     |
| Extraordinary item (3)                                       | -                   | -                     | -                    | -                     | -                   |
| Transfers in   | 8,038,150           | 20,256,583            | 36,084,301           | 8,832,240             | 9,903,957           |
| Transfers out  | (8,669,983)         | (20,811,005)          | (36,560,328)         | (8,942,376)           | (10,510,113)        |
| 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                               | 40,058              | 5,677                 | 21,672               | 40,225                | 6,033               |
| Special Item   | -                   | -                     | (848,300)            | -                     | -                   |
| Total other financing sources (uses)                         | <u>(591,775)</u>    | <u>1,051,255</u>      | <u>23,754,893</u>    | <u>(69,911)</u>       | <u>(600,123)</u>    |
| Net change in fund balances                                  | <u>\$ 8,691,344</u> | <u>\$ (2,606,395)</u> | <u>\$ 32,678,404</u> | <u>\$ (5,879,774)</u> | <u>\$ 6,460,632</u> |
| Debt service as a percentage of noncapital<br>expenditures   | 7.2%                | 6.4%                  | 6.8%                 | 5.5%                  | 8.6%                |

## 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

| 2009          | 2010           | 2011           | 2012            | 2013           |
|---------------|----------------|----------------|-----------------|----------------|
| \$ 71,989,974 | \$ 67,116,846  | \$ 69,146,491  | \$ 60,266,779   | \$ 51,411,370  |
| 5,206,207     | 4,319,610      | 4,829,204      | 5,044,995       | 5,101,683      |
| 1,565,993     | 1,356,890      | 1,245,879      | 1,252,050       | 1,170,876      |
| 6,467,079     | 4,505,561      | 3,273,362      | 3,051,485       | 1,835,698      |
| 10,030,782    | 9,876,944      | 9,660,891      | 10,758,658      | 11,047,312     |
| 20,861,029    | 17,490,908     | 21,229,614     | 20,652,591      | 20,966,207     |
| 1,759,091     | -              | -              | -               | -              |
| 190,291       | 3,271,990      | 2,325,759      | 3,719,494       | 1,970,848      |
| 118,070,446   | 107,938,749    | 111,711,200    | 104,746,052     | 93,503,994     |
| 17,306,010    | 14,530,618     | 14,170,542     | 14,679,175      | 14,564,358     |
| 26,599,446    | 26,684,654     | 26,999,458     | 27,622,423      | 27,336,083     |
| 22,524,959    | 15,762,955     | 22,727,687     | 29,403,527      | 28,459,116     |
| 23,404,601    | 31,093,436     | 26,085,166     | 19,555,500      | 10,496,554     |
| 10,035,034    | 9,718,996      | 9,351,390      | 9,013,448       | 8,451,440      |
| 4,380,000     | 4,560,000      | 4,875,000      | 4,910,000       | 520,000        |
| 4,240,684     | 4,034,636      | 3,585,683      | 2,090,329       | 637,312        |
| -             | 253,368        | -              | -               | -              |
| -             | 1,214,341      | -              | -               | -              |
| 4,998,150     | 3,416,204      | 6,846,658      | 14,535,378      | 7,081,193      |
| 113,488,884   | 111,269,208    | 114,641,584    | 121,809,780     | 97,546,056     |
| 4,581,562     | (3,330,459)    | (2,930,384)    | (17,063,728)    | (4,042,062)    |
| -             | -              | -              | (35,366,016)    | -              |
| 9,252,559     | 8,428,849      | 7,159,053      | 8,167,067       | 5,271,869      |
| (9,293,779)   | (8,552,397)    | (7,280,346)    | (8,313,274)     | (5,211,761)    |
| -             | 16,405,000     | -              | -               | -              |
| -             | 133,266        | -              | -               | -              |
| -             | -              | -              | -               | -              |
| -             | (15,107,427)   | -              | -               | -              |
| 28,980        | 76,215         | 20,542         | 14,610          | 38,961         |
| -             | -              | -              | -               | -              |
| (12,240)      | 1,383,506      | (100,751)      | (35,497,613)    | 99,069         |
| \$ 4,569,322  | \$ (1,946,953) | \$ (3,031,135) | \$ (52,561,341) | \$ (3,942,993) |
| 8.5%          | 8.1%           | 8.3%           | 7.5%            | 1.5%           |

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 | Former Redevelopment Agency (3) |               | Taxable Assessed Value | Total Direct Tax Rate (2) |
|---------------------------|------------------|---------------|-------------|------------------------|---------------------------------|---------------|------------------------|---------------------------|
|                           | Secured          | Unsecured     | Utility (1) |                        | Secured                         | Unsecured     |                        |                           |
| 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          | -                         |
| 2013                      | 22,849,995,645   | 564,130,360   | -           | 23,414,126,005         | 2,036,945,616                   | 180,730,861   | 2,217,676,477          | -                         |

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 2005-06 through 2012-13.
- (2) The City does not have a direct property tax rate.
- (3) The Agency was dissolved on 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

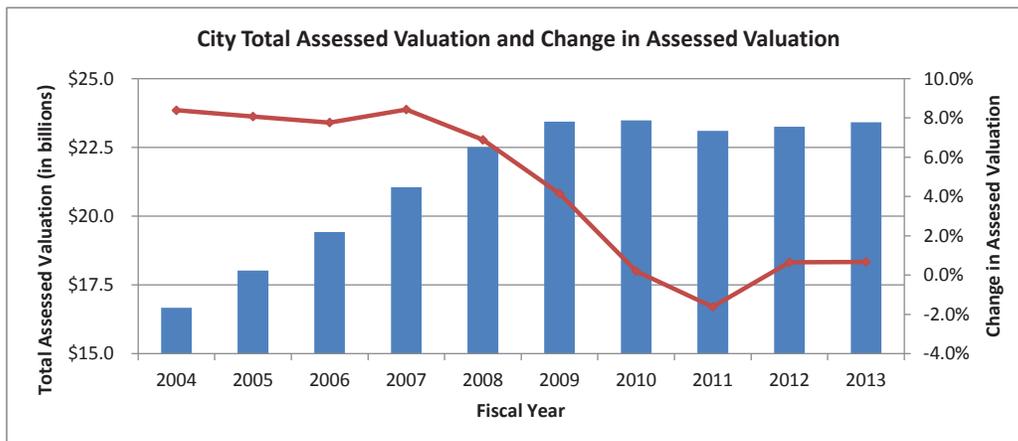


Table 6

**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) |                                  |
| 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                         |
| 2013        | -                    | -                                     | 1.000000                   | 0.032400                                       | 0.019100                           | 0.003500               | 1.055000                         |

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>                                  | 2013                              |   | 2004                          |   |
|--|-----------------------------------|---|-------------------------------|---|
|  | <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.                                       | \$ 1,116,812,675                  | 4.77%   | \$ 999,981,606                | 6.00%   |
| MACERICH OAKS LLC                                | 334,923,191                       | 1.43%   | 157,650,452                   | 0.95%   |
| CONTINUING LIFE COMMUNITIES<br>THOUSAND OAKS LLC | 179,077,061                       | 0.76%   | -                             | 0.00%   |
| BAXTER HEALTHCARE CORP.                          | 168,514,823                       | 0.72%   | 200,193,996                   | 1.20%   |
| LOS ROBLES HOSPITAL                              | 158,991,023                       | 0.68%   | 53,773,314                    | 0.32%   |
| DUESENBERG INVESTMENT CO.                        | 118,646,479                       | 0.51%   | 100,657,900                   | 0.60%   |
| KNOLLS APARTMENTS LLC                            | 103,460,616                       | 0.44%   | -                             | 0.00%   |
| WESTLAKE PLAZA CTR EAST LLC                      | 76,300,000                        | 0.33%   | -                             | 0.00%   |
| SKYWORKS SOLUTONS INC.                           | 73,134,153                        | 0.31%   | -                             | 0.00%   |
| REGENCY CENTERS LP                               | 72,463,363                        | 0.31%   | 62,383,634                    | 0.37%   |
| BHC TRUST  | -                                 | 0.00%   | 91,811,563                    | 0.55%   |
| LANG RANCH ASSOCIATES                            | -                                 | 0.00%   | 60,762,356                    | 0.36%   |
| U S A INVESTMENTS INC.                           | -                                 | 0.00%   | 57,933,781                    | 0.35%   |
| ESSEX PORTFOLIO                                  | -                                 | 0.00%   | 57,114,915                    | 0.34%   |
| <b>TOTAL</b>                                     | <b>\$ 2,402,323,384</b>           | <b>10.26%</b>                                     | <b>\$ 1,842,263,517</b>       | <b>11.04%</b>                                     |

Notes:

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

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<br>Ended<br>June 30 | Total Tax<br>Levy for<br>Fiscal Year (1) | Collected within the<br>Fiscal Year of the Levy |                       | Collections in<br>Subsequent<br>Years (2) | Total Collections to Date |                       |
|---------------------------------|--|---|-----------------------|---|---------------------------|-----------------------|
|                                 |  | Amount  | Percentage<br>of Levy |   | Amount                    | Percentage<br>of Levy |
| 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%                 | 191,441                                   | 29,243,547                | 99.8%                 |
| 2007                            | 32,111,585                               | 31,693,931                                      | 98.7%                 | 403,438                                   | 32,097,370                | 99.9%                 |
| 2008                            | 36,647,595                               | 36,065,366                                      | 98.4%                 | 317,307                                   | 36,382,673                | 99.3%                 |
| 2009                            | 37,438,880                               | 36,880,898                                      | 98.5%                 | 160,986                                   | 37,041,883                | 98.9%                 |
| 2010                            | 37,320,750                               | 36,942,155                                      | 99.0%                 | 77,890                                    | 37,020,045                | 99.2%                 |
| 2011                            | 35,517,611                               | 35,219,996                                      | 99.2%                 | 70,924                                    | 35,290,920                | 99.4%                 |
| 2012                            | 36,020,486                               | 35,770,741                                      | 99.3%                 | 66,231                                    | 35,836,972                | 99.5%                 |
| 2013                            | 35,541,638                               | 35,311,933                                      | 99.4%                 | N/A                                       | 35,311,933                | 99.4%                 |

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, 2020.
- (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

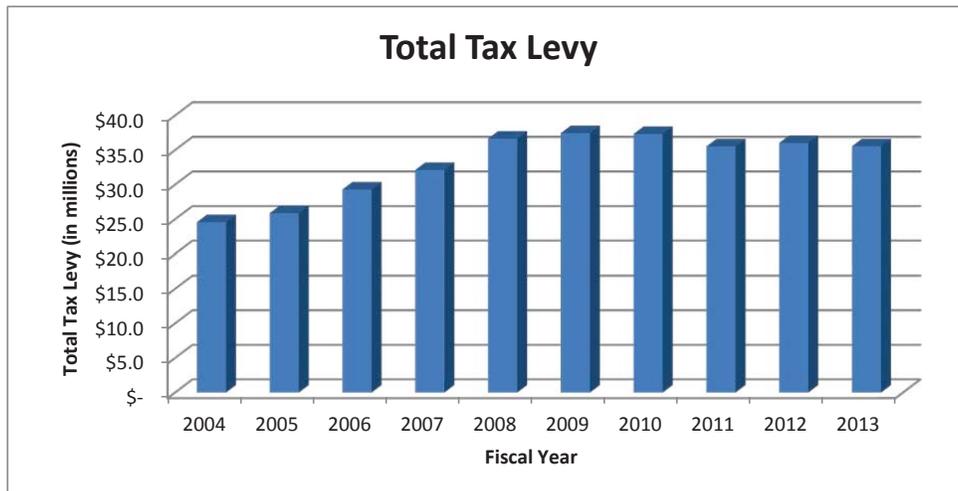


Table 9

**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> |
|--------------------|-----------------------------|-----------------------|----------------------------|
| 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%                      |
| 2013               | -                           | 1.00%                 | 6.50%                      |

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)**

| Calendar Year | Apparel Stores | General Merchandise | Food Stores | Eating and Drinking Establishments | Building Materials | Auto Dealers and Supplies | Service Stations | Other Retail Stores | All Other Outlets | Total       | Total Direct Sales Tax Rate (1) |
|---------------|----------------|---------------------|-------------|------------------------------------|--------------------|---------------------------|------------------|---------------------|-------------------|-------------|---------------------------------|
| 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   | -                               |
| 2012          | 128,425        | 185,623             | 101,815     | 287,877                            | 100,989            | 686,186                   | 219,415          | 450,079             | 507,298           | 2,667,707   | -                               |

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 2013 not available.

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

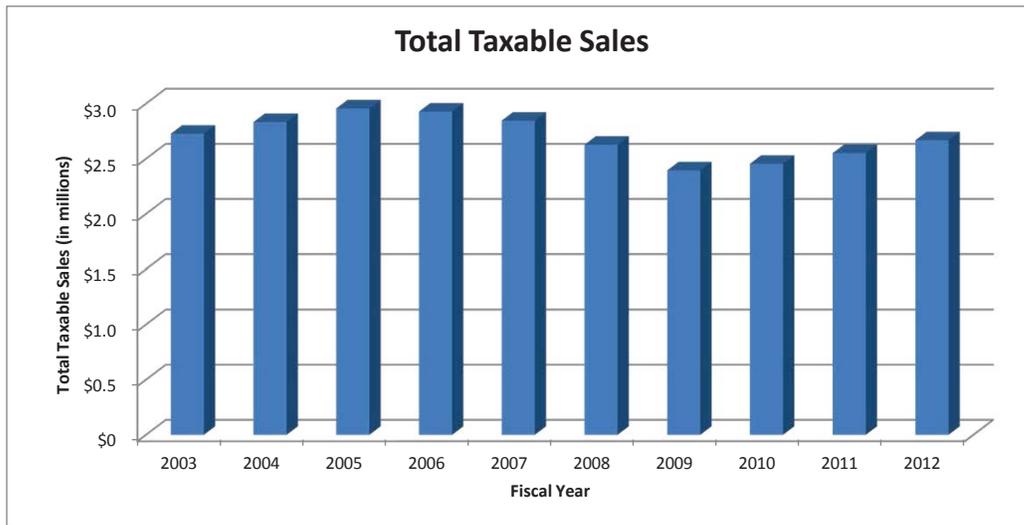


Table 11

**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) |
| 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                        |
| 2013        | -                           | -                        | -                             | 14,825,000                        |

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 of 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 issue premiums 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

**Business-type Activities**

| <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> |
|-------------------|--------------------------|------------------------|--|------------------------------------|---------------------------------|--|----------------------------|
| \$ 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                     |
| 18,450,367        | 464,978                  | -                      | -  | 9,127,092                          | 42,402,459                      | 0.7%                                     | 330.90                     |

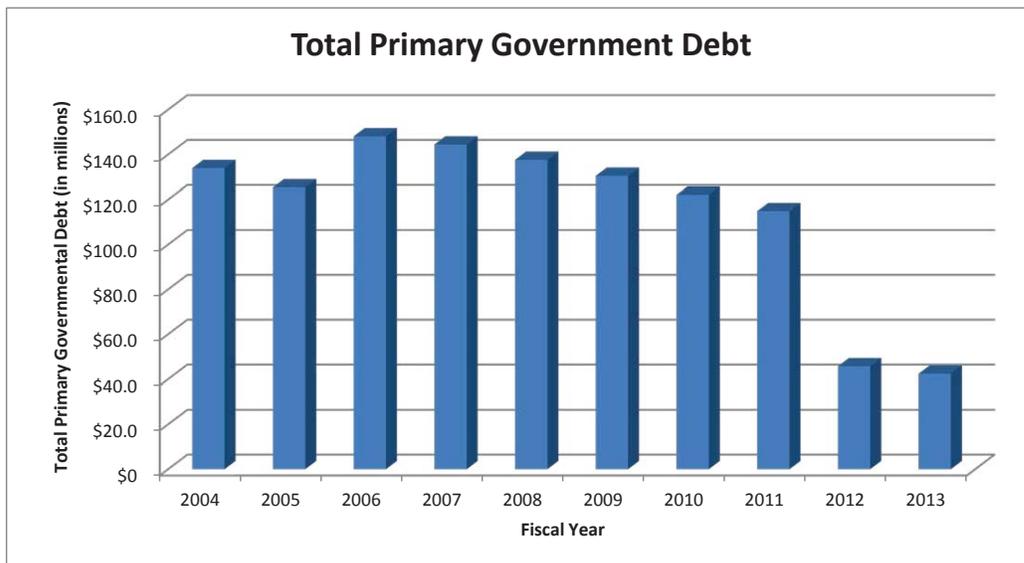


Table 12

CITY OF THOUSAND OAKS

Ratio of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years

| Fiscal Year | Gross Bonded Debt (1) | Less: Debt Payable from Redevelopment Revenues (2) | Net Bonded Debt | Percentage of Actual Taxable Value of Property (3) | Debt Per Capita (4) |
|-------------|-----------------------|--|-----------------|--|---------------------|
| 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              |
| 2013        | 14,825,000            | -  | 14,825,000      | 0.06%  | 115.69              |

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, 2013

| Jurisdiction   | Net General<br>Obligation<br>Debt<br>Outstanding | Percentage<br>Applicable<br>to City of<br>Thousand<br>Oaks (1) | Amount<br>Applicable to<br>City of<br>Thousand Oaks<br>June 30, 2013 |
|--|--|--|--|
| <u>Overlapping Tax and Assessment Debt:</u>              |  |  |  |
| Metropolitan Water District                              | \$ 165,085,000                                   | 1.115 %  | \$ 1,840,698   |
| Ventura County Community College District                | 308,659,326                                      | 22.391 %   | 69,111,910   |
| Conejo Valley Unified School District                    | 36,186,104                                       | 90.649 %   | 32,802,341   |
| City of Thousand Oaks Community Facilities Districts (2) | 25,545,000                                       | 100.000 %  | 25,545,000   |
| <u>Overlapping General Fund Debt:</u>                    |  |  |  |
| Ventura County General Fund Obligations                  | 388,450,000                                      | 22.383 %   | 86,946,764   |
| Ventura County Superintendent of Schools Certificates    | 11,510,000                                       | 22.383 %   | <u>2,576,283</u>   |
| Subtotal overlapping and assessment debt                 |  |  | 218,822,996  |
| <u>City Direct Debt:</u>                                 |  |  |  |
| City of Thousand Oaks Revenue Lease Refunding Bonds      | 14,825,000                                       | 100.000 %  | <u>14,825,000</u>  |
| Subtotal direct debt                                     |  |  | 14,825,000   |
| Total Direct and Overlapping Debt (3)                    |  |  | <u><u>\$233,647,996</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>2004</u>           | <u>2005</u>           | <u>2006</u>           | <u>2007</u>           |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt limit  | \$ 675,733,015        | \$ 728,234,626        | \$ 789,621,363        | \$ 843,986,565        |
| Total net debt applicable to limit                                    | <u>18,425,000</u>     | <u>18,075,000</u>     | <u>17,705,000</u>     | <u>17,325,000</u>     |
| Legal debt margin   | <u>\$ 657,308,015</u> | <u>\$ 710,159,626</u> | <u>\$ 771,916,363</u> | <u>\$ 826,661,565</u> |
| Total net debt applicable to the limit<br>as percentage of debt limit | 2.73%                 | 2.48%                 | 2.24%                 | 2.05%                 |

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

| <b>2008</b>           | <b>2009</b>           | <b>2010</b>           | <b>2011</b>           | <b>2012</b>           | <b>2013</b>           |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 878,983,971        | \$ 880,798,372        | \$ 866,528,344        | \$ 872,161,962        | \$ 872,161,962        | \$ 878,029,725        |
| 16,935,000            | 16,520,000            | 16,405,000            | 15,850,000            | 15,345,000            | 14,825,000            |
| <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> | <u>\$ 863,204,725</u> |
| 1.93%                 | 1.88%                 | 1.89%                 | 1.82%                 | 1.76%                 | 1.69%                 |

**Legal Debt Margin Calculation for Fiscal Year 2012-13**

|  |                          |
|--|--------------------------|
| Assessed value                                   | <u>\$ 23,414,126,005</u> |
| Debt limit (3.75% of total assessed value) (1)   | 878,029,725              |
| Less net amount of debt applicable to debt limit | <u>14,825,000</u>        |
| Legal debt margin                                | <u>\$ 863,204,725</u>    |

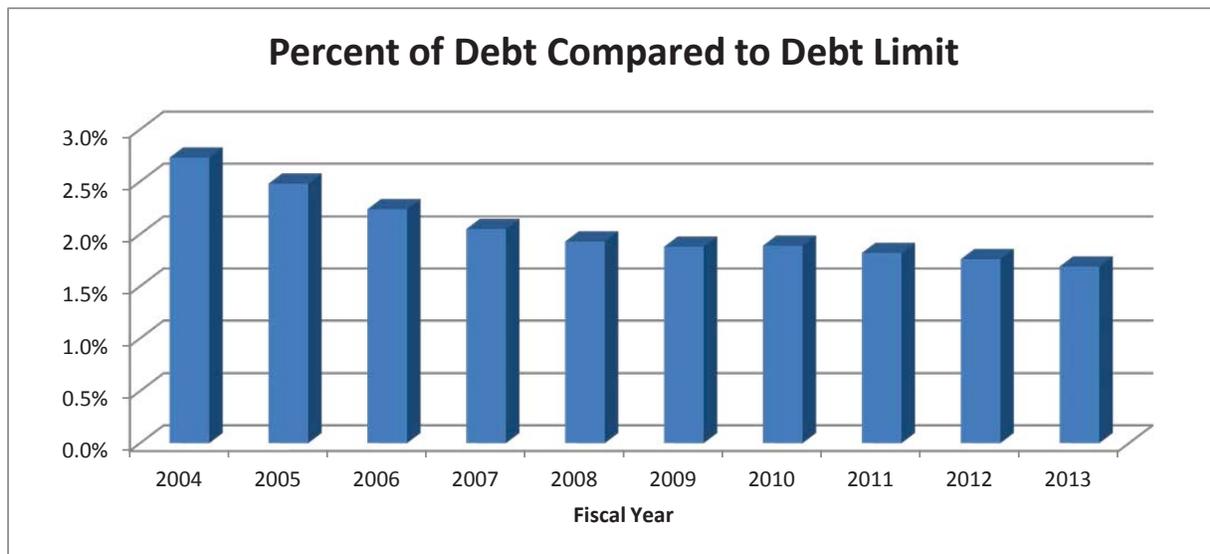


Table 15

**CITY OF THOUSAND OAKS**

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

Page 1 of 3

| Fiscal<br>Year | Wastewater Revenue Refunding Bonds (8) |                                   |  |              |            |             |
|----------------|--|-----------------------------------|--|--------------|------------|-------------|
|                | Gross<br>Revenue(1)                    | Less:<br>Operating<br>Expenses(6) | Net Revenue<br>Available for<br>Debt Service | Debt Service |            | Coverage(3) |
|                |  |                                   | Principal (2)                                | Interest     |            |             |
| 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        |
| 2013           | 19,347,142                             | 12,853,263                        | 6,493,879                                    | 860,000      | 569,335    | 4.54        |

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 of 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<br/>Increment</b> | <b>Debt Service</b>  |                     | <b>Coverage (3)</b> |
|-----------------------------------|----------------------|---------------------|---------------------|
|                                   | <b>Principal (4)</b> | <b>Interest (4)</b> |                     |
| \$ 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

Page 3 of 3

| Golf Course Revenue Bond (7) |                      |                                    |  |              |            |              |
|------------------------------|----------------------|------------------------------------|--|--------------|------------|--------------|
| Fiscal<br>Year               | Gross<br>Revenue (1) | Less:<br>Operating<br>Expenses (6) | Net Revenue<br>Available for<br>Debt Service | Debt Service |            | Coverage (3) |
|                              |                      |                                    |  | Principal    | Interest   |              |
| 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                         | -                    | -                                  | -  | -            | -          | -            |
| 2013                         | -                    | -                                  | -  | -            | -          | -            |

Table 16

**CITY OF THOUSAND OAKS**

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

| <b>Calendar Year</b> | <b>Population (1)</b> | <b>Personal Income</b> | <b>Per Capita Personal Income</b> | <b>School Enrollment (1)</b> | <b>Unemployment Rate (2)</b> |
|----------------------|-----------------------|------------------------|-----------------------------------|------------------------------|------------------------------|
| 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                 | 127,431               | 5,379,754,527          | 42,217                            | 20,686                       | 7.1%                         |
| 2013                 | 128,143               | 6,010,547,415          | 46,905                            | 20,533                       | 5.7%                         |

Notes:

(1) Population and School Enrollment figures are as of January of each calendar year.

(2) 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

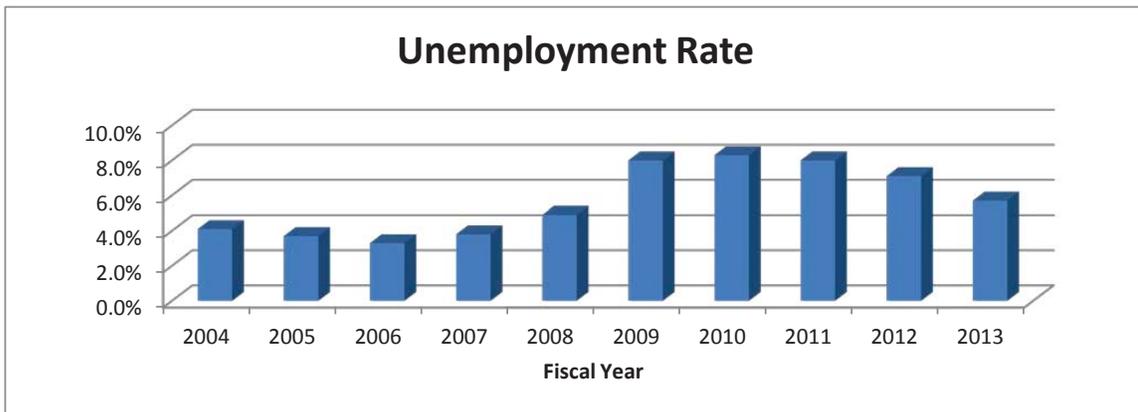


Table 17

**CITY OF THOUSAND OAKS**  
**Principal Employers**  
**Current Year and Nine Years Ago**

|                                       | 2013          |  | 2004          |  |
|---------------------------------------|---------------|--|---------------|--|
|                                       | Employees     | Percent<br>of Total City<br>Employment | Employees     | Percent<br>of Total City<br>Employment |
| Amgen Inc.                            | 6,000         | 8.2%                                   | 6,500         | 9.4%                                   |
| The Oaks                              | 2,000         | 2.7%                                   | -             | 0.0%                                   |
| Conejo Valley Unified School District | 1,919         | 2.6%                                   | 1,777         | 2.6%                                   |
| Los Robles Regional Medical Center    | 1,619         | 2.2%                                   | 1,465         | 2.1%                                   |
| Baxter Bioscience                     | 1,220         | 1.7%                                   | 950           | 1.4%                                   |
| California Lutheran University        | 929           | 1.3%                                   | -             | 0.0%                                   |
| Anthem Blue Cross                     | 900           | 1.2%                                   | 3,498         | 5.1%                                   |
| Skyworks Solutions Inc.               | 600           | 0.8%                                   | -             | 0.0%                                   |
| City of Thousand Oaks (1)             | 558           | 0.8%                                   | 613           | 0.9%                                   |
| Sage Publications                     | 454           | 0.6%                                   | -             | 0.0%                                   |
| Verizon                               | -             | 0.0%                                   | 2,630         | 3.8%                                   |
| Teradyne                              | -             | 0.0%                                   | 800           | 1.2%                                   |
| United Online Inc.                    | -             | 0.0%                                   | 601           | 0.9%                                   |
| Silver Star Automotive Group          | -             | 0.0%                                   | 485           | 0.7%                                   |
| <b>Total</b>                          | <b>16,199</b> | <b>22.1%</b>                           | <b>19,319</b> | <b>28.1%</b>                           |

Notes:

(1) 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 |            |            |            |            |            |            |            |            |            |
|------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                        | 2004        | 2005       | 2006       | 2007       | 2008       | 2009       | 2010       | 2011       | 2012       | 2013       |
| General Government     |             |            |            |            |            |            |            |            |            |            |
| Central Administration | 19          | 22         | 22         | 31         | 31         | 29         | 27         | 25         | 24         | 22         |
| Finance                | 52          | 46         | 52         | 53         | 51         | 51         | 49         | 48         | 46         | 44         |
| Legal                  | 4           | 6          | 6          | 6          | 6          | 5          | 6          | 5          | 5          | 5          |
| Police (1)             | 113         | 113        | 113        | 113        | 116        | 114        | 112        | 111        | 109        | 108        |
| Community Development  |             |            |            |            |            |            |            |            |            |            |
| Building & Safety      | 32          | 34         | 34         | 31         | 32         | 30         | 29         | 27         | 20         | 18         |
| Planning               | 34          | 34         | 35         | 33         | 33         | 32         | 32         | 27         | 32         | 27         |
| Redevelopment (2)      | 5           | 5          | 4          | 6          | 6          | 6          | 5          | 5          | 0          | 0          |
| Public Works           |             |            |            |            |            |            |            |            |            |            |
| Central Administration | 91          | 89         | 88         | 88         | 85         | 84         | 81         | 80         | 83         | 78         |
| Landscape              | 30          | 30         | 31         | 34         | 32         | 29         | 27         | 24         | 25         | 25         |
| Streets & Highways     | 32          | 31         | 31         | 32         | 32         | 30         | 29         | 27         | 25         | 25         |
| Wastewater             | 36          | 37         | 35         | 35         | 40         | 40         | 39         | 39         | 40         | 40         |
| Water                  | 13          | 12         | 11         | 13         | 13         | 13         | 10         | 13         | 12         | 12         |
| Library                | 49          | 47         | 48         | 48         | 50         | 48         | 45         | 38         | 37         | 36         |
| Cultural Affairs (3)   | 22          | 21         | 23         | 16         | 20         | 20         | 19         | 16         | 15         | 15         |
| <b>Total (4)</b>       | <b>532</b>  | <b>527</b> | <b>533</b> | <b>539</b> | <b>547</b> | <b>531</b> | <b>510</b> | <b>485</b> | <b>473</b> | <b>455</b> |

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

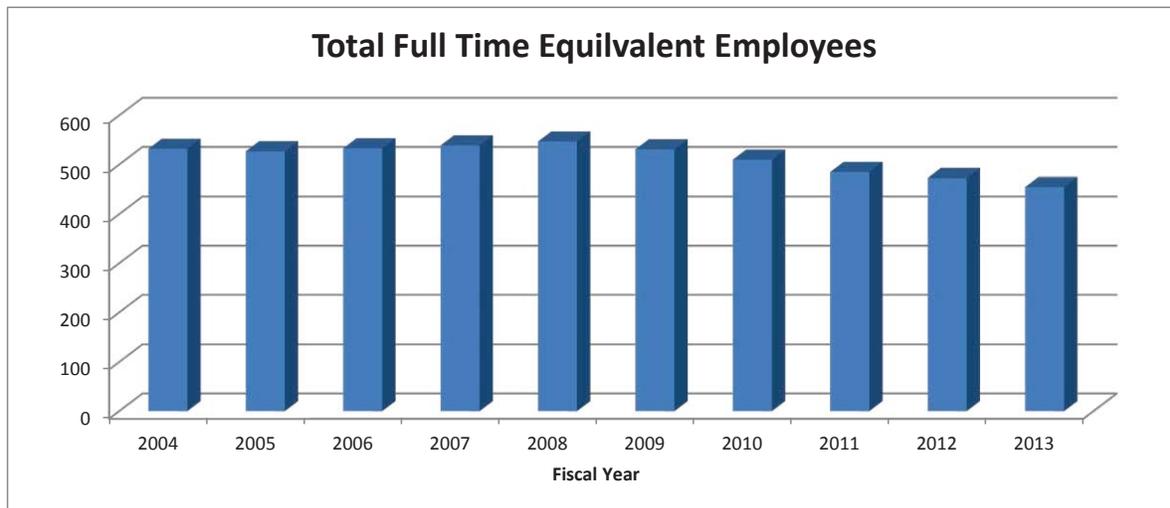


Table 19

**CITY OF THOUSAND OAKS**

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

Page 1 of 2

| <b>Function</b>  | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> |
|--|-------------|-------------|-------------|-------------|
| General Government   |             |             |             |             |
| Business licenses  | 11,438      | 11,249      | 11,406      | 11,222      |
| Building permits issued  | 4,407       | 3,977       | 3,551       | 2,963       |
| Library  |             |             |             |             |
| Total volumes in collection (1)                                      | 336,409     | 353,412     | 353,053     | 426,182     |
| Police   |             |             |             |             |
| Physical arrests   | 4,287       | 3,975       | 4,274       | 4,623       |
| Parking violations   | 6,899       | 5,071       | 5,621       | 6,344       |
| Traffic violations   | 12,432      | 10,909      | 12,965      | 12,378      |
| Highways and streets   |             |             |             |             |
| Potholes repaired (2)  | 50          | 108         | 62          | 121         |
| Streets repaved (miles) (3)  | 7.34        | 12.06       | 3.36        | 17.80       |
| Water  |             |             |             |             |
| Services   | 16,357      | 16,470      | 16,488      | 16,536      |
| Average daily consumption<br>(gallons per household)                 | 589         | 574         | 588         | 597         |
| Gallons per day purchased from<br>Calleguas Municipal Water District | 12,198,818  | 11,664,984  | 11,785,034  | 13,173,325  |
| Wastewater   |             |             |             |             |
| Services   | 37,152      | 37,371      | 37,474      | 37,655      |
| Average daily sewage treatment<br>(millions of gallons)              | 11.07       | 11.98       | 10.76       | 10.4        |

Notes:

- (1) 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.
- (2) In fiscal years 2007-08 and 2008-09, pothole repair increased due to the State Route 23 expansion project.
- (3) Street overlay only. No streets were repaved in fiscal year 2007-08 and 2008-09.

Source: City of Thousand Oaks

| <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 12,271      | 11,605      | 11,031      | 11,089      | 10,951      | 11,746      |
| 2,345       | 1,790       | 1,777       | 2,017       | 2,216       | 2,373       |
| 450,985     | 450,537     | 455,833     | 460,737     | 458,677     | 461,448     |
| 4,555       | 3,646       | 3,034       | 2,852       | 2,829       | 2,753       |
| 5,108       | 6,335       | 5,186       | 4,176       | 5,487       | 5,325       |
| 12,235      | 13,603      | 12,522      | 12,153      | 10,753      | 10,576      |
| 1,126       | 1,339       | 1,282       | 942         | 1,172       | 623         |
| 0.00        | 0.00        | 6.03        | 29.10       | 10.10       | 8.99        |
| 16,844      | 16,886      | 16,907      | 16,924      | 16,974      | 16,995      |
| 583         | 504         | 452         | 418         | 439         | 454         |
| 13,003,525  | 12,265,940  | 10,601,420  | 9,804,111   | 10,397,607  | 10,876,296  |
| 37,739      | 37,799      | 37,873      | 37,921      | 38,053      | 38,130      |
| 10.60       | 10.65       | 9.82        | 9.77        | 9.47        | 9.17        |

Table 20

**CITY OF THOUSAND OAKS**

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

| <b>Function</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> | <b>2013</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         | 387         | 387         | 377         | 377         | 377         | 377         |
| Streetlights                | 7,247       | 7,741       | 7,749       | 7,816       | 7,828       | 7,833       | 7,841       | 7,829       | 7,836       | 7,846       |
| Traffic signals (2)         | 123         | 126         | 128         | 132         | 134         | 135         | 137         | 137         | 140         | 144         |
| Water:                      |             |             |             |             |             |             |             |             |             |             |
| Water mains (miles)         | 292         | 297         | 297         | 306         | 317         | 317         | 317         | 320         | 349         | 351         |
| Fire hydrants (3)           | 1,849       | 1,859       | 1,865       | 1,934       | 1,964       | 1,964       | 1,964       | 1,964       | 1,965       | 1,970       |
| Wastewater:                 |             |             |             |             |             |             |             |             |             |             |
| Sanitary sewers (miles) (4) | 537         | 548         | 548         | 550         | 557         | 559         | 560         | 563         | 409         | 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) Includes privately owned hydrants representing less than 1.5% of hydrants citywide.
- (4) 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