

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED • JUNE 30, 2015



1429 Thousand Oaks Boulevard  
City Hall 1964 – 1973



401 W. Hillcrest Drive  
City Hall 1973 – 1988



2150 Hillcrest Drive  
City Hall 1988 – 1993



2400 Willow Lane  
City Hall 1993 – 1994



2100 Thousand Oaks Boulevard  
City Hall 1994 – Present



**CITY OF THOUSAND OAKS, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2015**



**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, 2015**

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## INTRODUCTORY SECTION

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

John F. Adams  
Finance Director/Treasurer

December 10, 2015

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, 2015. 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, 2015. 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. The City celebrated its 50<sup>th</sup> anniversary on October 7, 2014, holding many celebratory events, including opening of a time capsule buried on the 30<sup>th</sup> anniversary. 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 129,349, as of January 1, 2015.



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 15,131 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, including:

#### Municipal Services

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

#### Public Enterprise Services

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

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, 2015, 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, as well as the receipt, investment, and disbursement of all City funds.

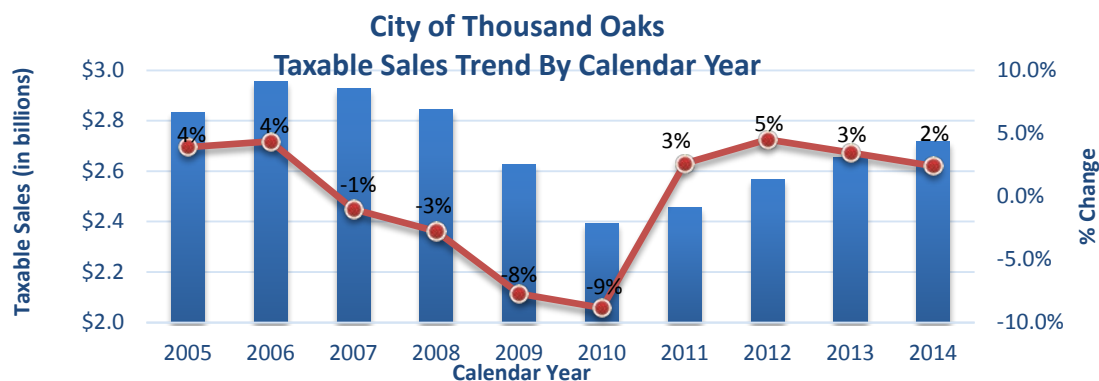
## FISCAL/ECONOMIC CONDITIONS AND OUTLOOK

The City of Thousand Oaks incorporated without a general municipal property tax<sup>1</sup>; however, the City now receives a small portion of the local property tax revenue. Due to this, the City relies on a strong mix of General Fund revenue sources including sales tax, property tax in-lieu of vehicle license fees, transient occupancy tax, 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, providing for 38 percent of general municipal services. The City enjoys a diverse retail base that maximizes sales tax revenue and generally offsets cyclical economic elasticity. The local economy is continuing to strengthen, with taxable sales increasing steadily as shown in the chart below. The City has welcomed the addition of several new businesses over the past year, including

Nordstrom Rack and DSW which recently opened. In addition, several major revitalization projects of retail properties have occurred throughout the City, most notably at Westlake Plaza.



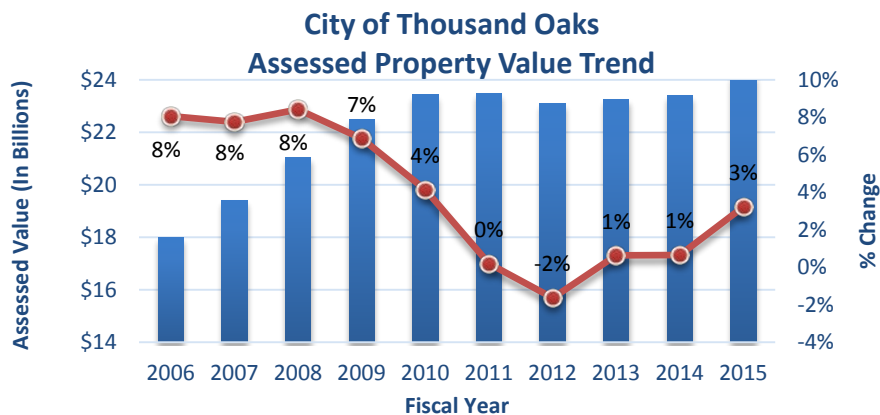
<sup>1</sup> The state property tax allocation system developed in 1979 in response to Proposition 13 is the basis for the property tax allocation among local governments today. Since 1979, one significant change to the original property tax shares contained in AB 8, relates to the so-called “no and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



The housing market continues to perform well. The City's net taxable assessed value increased 5.5 percent in fiscal year 2014-15, which mirrored the countywide increase of 5.6 percent. Residential properties experienced the largest increase in assessed value at 6.6 percent.



The median sale price in the City increased to \$603,750, a 5.0 percent increase in calendar year 2014 compared to the prior calendar year. The median sale price from January through August 2015 was \$649,000, closing in on the peak median sale price of \$710,000 in 2006. Further signs of a strengthening housing recovery are reflected in the fiscal year 2015-16 County Property Tax Assessment Roll released in August 2015, in which the City's net taxable assessed value increased 4.7 percent. Although the City is close to build-out in the residential market, new development was occurring during the fiscal year in various areas throughout the City.



Retail and industrial vacancy rates continue to remain relatively low at 8.1 and 5.6 percent, respectively. Office vacancy rates are still on the higher end at 15.8 percent.

The unemployment rate increased slightly from 4.8 percent in the prior year to 5.1 percent. The recession high for unemployment was over 8.0 percent while pre-recession the City's unemployment rate hovered around 4.0 percent. Employers within the City also added approximately 500 jobs to the job base and the number of business licenses increased approximately one percent during the fiscal year.

The City welcomed various company headquarters, including Bocom Pharmaceutical, Easton Softball/Baseball, and Dole Packaged Foods to Thousand Oaks.





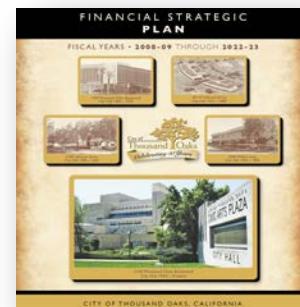
The economy of Thousand Oaks continues to benefit from the success of many tourist attractions including the Thousand Oaks Civic Arts Plaza's two world-class theatres, the Gardens of the World, and the Santa Monica National Park located on the City's southern periphery. The City was selected as a host city for the 2015 Special Olympics World Games held in Los Angeles this summer.

With these attractions, the City, along with the Greater Conejo Valley Chamber of Commerce 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 \$3.5 million in fiscal year 2013-14 to \$3.9 million in fiscal year 2014-15.

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. The City is currently preparing an Economic Development Strategic Plan, which will include a Market and Economic analysis, along with Economic Development Goals and an Implementation Plan.

## LONG TERM FINANCIAL PLANNING

In anticipation of future financial challenges created by reaching build-out, the City adopted a Ten-Year Financial Strategic Plan (Plan) in February 2005 for the General Fund. The City updated the Plan in December 2014 in order to forecast activity through fiscal year 2023-24, as well as provide a more comprehensive financial analysis by including the majority of the City's governmental and enterprise funds. The Plan has proven to be an invaluable tool, providing early warnings of potential structural deficits, allowing staff to analyze and recommend various reductions in allocations to maintain balanced budgets, and providing City Council with time to be proactive and develop the course to maintain services, while reducing costs. This forward thinking approach attributed to the General Fund experiencing an increase in fund balance of \$6.3 million in fiscal year 2014-15.





As part of the City's 50<sup>th</sup> anniversary on October 7<sup>th</sup>, 2014, the City Council established the Visioning 2064 program in 2014. This community exercise intended to develop a general roadmap with guiding principles for the City over the next 50 years. Five focus areas were created: Civic and Community, Economy, Environment, Infrastructure, and Municipal Services. Community meetings were held beginning in April 2014 with a final comprehensive meeting held in

December 2014 to strategize and plan for the vision and shape of the City's future. The final report was presented at the February 10, 2015, City Council meeting.

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, 2015. 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 fund balance policy in compliance with Government Accounting Standards Board (GASB) Statement No. 54. As of June 30, 2015, the City's General Fund total fund balance was \$95.7 million. In compliance with the City's Governmental Fund Balance Policy for the General Fund, the City designated \$19.2 million towards reserves, meeting the City's policy objectives.

## **SIGNIFICANT EVENTS AND ACCOMPLISHMENTS**

Thousand Oaks is a 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. There was a 9.0 percent drop in reported physical arrest, and parking and traffic violations from the prior year. 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.



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 16<sup>th</sup> among regional universities in the West in the most recent edition of the U.S. News and

World Report. The university is also undergoing major upgrades, including the addition of a new dining facility.

Throughout the year, the City also celebrated the accomplishments of the Thousand Oaks Little League 2014 Southern California State Champions 11 and under All-Stars, the Thousand Oaks Titans Pacific Youth League Pee Wee Super Bowl XXII Champions, and U.S. Figure Skating 2015 Juvenile Pairs Gold Medalists.

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 2014-15 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**

Thanks to hard-working and dedicated City staff, the City received several significant recognitions throughout the year. The following is just a sample of those accomplishments.

The City Clerk's Department was the recipient of the Laserfiche Run Smarter Award for "Most Significant Laserfiche Workflow Initiative."





The Public Works Department (PWD) was recognized for achieving the American Public Works Association (APWA) Re-Accreditation. PWD was also recognized by APWA for the Project of the Year Award in the Structural Category for the Peterson Reservoir Structural Retrofit. PWD was also recognized as the "Top 100" in the nation for fleet practices. Also on October 1, 2014, Hill Canyon Wastewater Treatment Plant became 100% energy self-sufficient.

The Thousand Oaks Library was one of 54 initial libraries in California selected to participate in the "High-Speed Broadband in California Libraries Project" as part of the governor's and the Legislature's "Lighting Up Libraries" initiative.

## **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, 2014. This was the twenty-fifth 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, 2014, 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 2013-14 and 2014-15. 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.

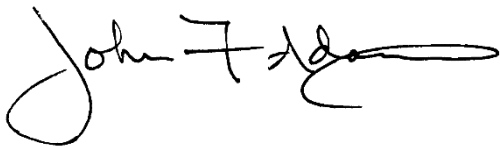


The California Society of Municipal Finance Officers (CSMFO) awarded the Certificate of Excellence in Budgeting to the City for its Operating and Capital Budgets for fiscal years 2013-14 and 2014-15. In order to be awarded a Certificate of Excellence, a government unit must receive a minimum of seventy 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 Director Jaime Boscarino, 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", with a long, sweeping horizontal stroke 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 Thousands Oaks  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

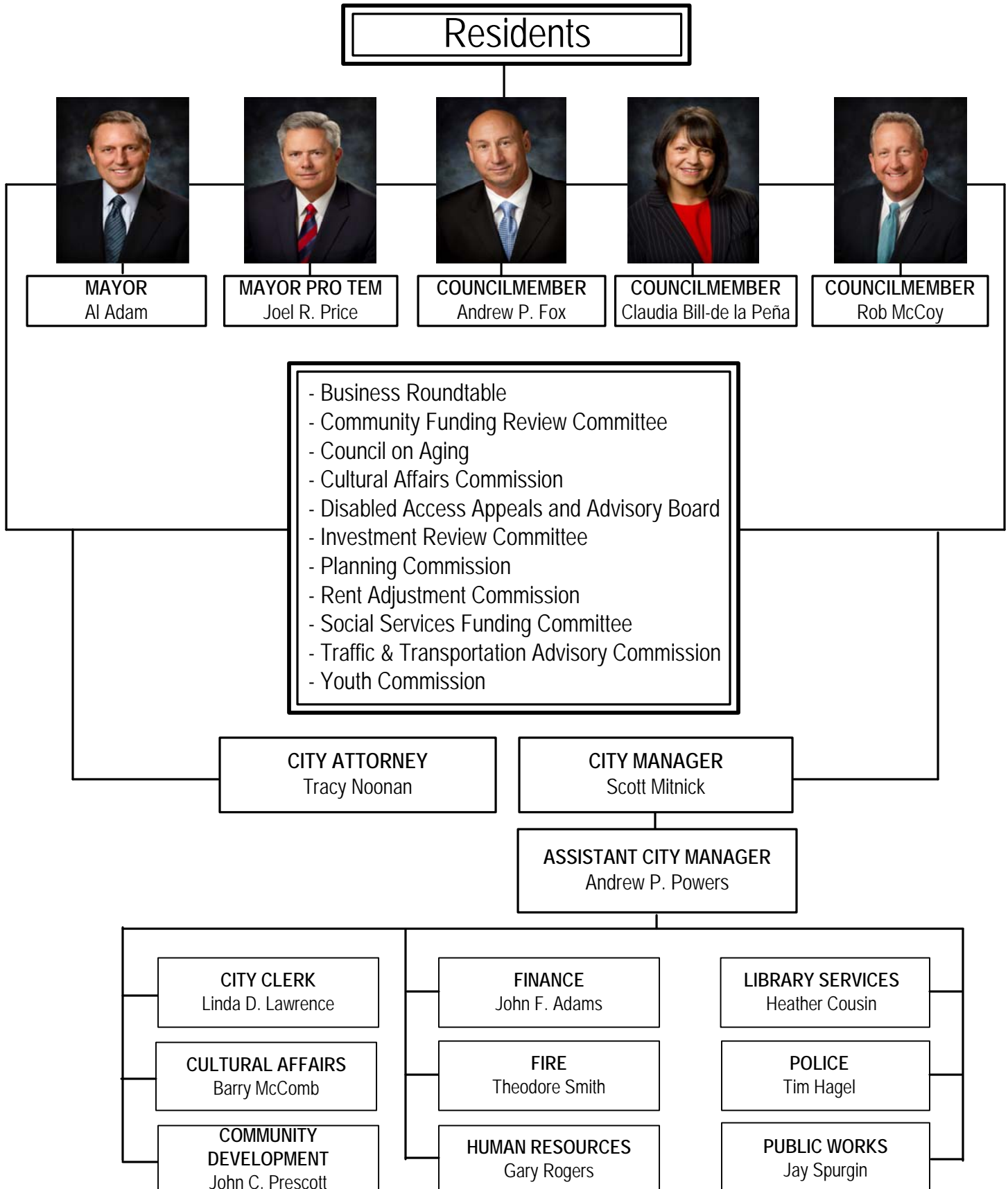
**June 30, 2014**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive style with a large, stylized 'J' and 'E'.

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, 2015

# Independent Auditors' Report



## INDEPENDENT AUDITORS' REPORT

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

### Report on the 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, 2015, 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.

### Auditor's 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.





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

### ***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 June 30, 2015, the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the General Fund, the Library Special Revenue Fund and the State Gas Tax Special Revenue Fund 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 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratio, the schedule of plan contributions and the schedule of investment returns 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 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 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 the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



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

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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015 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 the City's internal control over financial reporting and compliance.

*Lance, Soll & Lughard, LLP*

Brea California  
December 10, 2015



# **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, 2015. 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, 2015, City assets and deferred outflows exceeded liabilities and deferred inflows by \$836.0 million (net position). Of this amount, \$118.2 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 \$51.6 million during the fiscal year. Governmental activities net position increased \$44.1 million compared to the prior fiscal year's increase of \$30.5 million (Pages 9-12). Business-type activities increased \$7.4 million compared to the prior fiscal year's increase of \$3.1 million (Pages 12-14).

#### **Fund Based**

- At the close of fiscal year 2014-15, governmental funds reported combined ending fund balance of \$151.8 million, a decrease of \$1.2 million compared to the prior fiscal year's increase of \$21.4 million, primarily due to a one-time transfer of bond proceeds from the Thousand Oaks Successor Agency to the City in the prior fiscal year. The ending fund balance is primarily identified as: \$35.8 million restricted (24 percent), \$43.1 million committed (28 percent), and \$66.4 million assigned (44 percent) (Page 14).
- At the close of fiscal year 2014-15, fund balance for the General Fund was \$95.7 million consisting primarily of \$41.3 million in committed funds and \$48.6 million in assigned funds (Pages 14-15).
- At the close of fiscal year 2014-15, General Fund revenues, including transfers in and proceeds from sale of properties, were \$77.0 million. Total revenues were \$3.9 million higher than the prior fiscal year's revenues of \$73.1 million (Pages 15-16).
- At the close of fiscal year 2014-15, General Fund expenditures, including transfers out, were \$70.7 million. Total expenditures were \$2.3 million higher than the prior fiscal year's expenditures of \$68.4 million (Pages 16-17).
- At the close of fiscal year 2014-15, Library Fund revenues, excluding transfers in, were \$6.4 million. Revenue was comparable with prior fiscal year (Page 17).



- At the close of fiscal year 2014-15, proprietary funds reported combined ending unrestricted net position of \$27.8 million, a decrease of \$1.2 million compared to the prior fiscal year's decrease of \$16.2 million. This net increase of \$15.0 million was primarily due to a \$17.5 million prior period restatement in beginning net position as the result of GASB Statement No. 68 implementation to recognize net pension liabilities offset by \$2.3 million net increase in wastewater operating revenues (Page 17).

## **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 24-26 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 110-122.

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 33-35.

The basic governmental funds financial statements can be found on pages 27-32 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 123-126.

The basic proprietary funds financial statements can be found on pages 36-41 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 42-43 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 44-104 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, the Schedules of Changes in Net Pension Liability and Related Ratios, Schedule of Plan Contributions, and Schedule of Investment Returns. RSI can be found on pages 105-109 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 110-133 of this report.

Statistical tables regarding: fiscal trends, revenue capacity, debt capacity, demographic and economic information, and operating information can be found on pages 134-164 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. City assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$836.0 million at the close of fiscal year 2014-15 as summarized below:

Statement of Net Position June 30, 2015						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other assets	\$ 228,349,857	\$ 225,609,954	\$ 90,747,209	\$ 87,133,143	\$ 319,097,066	\$ 312,743,097
Capital assets (net of depreciation)	496,099,252	455,438,333	190,094,722	188,402,963	686,193,974	643,841,296
Total assets	724,449,109	681,048,287	280,841,931	275,536,106	1,005,291,040	956,584,393
Deferred outflows of resources:						
Deferred charges	175,230	185,536	-	-	175,230	185,536
Deferred pension items	5,284,274	-	1,950,947	-	7,235,221	-
Total deferred outflows of resources	5,459,504	185,536	1,950,947	-	7,410,451	185,536
Liabilities:						
Current and other liabilities	48,233,214	44,591,656	12,819,510	11,133,369	61,052,724	55,725,025
Noncurrent liabilities outstanding	63,072,358	24,661,847	38,920,387	26,908,546	101,992,745	51,570,393
Total liabilities	111,305,572	69,253,503	51,739,897	38,041,915	163,045,469	107,295,418
Deferred inflows of resources:						
Deferred pension items	9,989,352	-	3,683,454	-	13,672,806	-
Total deferred inflows of resources	9,989,352	-	3,683,454	-	13,672,806	-
Net position:						
Net investments in capital assets	482,441,504	441,224,834	168,079,871	163,352,049	650,521,375	604,576,883
Restricted	35,825,757	42,855,284	31,397,274	27,876,805	67,223,031	70,732,089
Unrestricted	90,346,428	127,900,202	27,892,382	46,265,337	118,238,810	174,165,539
Total net position	\$ 608,613,689	\$ 611,980,320	\$ 227,369,527	\$ 237,494,191	\$ 835,983,216	\$ 849,474,511

A more detailed statement of net position is shown on page 24.

The largest portion (78 percent) of the City's net position reflects its investment of \$650.5 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, \$67.2 million (8 percent), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$118.2 million (14 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 2014-15. The City's net position increased overall by \$51.6 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, 2015						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 18,644,524	\$ 18,542,766	\$ 58,287,864	\$ 57,477,568	\$ 76,932,388	\$ 76,020,334
Operating grants and contributions	5,351,236	8,872,310	500,000	300,000	5,851,236	9,172,310
Capital grants and contributions	4,148,837	25,806,175	5,781,443	4,254,160	9,930,280	30,060,335
General revenues:						
Property tax	16,142,673	15,568,174	-	-	16,142,673	15,568,174
Property tax in-lieu of VLF	10,641,639	10,090,869	-	-	10,641,639	10,090,869
Sales tax	29,664,075	27,497,621	-	-	29,664,075	27,497,621
Transient occupancy tax	3,921,765	3,528,776	-	-	3,921,765	3,528,776
Franchise taxes	6,936,019	6,649,679	-	-	6,936,019	6,649,679
Business tax	1,940,876	1,793,854	-	-	1,940,876	1,793,854
Property transfer tax	988,600	850,572	-	-	988,600	850,572
Other taxes	28,832	17,298	-	-	28,832	17,298
Proceeds from sale of property	-	378,435	-	-	-	378,435
Unrestricted intergovernmental	53,361	-	-	-	53,361	-
Contributions, unrestricted	178,120	135,240	-	-	178,120	135,240
Unrestricted invest./interest earnings	1,189,635	1,318,781	-	-	1,189,635	1,318,781
Total revenues	99,830,192	121,050,550	64,569,307	62,031,728	164,399,499	183,082,278
Expenses:						
General government	16,633,833	17,001,257	-	-	16,633,833	17,001,257
Public safety	28,679,593	28,180,467	-	-	28,679,593	28,180,467
Transportation	33,160,508	26,964,212	-	-	33,160,508	26,964,212
Community development	9,427,305	12,303,689	-	-	9,427,305	12,303,689
Culture and leisure	10,560,758	10,139,607	-	-	10,560,758	10,139,607
Interest on long-term debt	655,102	619,929	-	-	655,102	619,929
Water	-	-	21,843,944	24,058,407	21,843,944	24,058,407
Wastewater	-	-	18,709,803	19,156,409	18,709,803	19,156,409
Golf course	-	-	5,225,508	5,001,182	5,225,508	5,001,182
Transportation	-	-	6,038,124	5,092,147	6,038,124	5,092,147
Solid waste management	-	-	1,608,741	1,633,529	1,608,741	1,633,529
Theatres	-	-	3,727,264	4,006,613	3,727,264	4,006,613
Total expenses	99,117,099	95,209,161	57,153,384	58,948,287	156,270,483	154,157,448
Excess in net position before other items	713,093	25,841,389	7,415,923	3,083,441	8,129,016	28,924,830
Extraordinary item - Asset transfer from Successor Agency (note 16)	43,428,316	4,611,540	-	-	43,428,316	4,611,540
Change in net position	44,141,409	30,452,929	7,415,923	3,083,441	51,557,332	33,536,370
Net position - beginning, as restated (note 17)	564,472,280	581,527,391	219,953,604	234,410,750	784,425,884	815,938,141
Net position - ending	\$ 608,613,689	\$ 611,980,320	\$ 227,369,527	\$ 237,494,191	\$ 835,983,216	\$ 849,474,511

A more detailed statement of activities is shown on pages 25-26.



**Governmental activities** increased the City's net position \$44.1 million compared to the prior fiscal year's increase of \$30.5 million. Key elements of the increase in net position were as follows:

**Program revenues** decreased \$25.1 million due to decreases in capital grants and contributions of \$21.7 million and operating grants and contributions of \$3.5 million, offset by an increase in charges for services of \$0.1 million. The major changes are highlighted below:

- Charges for services increased \$0.1 million primarily due to \$0.4 million increase in activities resulting from an increase in special assessments and reclaimed water sales and \$0.3 million increase in community development activities resulting from an overall increase in permit fees. This was offset by a decrease of \$0.6 million in general government activities resulting from a non-recurring reimbursement related to property tax assessment fees received in the prior fiscal year and a non-recurring payment for settlement proceeds received in the current fiscal year.
- Operating grants and contributions decreased \$3.5 million primarily due to \$2.4 million decrease in overall gas tax revenue and grant revenues for transportation activities, \$1.2 million decrease in community development related grants, and \$0.1 million decrease in public safety federal grants. This was offset by an increase of \$0.2 million in general government resulting from a non-recurring reimbursement for state mandated claims.
- Capital grants and contributions decreased \$21.7 million primarily due to the capital contribution of \$14.3 million in bond proceeds from the Thousand Oaks Successor Agency to the City for undergrounding projects processed in the prior fiscal year. The remaining decrease was primarily due to transportation grant revenue related to the Wendy Drive/101 freeway interchange project received in the prior fiscal year.

**General revenues** increased \$3.9 million primarily due to \$2.2 million increase in sales tax revenue, \$0.6 million increase in property tax, \$0.6 million increase in property tax in-lieu of vehicle license fee (VLF), and \$0.4 million in transient occupancy tax as highlighted below:

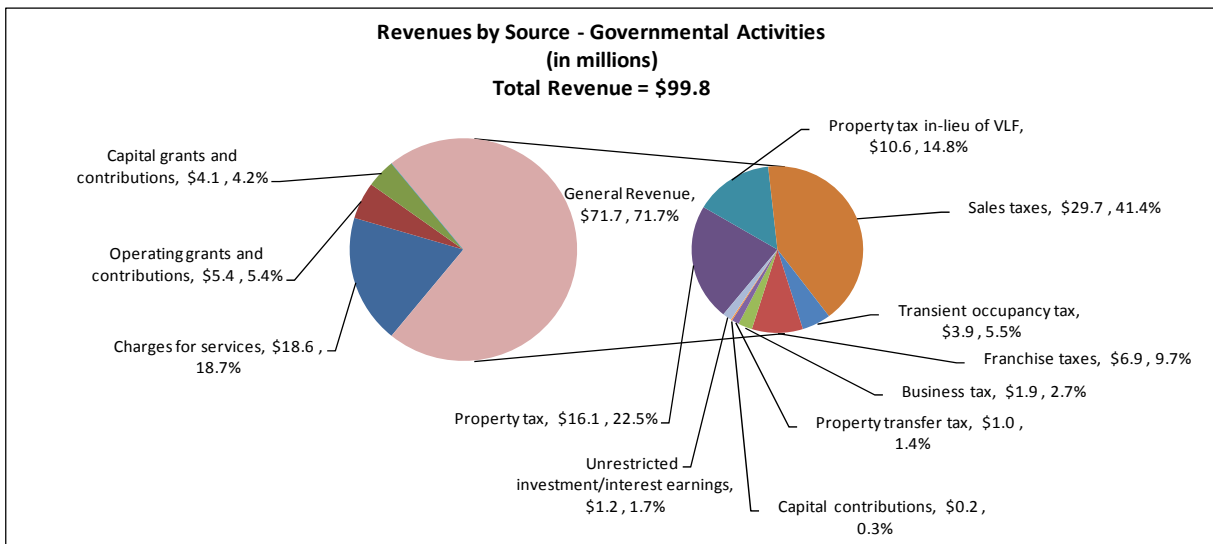
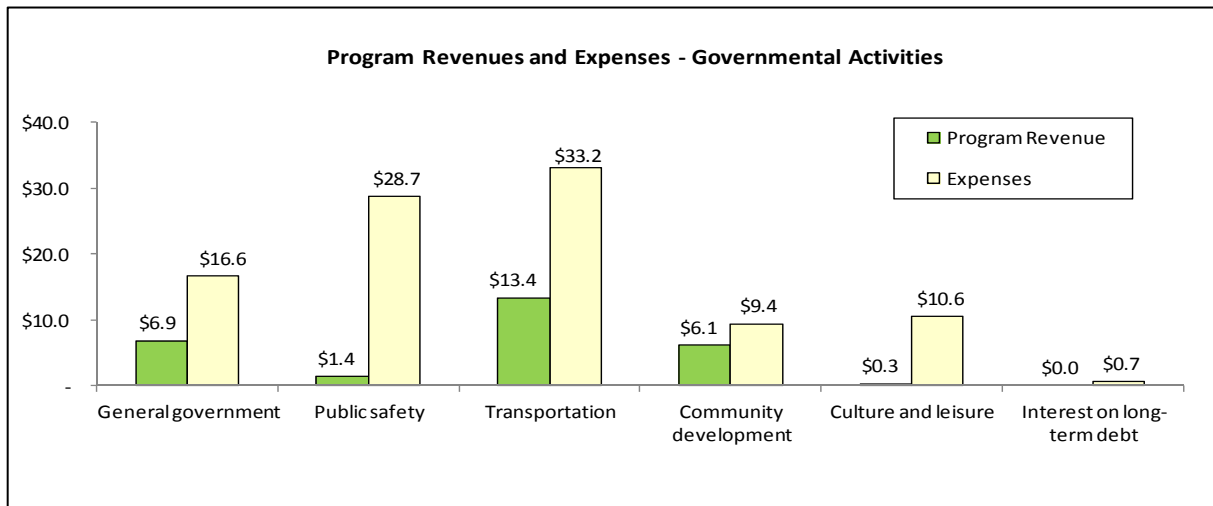
- Sales tax revenue increased \$2.2 million primarily due to an increase in sales growth of \$2.6 million offset by a decrease of \$0.4 million due to State of California's Triple Flip, which creates wide variance due to payments from outdated estimates and reconciling payments or reductions for prior year activities.
- Property tax increased \$0.6 million primarily from increase in property tax receipts due to increase in assessed valuation over prior fiscal year.
- Property tax in-lieu of VLF revenue increased \$0.6 million and experienced similar growth as property tax since it is linked to assessed valuations.

- Transient occupancy tax increased \$0.4 million primarily due to an overall increase in hotel occupancy.

**Expenses** increased \$3.9 million primarily due to an increase of \$6.2 million in transportation, \$0.5 million increase in public safety, and \$0.4 million increase in culture and leisure. This is offset by a decrease of \$2.9 million in community development and a decrease of \$0.4 million in general government. These changes are highlighted below:

- General government expenses decreased \$0.4 million primarily due to increase of \$0.5 million in depreciation expense and an increase of \$0.5 million in use of fixed asset replacement. These increases were offset by \$1.2 million net decrease in salaries and benefits, a result of \$0.1 million increase in actual costs, offset by \$1.3 million decrease resulting from GASB Statement No. 68 implementation to recognize pension liabilities, and \$0.1 million decrease in compensated absences.
- Community development expenses decreased \$2.9 million primarily due to non-recurring prior fiscal year expenses of \$2.0 million for the Los Feliz housing project and \$0.4 million for the closing of the Lang Ranch Community Facilities District as bond was paid in full.
- Transportation expenses increased \$6.2 million primarily due to \$1.8 million and \$5.8 million increase in the General and Gas Tax funds, respectively, for public improvements construction, offset by a \$1.9 million decrease in internal service fund chargeback.
- Public safety expenses increased \$0.5 million primarily due to increase in Ventura County Sheriff's department contract for police services.
- Culture and leisure expenses increased \$0.4 million primarily due to \$0.4 million increase in salary and benefit costs and \$0.2 million increase due to housing related park project, offset by \$0.2 million increase in chargeback costs.

As shown on the charts on the following page, transportation is the largest program (\$33.2 million), followed by public safety (\$28.7 million), general government (\$16.6 million), culture and leisure (\$10.6 million), community development (\$9.4 million), and interest on long-term debt (\$0.7 million). General revenues, such as property and sales tax, are not shown by program, but are effectively used to support program activities citywide.

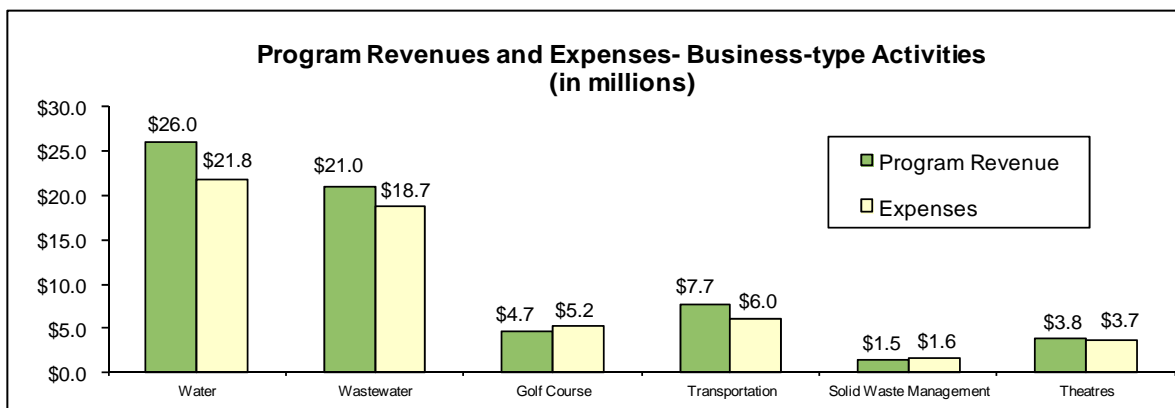


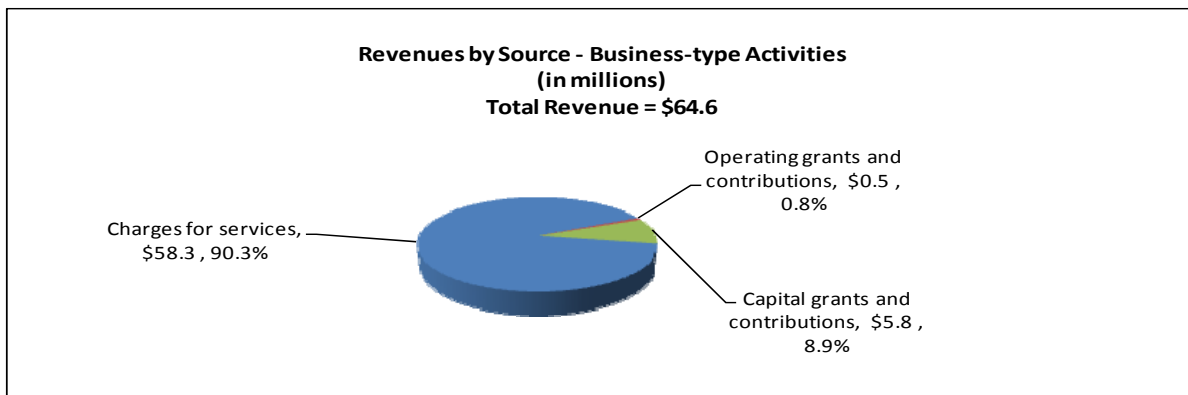
**Business-type activities** increased the City's net position by \$7.4 million, compared to prior fiscal year's increase of \$3.1 million. This increase was the result of \$64.6 million in program revenues exceeding \$57.2 million in expenses. Key elements of net position changes from the prior fiscal year were as follows:

- Water Utility Fund's net position increased \$4.1 million, or 6.7 percent, compared to the prior fiscal year's decrease of \$1.0 million. While adjustments in the water rate structure allows the fund to continue to generate stable net income to invest in capital assets, this \$5.1 million net increase was primarily due to a \$4.9 million prior period restatement as a result of GASB Statement No. 68 implementation to recognize net pension liabilities.
- Wastewater Utility Fund's net position increased \$2.0 million, or 1.4 percent, compared to prior fiscal year's decrease of \$8.4 million. This \$10.4 million net increase was primarily due to a \$9.4 million prior period restatement as a result of GASB Statement No. 68 implementation to recognize net pension liabilities, as well as \$1.0 million increase in service charges due to rate adjustments in January 2014 and January 2015.

- Golf Course Fund's net position decreased \$0.6 million, or 6.5 percent, compared to prior fiscal year's decrease of \$0.4 million. The \$0.2 million net decrease was mainly due to an increase in contract costs of \$0.2 million and depreciation costs of \$0.1 million, offset by an increase in green fees, cart rentals, and course membership revenue of \$0.1 million.
- Transportation Fund's net position increased \$1.6 million, or 48.1 percent, compared to prior fiscal year's increase of \$0.1 million. This \$1.5 million net increase was primarily due to increases in state assistance of \$1.8 million offset by a \$0.3 million prior period restatement as a result of GASB Statement No. 68 implementation to recognize net pension liabilities.
- Solid Waste Management Fund's net position decreased \$0.2 million, compared to prior fiscal year's decrease of \$1.1 million. This \$0.9 million net increase was primarily due to a \$1.0 million prior period restatement as a result of GASB Statement No. 68 implementation to recognize net pension liabilities.
- Theatres Fund's net position increased less than \$0.1 million, or 1.7 percent, compared to prior fiscal year's decrease of \$0.3 million. The \$0.3 million net increase was mainly due to an increase of theatre rental and fee revenue of \$0.1 million and a one-time donation increase of \$0.2 million.
- Internal Service Funds (ISF) allocation of operating profit increased net position of business type activities by \$0.4 million which is \$1.7 million higher when compared to prior fiscal year's decrease of \$1.3 million. The increase was due to a significant decrease in reserves for liability and worker's compensation insurance to account for the decrease in estimated outstanding losses.

As shown below and on the following page, Water and Wastewater funds have the greatest total expenses with \$21.8 million and \$18.7 million, respectively, out of \$57.2 million in total business-type expenses. For all the business-type activities below, charges for services provide the largest share of revenues (90 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 2014-15, City governmental funds reported a combined ending fund balance of \$151.8 million, a decrease of \$1.2 million in comparison with the prior fiscal year balance of \$153.0 million. The decrease in fund balance was primarily due to a decrease in State Gas Tax Fund of \$7.1 million offset by an increase to General Fund of \$6.3 million. Approximately \$145.3 million, or 95.7 percent, consists of \$35.8 million in restricted fund balance, \$43.1 million in committed funds, and \$66.4 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, 2015, ending fund balance increased \$6.3 million, to \$95.7 million, compared to prior fiscal year's increase of \$4.7 million.

General Fund's fund balance consists of \$3.9 million in nonspendable inventories, loans and notes receivable, and advances to other funds, \$41.3 million in funds committed to capital projects, grant endowments, loans, emergency reserve, and working capital reserve, and \$48.6 million in assigned funds for continuing appropriations, general government, public safety, transportation, community development, culture and leisure, legal contingency, loans and notes receivable, compensated absences, and public building replacement/maintenance. The remaining \$1.9 million is unassigned. Refer to page 78 for more detail of fund balance.



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

Changes to General Fund - Fund Balance by Fiscal Year					
	2014-15	2013-14	2012-13	2011-12	2010-11
Revenues	\$ 74,948,364	\$ 71,052,994	\$ 66,854,660	\$ 66,153,220	\$ 64,130,607
Expenditures	(67,913,488)	(65,317,617)	(61,195,318)	(63,146,824)	(64,072,723)
Other financing sources (uses)	(725,227)	(1,001,336)	(1,445,750)	(1,374,732)	(136,165)
Operating surplus/(deficit)	6,309,649	4,734,041	4,213,592	1,631,664	(78,281)
Beginning fund balance	89,395,129	84,661,088	80,447,496	78,815,832	78,894,113
Ending fund balance	<u>\$ 95,704,778</u>	<u>\$ 89,395,129</u>	<u>\$ 84,661,088</u>	<u>\$ 80,447,496</u>	<u>\$ 78,815,832</u>
Fund balance categories:					
Nonspendable	\$ 3,945,620	\$ 3,925,151	\$ 444,070	\$ 458,467	\$ 386,487
Committed	41,296,049	30,679,785	32,150,306	29,133,665	30,382,360
Assigned	48,584,436	53,756,465	50,970,528	49,836,670	47,971,223
Unassigned	1,878,673	1,033,728	1,096,184	1,018,694	75,762
Fund balance	<u>\$ 95,704,778</u>	<u>\$ 89,395,129</u>	<u>\$ 84,661,088</u>	<u>\$ 80,447,496</u>	<u>\$ 78,815,832</u>

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

**General Fund Revenues** for fiscal year 2014-15, including transfers in and proceeds from sale of property, were \$77.0 million, an increase of \$3.9 million, or 5.4 percent, compared to prior fiscal year. The chart below compares General Fund revenues for the past two fiscal years followed by key information:

Comparison of General Fund Revenues					
	Fiscal Year 2014-15	Fiscal Year 2013-14	Variance Over/(Under) Last Year	% of Increase (Decrease) Over Prior Year	% of Total
Property tax	\$ 7,975,521	\$ 7,602,584	\$ 372,937	4.9%	10.4%
Property tax - in lieu of VLF	10,641,639	10,090,869	550,770	5.5%	13.8%
Sales tax	28,026,185	26,294,070	1,732,115	6.6%	36.4%
Transient occupancy tax	3,921,765	3,528,776	392,989	11.1%	5.1%
Franchise tax	6,936,019	6,649,679	286,340	4.3%	9.0%
Property transfer tax	988,600	850,572	138,028	16.2%	1.3%
Business license	2,165,438	2,024,048	141,390	7.0%	2.8%
Other licenses & permits	4,259,098	3,834,949	424,149	11.1%	5.5%
Fines and forfeitures	341,263	317,479	23,784	7.5%	0.4%
Use of money & property	1,977,097	1,929,440	47,657	2.5%	2.6%
Charges for services	5,708,007	5,740,443	(32,436)	-0.6%	7.4%
Intergovernmental revenue	873,572	377,116	496,456	131.6%	1.1%
Other revenue	1,134,160	1,812,969	(678,809)	-37.4%	1.5%
Other financing sources	2,054,162	2,031,803	22,359	1.1%	2.7%
Total Revenues	<u>\$ 77,002,526</u>	<u>\$ 73,084,797</u>	<u>\$ 3,917,729</u>	5.4%	100.0%

- Sales tax increased \$1.7 million primarily attributed to an increase in sales growth offset with the State of California's Triple Flip, which creates wide variances due to payments made from outdated estimates and reconciling payments or reductions for prior year activities.
- Property tax – in lieu of VLF increased \$0.6 million and experienced similar growth as property tax since it is linked to assessed valuations.
- Intergovernmental revenue increased \$0.5 million primarily due to a non-recurring reimbursement of \$0.2 million for state mandated claims and \$0.2 million for non-recurring state grants.
- Transient occupancy tax increased \$0.4 million due to an overall increase in hotel occupancy.
- Property tax increased \$0.4 million due to an increase in assessed valuations.
- Other licenses and permits increased \$0.4 million primarily due to an increase in construction permit activity.
- Franchise revenue increased \$0.3 million due to an overall increase in all three taxes; cable, rubbish, and utilities.
- Other revenue decreased \$0.7 million primarily due to non-recurring revenue received in the prior fiscal year of \$1.1 million for reimbursement of property tax administration fees improperly collected by the County of Ventura. This was offset by an increase of \$0.4 million for non-recurring revenue for settlement proceeds received in the current fiscal year.

**General Fund Expenditures** for fiscal year 2014-15, including transfers out, increased \$2.3 million, or 3.4 percent. The chart below compares general fund expenditures for the last two fiscal years followed by key information:

	Fiscal Year 2014-15	Fiscal Year 2013-14	Variance Over/(Under) Prior Fiscal Year	% of Increase/ (Decrease) Over Prior Fiscal Year	% of Total
General government	\$ 16,585,710	\$ 15,164,232	\$ 1,421,478	9.4%	23.5%
Public safety	27,054,210	26,663,724	390,486	1.5%	38.2%
Transportation	10,931,444	8,792,559	2,138,885	24.3%	15.5%
Community development	8,474,385	8,173,532	300,853	3.7%	12.0%
Culture and leisure	1,709,711	1,376,141	333,570	24.2%	2.4%
Capital outlay	3,158,028	5,147,429	(1,989,401)	-38.6%	4.5%
Other financing uses	2,779,389	3,033,139	(253,750)	-8.4%	3.9%
Total Expenditures	<u>\$ 70,692,877</u>	<u>\$ 68,350,756</u>	<u>\$ 2,342,121</u>	3.4%	100.0%

- General government expenditures increased 9.4 percent, or \$1.4 million, compared to prior fiscal year. This was primarily attributed to \$0.9 increase in personnel costs resulting from salary increases and \$0.3 million increase in contracted services for labor relations and performance management services.
- Transportation expenditures increased 24.3 percent, or \$2.1 million, primarily due to an increase in construction costs.
- Culture and leisure expenditures increased \$0.3 million, or 24.2 percent, primarily due to an increase in contracted services for housing park project.
- Capital outlay expenditures decreased \$2.0 million, or 38.6 percent, primarily due to the Kavli lobby renovation completed 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 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 \$0.1 million and are comparable to prior fiscal year's increase. Expenditures decreased \$0.3 million primarily due to a decrease in capital improvement projects of \$0.6 million, offset by an increase in personnel costs of \$0.3 million primarily resulting from one-time accrual pay-outs related to staff retirements.

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

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

The City's State Gas Tax Fund fund balance decreased \$7.1 million compared to prior fiscal year's increase of \$5.0 million. The net decrease of \$12.1 million in fund balance is primarily due to a decrease of \$6.4 million from various federal grants for street projects recognized in prior fiscal year revenues, the elimination of Section 8(a) Gas Tax funds in the prior fiscal year of \$2.7 million, \$0.8 million decrease in highway user's tax revenue, and \$2.2 million increase in expenditures for street projects.

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

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

The fund balance of the Capital Improvements Fund decreased \$0.3 million, compared to prior fiscal year's increase of \$12.4 million. The net decrease of \$12.7 million is primarily due to a one-time transfer of \$14.3 million in bond proceeds from the Thousand Oaks Successor Agency to the City for the undergrounding project along Thousand Oaks Boulevard and Newbury Road in prior fiscal year, offset by \$1.9 million decrease in capital outlay expenditures.

### **Proprietary funds**

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

Details on net position for the Water, Wastewater, Golf Course, Transportation, Solid Waste Management, and Theatres funds, are provided below.

City of Thousand Oaks Proprietary Funds Fiscal Year Ended June 30, 2015				
Fund	Unrestricted Net Position	Change in Unrestricted Net Position	Total Net Position	Change in Total Net Position
Water	\$ 14,102,835	\$ 1,149,389	\$ 65,218,233	\$ 4,080,102
Wastewater	15,563,089	(2,253,918)	145,164,072	2,013,371
Golf Course	(1,135,311)	(177,305)	8,042,697	(559,949)
Transportation	(268,567)	49,103	4,979,983	1,616,937
Solid Waste Management	1,564,258	(131,880)	5,429,684	(159,062)
Theatres	(2,061,197)	134,777	(1,592,417)	27,058
Total	<u>\$ 27,765,107</u>	<u>\$ (1,229,834)</u>	<u>\$ 227,242,252</u>	<u>\$ 7,018,457</u>

Other factors concerning the finances of these six funds have been addressed in the discussion of the City's business-type activities on pages 12-14. Proprietary financial statements can be found on pages 36-41.

## **BUDGETARY HIGHLIGHTS**

### ***General Fund***

The General Fund budget and actual report can be found on page 33. The \$21.8 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: \$9.4 million for capital project carryovers, \$5.0 million in grant funded operating carryovers, and \$1.4 million in maintenance and operations carryovers. Provided on the following page 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 vs. Actual	% Variance
Revenues:					
Sales tax	\$ 27,500,000	\$ 27,500,000	\$ 28,026,185	\$ 526,185	0.8%
Property tax	6,961,553	6,961,553	7,975,521	1,013,968	1.5%
Property tax - in lieu of VLF	10,178,564	10,178,564	10,641,639	463,075	0.7%
Transient occupancy tax	3,061,000	3,061,000	3,921,765	860,765	1.2%
Franchise tax	6,096,744	6,096,744	6,936,019	839,275	1.2%
Property transfer tax	640,000	640,000	988,600	348,600	0.5%
Other taxes	-	-	28,833	28,833	0.0%
Licenses and permits	4,521,260	4,521,260	6,424,536	1,903,276	2.7%
Fines and forfeitures	315,100	315,100	341,263	26,163	0.0%
Use of money and property	1,463,999	1,463,999	1,977,097	513,098	0.7%
Charges for current services	5,852,518	5,852,518	5,708,007	(144,511)	-0.2%
Intergovernmental revenue	248,000	551,090	873,572	322,482	0.5%
Other	378,950	378,950	1,105,327	726,377	1.0%
Proceeds from sale of property	15,000	15,000	112,061	97,061	0.1%
Transfers in	1,937,000	1,937,000	1,942,101	5,101	0.0%
Total revenues	<u>69,169,688</u>	<u>69,472,778</u>	<u>77,002,526</u>	<u>7,529,748</u>	<u>10.8%</u>
Expenditures:					
Salaries and benefits	27,959,722	27,959,722	27,070,158	889,564	1.0%
Maintenance & operations	9,973,681	15,070,210	11,261,561	3,808,649	4.2%
Public safety contract	27,415,900	27,415,900	26,423,742	992,158	1.0%
Operating total	<u>65,349,303</u>	<u>70,445,832</u>	<u>64,755,461</u>	<u>5,690,371</u>	<u>6.2%</u>
Capital/facility improvements	702,000	17,499,194	3,158,027	14,341,167	15.7%
Transfers out	3,155,088	3,322,388	2,779,389	542,999	0.2%
Total expenditures	<u>69,206,391</u>	<u>91,267,414</u>	<u>70,692,877</u>	<u>\$ 20,574,537</u>	<u>22.5%</u>
Net change in fund balance	(36,703)	(21,794,636)	6,309,649		
Fund balance-beginning	89,395,129	89,395,129	89,395,129		
Fund balance-ending	<u>\$ 89,358,426</u>	<u>\$ 67,600,493</u>	<u>\$ 95,704,778</u>		

Revenues, including transfers in, were \$7.5 million, or 10.8 percent, higher than budgetary estimates as a result of receiving greater than anticipated revenue in the following:

- Licenses and permits revenue increase of \$1.9 million was primarily due to unexpected increase in construction activity.
- Property tax increase of \$1.0 million was primarily due to an increase in assessed valuations of 5.46 percent.
- Transient occupancy tax increase of \$0.9 million was primarily due to an overall increase in hotel occupancy.
- Franchise tax increase of \$0.8 million was primarily due to an overall increase in all fees; cable, rubbish, and utilities.
- Other miscellaneous revenue increase of \$0.7 million was primarily due to one-time revenue of \$0.4 million for settlement proceeds.
- Sales tax increase of \$0.5 million was primarily due to an increase in sales growth.



- Use of money and property revenue increase of \$0.5 million was primarily due to the fair market value adjustment net gain of \$0.2 million and an increase in interest apportionment of \$0.2 million.
- Property tax – in lieu of VLF increase of \$0.5 million is tied to assessed valuations and will increase accordingly.

Expenditures, including transfers out, were less than budgetary estimates by \$20.6 million, or 22.5 percent, primarily due to the following:

- Salaries and benefits savings of \$0.9 million was primarily due to an estimated \$1.3 million in retirement benefit savings due to employees paying the full 7.0 percent of their employee share offset by increases in other various personnel costs.
- Maintenance and operations expenditure savings of \$3.8 million was primarily due to less than anticipated expenditures in various categories, including \$1.4 million to be carried forward to fiscal year 2015-16.
- Public safety contract savings of \$1.0 million was primarily due to an overall budget savings in the law enforcement contract. Approved county contract rates were lower than anticipated with an effective rate increase of 2.3 percent, compared to original budget estimations of 3.0 percent increase.
- Unspent capital outlay of \$14.3 million, with \$9.4 million to be carried forward to fiscal year 2015-16.
- Transfers out to other funds expenditure savings of \$0.5 million was primarily due to a decrease in Library Fund support.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital assets**

Investments in capital assets for governmental and business-type activities as of June 30, 2015, totaled \$686.2 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 2014-15 was \$42.4 million, which represents a 8.9 percent increase for governmental activities and a 0.9 percent increase for business-type activities. Additional information on the City's capital assets can be found on pages 69-74 in the notes to basic financial statements. Capital assets are summarized on the following page:

**City of Thousand Oaks**  
**Capital Assets (net of accumulated depreciation)**  
**June 30, 2015**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 132,350,713	\$ 112,099,300	\$ 5,805,566	\$ 5,772,176	\$ 138,156,279	\$ 117,871,476
Intangibles, non-depreciable	926,301	813,955	139,978	135,338	1,066,279	949,293
Buildings and improvements	115,950,381	95,958,297	170,348,753	171,362,032	286,299,134	267,320,329
Equipment	4,155,277	3,959,006	5,267,291	3,880,070	9,422,568	7,839,076
Intangibles, depreciable	272,511	206,477	203,462	222,113	475,973	428,590
Infrastructure	240,397,018	230,058,123	-	-	240,397,018	230,058,123
Construction in progress	2,047,051	12,343,175	8,329,672	7,031,234	10,376,723	19,374,409
Total capital assets, net	<u>\$ 496,099,252</u>	<u>\$ 455,438,333</u>	<u>\$ 190,094,722</u>	<u>\$ 188,402,963</u>	<u>\$ 686,193,974</u>	<u>\$ 643,841,296</u>

Major capital asset events during fiscal year 2014-15 included the following:

- The \$20.3 million net increase in governmental activity land was the result of transferring the remaining governmental purpose assets from Thousand Oaks Successor Agency to the City.
- The \$10.3 million net decrease in governmental activity construction in progress was primarily due to the capitalization of Erbes Road improvements, hi-maintenance relief drain improvements, illuminated crosswalk improvements, and median improvements.
- The \$20.0 million net increase in governmental activity buildings and improvements was primarily due to transferring the remaining governmental purpose assets from Thousand Oaks Successor Agency to the City.
- The \$10.3 million net increase in governmental activity infrastructure was primarily due to the addition of Erbes Road improvements, pavement overlay, hi-maintenance relief drain improvements, illuminated crosswalk improvements, and Wendy Drive/101 interchange improvements, offset by depreciation of existing capital assets.
- The \$1.3 million net increase in business-type activities construction in progress was primarily due to the addition of various improvements at Hill Canyon Treatment Plant (HCTP) offset by capitalization of reservoir and seismic improvements and transportation center expansion.
- The \$1.0 million net decrease in business-type activities buildings and improvements was primarily due to the depreciation of existing capital assets offset by the addition of various water and wastewater improvements.
- The \$1.4 million net increase in business-type activities equipment was primarily due to the purchase of two compressed natural gas buses and eight passenger vans.

## Long-term debt

At the end of fiscal year 2014-15, the City had total bonded debt outstanding of \$20.6 million. Of this amount, \$13.8 million, or 2.3 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 \$6.8 million, or 3.0 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 \$1.8 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 79-83 in the notes to the basic financial statements. Bonded debt outstanding is summarized below:

<b>City of Thousand Oaks</b>						
<b>Outstanding Bonded Debt</b>						
<b>June 30, 2015</b>						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Lease revenue bonds*	\$ 13,832,978	\$ 14,399,035	\$ -	\$ -	\$ 13,832,978	\$ 14,399,035
Revenue bonds	-	-	6,752,849	7,952,471	6,752,849	7,952,471
Total outstanding debt	<u>\$ 13,832,978</u>	<u>\$ 14,399,035</u>	<u>\$ 6,752,849</u>	<u>\$ 7,952,471</u>	<u>\$ 20,585,827</u>	<u>\$ 22,351,506</u>

\*Net of unamortized issue premiums.

## 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, 2015, taking into consideration the national, state, and local economic conditions and their impacts on the City.

The Great Recession has been over for several years, and the economy is past its recovery phase and well into a new expansion. Unemployment is down, the stock market is doing well, exports are up, energy prices are low, and home values are rising. Yet surveys consistently show that Americans think the economy is bad. Mark Schniepp, Director of the California Economic Forecast, explained that "We don't realize we're probably near the peak of the current economic cycle because we haven't adjusted our expectations to "the new normal" of more modest growth, particularly in the real estate sector."

On June 9, 2015, City Council adopted a structurally balanced Operating and Capital Improvements Program Budgets for fiscal years 2015-16 and 2016-17, which provides sufficient resources to achieve City Council's Goals and Top Ten Priorities. City Council and staff have worked proactively to continue to provide the essential services that residents have come to depend on.

- The adopted fiscal year 2015-16 General Fund operating budget, not including transfers out, is \$73.1 million, a \$5.2 million (7.6 percent) increase over fiscal year 2014-15 actual expenditures (not including transfers out) of \$67.9 million.

- The adopted fiscal year 2015-16 General Fund operating revenue budget, not including transfers in, is projected at \$73.8 million, a \$1.1 million (-1.2 percent) decrease over fiscal year 2014-15 actual revenues of \$74.9 million. Budgeted sales tax is projected at \$28.6 million, a \$0.6 million (2.2 percent) increase over fiscal year 2014-15 actuals of \$28.0 million. Budgeted property tax is projected at \$8.2 million, a \$0.2 million (3.0 percent) increase over fiscal year 2014-15 actuals of \$8.0 million.

The City continues to meet its actuarially required contribution towards its pension plan with California Public Employees Retirement System's (CalPERS). As of the June 30, 2014 CalPERS Actuarial Valuation provided October 2015, the City's pension plan unfunded liability decreased \$6.5 million from the previous year. The decrease in unfunded liability is due to an increase in investment return. The funded status on a market basis increased by 4.6 percent to 79.3 percent. A pension plan with a funded status above 80 percent is considered healthy.

The CalPERS investment portfolio reported a 17.7 percent return for the fiscal year ended June 30, 2014, up from the 13.2 percent return for fiscal year 2012-13. The City's employer contribution rate for fiscal year 2015-16 increased to 18.439 percent from 16.778 percent. In fiscal year 2016-17, the employer contribution rate will be 20.239 percent, with a projected increase to 21.600 percent in fiscal year 2017-18.

In summary, with state and local economic projections showing signs of optimism, staff foresees incremental increases in sales and property taxes. City Council has been responsive to changes made over the past several years and has guided the City to what is considered the "new Normal" and proceeds into the next fiscal year with a structurally balanced budget.

Staff continues to work on the ten-year Financial Strategic Plan (FSP) to project future revenues and expenditures of the various City Funds. The latest FSP (FY 2008-09 through 2022-23) was completed in the fall of 2014. Revenues and expenditures of the various City Funds were projected and the results showed that there will be an increase in future General Fund support to various City Funds. Per City Council's request, staff has been working on a "Fiscal Sustainability Study" that addresses financial challenges faced by various City funds. The goal of the study is to address the City's future financial stability and prepare strategies to address these challenges to achieve long-term financial stability and independence.

## **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).

The background of the slide is a faded, light-colored photograph of a campus. It shows a paved walkway leading towards a building, flanked by green trees and bushes. The overall tone is bright and airy.

# 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, 2015**

	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash and investments (notes 1 and 2)	\$ 157,305,508	80,754,896	238,060,404
Receivables (notes 1 and 3):			
Accounts	2,463,014	6,946,395	9,409,409
Accrued interest	5,276,377	166,835	5,443,212
Intergovernmental	18,225,015	1,303,714	19,528,729
Notes/loans	33,363,353	750,000	34,113,353
Assets held for resale (note 4)	671,083	-	671,083
Internal balances	2,362,725	(2,362,725)	-
Inventories - supplies (note 1)	507,452	601,206	1,108,658
Prepaid items and other assets (note 1)	5,391	118,371	123,762
Noncurrent assets:			
Restricted cash and investments (notes 1 and 2)	3,164,728	1,254,426	4,419,154
Net OPEB asset (note 14)	5,005,211	1,214,091	6,219,302
Capital assets (notes 1 and 5):			
Land	132,350,713	5,805,566	138,156,279
Intangibles, non-depreciable	926,301	139,978	1,066,279
Buildings and improvements	165,961,546	285,610,608	451,572,154
Equipment	11,803,431	10,958,603	22,762,034
Intangibles, depreciable	1,049,507	521,324	1,570,831
Infrastructure	462,976,155	-	462,976,155
Construction in progress	2,047,051	8,329,672	10,376,723
Accumulated depreciation	(281,015,452)	(121,271,029)	(402,286,481)
Total assets	<u>724,449,109</u>	<u>280,841,931</u>	<u>1,005,291,040</u>
<b>Deferred outflows of resources:</b>			
Deferred charges	175,230	-	175,230
Deferred pension items	5,284,274	1,950,947	7,235,221
Total deferred outflows of resources	<u>5,459,504</u>	<u>1,950,947</u>	<u>7,410,451</u>
<b>Liabilities:</b>			
Accounts payable (note 1)	14,252,156	5,011,732	19,263,888
Accrued interest (note 1)	48,159	262,197	310,356
Due to other agencies (note 1)	283,355	13,935	297,290
Unearned revenue (note 1)	33,649,544	6,672,302	40,321,846
Deposits (note 1)	-	859,344	859,344
Noncurrent liabilities:			
Due within one year (note 8)	3,737,415	3,819,648	7,557,063
Due in more than one year (note 8)	18,936,831	20,175,309	39,112,140
Net pension liability	40,398,112	14,925,430	55,323,542
Total liabilities	<u>111,305,572</u>	<u>51,739,897</u>	<u>163,045,469</u>
<b>Deferred inflows of resources:</b>			
Deferred pension items	9,989,352	3,683,454	13,672,806
Total deferred inflows of resources	<u>9,989,352</u>	<u>3,683,454</u>	<u>13,672,806</u>
<b>Net position:</b>			
Net investments in capital assets	482,441,504	168,079,871	650,521,375
Restricted for:			
Assessment districts	4,645,129	-	4,645,129
Community development	3,073,692	-	3,073,692
Public safety	301,819	-	301,819
Street related purposes	27,804,369	-	27,804,369
Capital refurbishment and replacement	-	12,705,000	12,705,000
Debt service	748	3,392,274	3,393,022
Emergency reserve	-	6,400,000	6,400,000
Operating reserve	-	8,900,000	8,900,000
Unrestricted	90,346,428	27,892,382	118,238,810
Total net position	<u>\$ 608,613,689</u>	<u>227,369,527</u>	<u>835,983,216</u>

See accompanying notes to basic financial statements.

**CITY OF THOUSAND OAKS**  
**Statement of Activities**  
**Year ended June 30, 2015**

Page 1 of 2

		Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
	Expenses			
<b>Functions/Programs</b>				
Governmental activities:				
General government	\$ 16,633,833	6,618,463	240,898	-
Public safety	28,679,593	887,976	445,916	107,174
Transportation	33,160,508	5,844,243	3,558,995	3,987,636
Community development	9,427,305	5,038,087	1,070,366	-
Culture and leisure	10,560,758	255,755	35,061	54,027
Interest on long-term debt	655,102	-	-	-
Total governmental activities	99,117,099	18,644,524	5,351,236	4,148,837
Business-type activities:				
Water	21,843,944	25,903,528	-	115,446
Wastewater	18,709,803	20,959,096	-	-
Golf Course	5,225,508	4,665,559	-	-
Transportation	6,038,124	1,991,701	-	5,665,997
Solid Waste Management	1,608,741	1,454,871	-	-
Theatres	3,727,264	3,313,109	500,000	-
Total business-type activities	57,153,384	58,287,864	500,000	5,781,443
Total government	\$ 156,270,483	76,932,388	5,851,236	9,930,280

General revenues:

Taxes:

Property tax  
Property tax in-lieu of VLF  
Sales taxes  
Transient occupancy tax  
Franchise taxes  
Business tax  
Property transfer tax  
Other taxes

Unrestricted intergovernmental revenue  
Contributions not restricted for specific programs  
Unrestricted investment/interest earnings  
Extraordinary item - Asset transfer from Successor Agency  
Total general revenues and extraordinary items  
Change in net position  
Net position - beginning, as restated (note 17)  
Net position - ending

See accompanying notes to basic financial statements.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
(9,774,472)	-	(9,774,472)
(27,238,527)	-	(27,238,527)
(19,769,634)	-	(19,769,634)
(3,318,852)	-	(3,318,852)
(10,215,915)	-	(10,215,915)
(655,102)	-	(655,102)
<u>(70,972,502)</u>	<u>-</u>	<u>(70,972,502)</u>
-	4,175,030	4,175,030
-	2,249,293	2,249,293
-	(559,949)	(559,949)
-	1,619,574	1,619,574
-	(153,870)	(153,870)
-	85,845	85,845
-	<u>7,415,923</u>	<u>7,415,923</u>
<u>(70,972,502)</u>	<u>7,415,923</u>	<u>(63,556,579)</u>
16,142,673	-	16,142,673
10,641,639	-	10,641,639
29,664,075	-	29,664,075
3,921,765	-	3,921,765
6,936,019	-	6,936,019
1,940,876	-	1,940,876
988,600	-	988,600
28,832	-	28,832
53,361	-	53,361
178,120	-	178,120
1,189,635	-	1,189,635
43,428,316	-	43,428,316
<u>115,113,911</u>	<u>-</u>	<u>115,113,911</u>
44,141,409	7,415,923	51,557,332
564,472,280	219,953,604	784,425,884
<u>\$ 608,613,689</u>	<u>227,369,527</u>	<u>835,983,216</u>

# Governmental Fund Financial Statements



**CITY OF THOUSAND OAKS**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

Page 1 of 2

	General Fund	Library	State Gas Tax	Capital Improvements
<b><u>Assets</u></b>				
Assets:				
Cash and investments	\$ 84,823,255	124,564	2,941,888	34,014,052
Receivables:				
Accounts	1,961,171	51,704	-	39,153
Accrued interest	209,810	-	6,025	39,458
Intergovernmental	12,760,057	132,042	4,703,146	-
Notes/loans	2,271,216	-	-	-
Assets held for resale	-	-	-	-
Interfund receivables	6,149,823	-	-	-
Inventories - supplies	507,452	-	-	-
Advances to other funds	1,166,952	-	-	-
Restricted cash and investments	-	-	-	-
Total assets	<u>\$ 109,849,736</u>	<u>308,310</u>	<u>7,651,059</u>	<u>34,092,663</u>
<b><u>Liabilities, Deferred Inflows of Resources and Fund Balances</u></b>				
Liabilities:				
Accounts payable	\$ 7,006,139	306,761	1,666,615	373,015
Due to other agencies	28,755	-	-	-
Interfund payables	-	-	2,642,480	424,887
Unearned revenue	2,538,481	1,549	7,641	-
Advances from other funds	-	-	-	-
Total liabilities	<u>9,573,375</u>	<u>308,310</u>	<u>4,316,736</u>	<u>797,902</u>
Deferred inflows of resources:				
Unavailable revenue	<u>4,571,583</u>	<u>-</u>	<u>3,177,207</u>	<u>-</u>
Total deferred inflows of resources	<u>4,571,583</u>	<u>-</u>	<u>3,177,207</u>	<u>-</u>
Fund balances:				
Nonspendable	3,945,620	-	-	-
Restricted	-	-	157,116	27,044,635
Committed	41,296,049	-	-	-
Assigned	48,584,436	-	-	6,250,126
Unassigned	<u>1,878,673</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>95,704,778</u>	<u>-</u>	<u>157,116</u>	<u>33,294,761</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 109,849,736</u>	<u>308,310</u>	<u>7,651,059</u>	<u>34,092,663</u>

See accompanying notes to basic financial statements.

Thousand Oaks Housing Successor	Other Governmental Funds	Total Governmental Funds
---------------------------------------	--------------------------------	--------------------------------

1,350,096	23,138,221	146,392,076
20,858	390,128	2,463,014
4,558,930	439,821	5,254,044
-	629,770	18,225,015
27,837,537	3,254,600	33,363,353
671,083	-	671,083
-	-	6,149,823
-	-	507,452
-	-	1,166,952
-	3,164,728	3,164,728
<u>34,438,504</u>	<u>31,017,268</u>	<u>217,357,540</u>

8,554	4,703,700	14,064,784
-	254,600	283,355
-	592,456	3,659,823
27,837,537	3,264,336	33,649,544
-	1,166,952	1,166,952
<u>27,846,091</u>	<u>9,982,044</u>	<u>52,824,458</u>

<u>4,556,056</u>	<u>416,134</u>	<u>12,720,980</u>
<u>4,556,056</u>	<u>416,134</u>	<u>12,720,980</u>

671,083	-	4,616,703
1,365,274	7,258,733	35,825,758
-	1,802,421	43,098,470
-	11,557,936	66,392,498
-	-	1,878,673
<u>2,036,357</u>	<u>20,619,090</u>	<u>151,812,102</u>

<u>34,438,504</u>	<u>31,017,268</u>	<u>217,357,540</u>
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**CITY OF THOUSAND OAKS**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2015**

Amounts reported for governmental activities in the statement of net position (page 24) are different because:

Total fund balances - total governmental funds (page 28)	\$ 151,812,102
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	496,099,252
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	17,726,598
Deferred outflows represent a consumption of net position that applies to a future period.	5,284,274
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.	7,229,902
Long-term liabilities, including pension liabilities, compensated absences, bonds payable, and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(59,549,087)
Deferred inflows represent an acquisition of net position that applies to a future period.	(9,989,352)
Net position of governmental activities (page 24)	<u><u>\$ 608,613,689</u></u>

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, 2015**

Page 1 of 2

	General Fund	Library	State Gas Tax	Capital Improvements
<b>Revenues:</b>				
Taxes	\$ 58,518,562	6,186,015	-	-
Licenses and permits	6,424,536	-	-	-
Fines and forfeitures	341,263	165,763	-	-
Use of money and property	1,977,097	12,826	58,910	198,780
Charges for current services	5,708,007	13,603	-	936,999
Intergovernmental revenue	873,572	-	7,227,000	-
Other	1,105,327	65,854	1,150	54,882
Total revenues	<u>74,948,364</u>	<u>6,444,061</u>	<u>7,287,060</u>	<u>1,190,661</u>
<b>Expenditures:</b>				
Current:				
General government	16,585,710	-	-	-
Public safety	27,054,210	-	-	-
Transportation	10,931,444	-	13,322,279	315,953
Community development	8,474,385	-	-	-
Culture and leisure	1,709,711	7,560,717	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	56,657
Capital outlay	3,158,028	226,031	-	616,890
Total expenditures	<u>67,913,488</u>	<u>7,786,748</u>	<u>13,322,279</u>	<u>989,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,034,876</u>	<u>(1,342,687)</u>	<u>(6,035,219)</u>	<u>201,161</u>
<b>Other financing sources (uses):</b>				
Transfers in (note 6)	1,942,101	1,342,687	-	-
Transfers out (note 6)	(2,779,389)	-	(1,037,520)	(471,537)
Proceeds from sale of property	112,061	-	-	-
Total other financing sources (uses)	<u>(725,227)</u>	<u>1,342,687</u>	<u>(1,037,520)</u>	<u>(471,537)</u>
Net change in fund balance	6,309,649	-	(7,072,739)	(270,376)
Fund balance - beginning	<u>89,395,129</u>	<u>-</u>	<u>7,229,855</u>	<u>33,565,137</u>
Fund balance - ending	<u>\$ 95,704,778</u>	<u>-</u>	<u>157,116</u>	<u>33,294,761</u>

See accompanying notes to basic financial statements.

Thousand Oaks Housing Successor	Other Governmental Funds	Total Governmental Funds
-	1,993,036	66,697,613
-	-	6,424,536
-	631,620	1,138,646
749,461	87,766	3,084,840
-	4,753,352	11,411,961
-	584,518	8,685,090
10,000	967,011	2,204,224
<u>759,461</u>	<u>9,017,303</u>	<u>99,646,910</u>
-	607,844	17,193,554
-	1,574,798	28,629,008
-	6,075,487	30,645,163
559,720	553,987	9,588,092
-	50,616	9,321,044
-	560,000	560,000
-	600,312	656,969
-	384,308	4,385,257
<u>559,720</u>	<u>10,407,352</u>	<u>100,979,087</u>
<u>199,741</u>	<u>(1,390,049)</u>	<u>(1,332,177)</u>
-	1,630,366	4,915,154
-	(626,708)	(4,915,154)
-	-	112,061
-	1,003,658	112,061
199,741	(386,391)	(1,220,116)
<u>1,836,616</u>	<u>21,005,481</u>	<u>153,032,218</u>
<u>2,036,357</u>	<u>20,619,090</u>	<u>151,812,102</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, 2015**

Amounts reported for governmental activities in the statement of activities (page 26) are different because:

Net change in fund balances - total governmental funds (page 31)	\$ (1,220,116)
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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.	(2,935,813)
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	43,596,732
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	791,993
--	---------

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.	555,749
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Some expenses (i.e., long and short-term compensated absences and insurance) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	2,652,957
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Internal service funds are used by management to account for the cost of providing general liability, workers' compensation, and vision insurance coverage on a City-wide basis. The net revenue of certain activities of internal service funds is reported with governmental activities.	699,907
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Change in net position of governmental activities (page 26)	<div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$ 44,141,409</div>
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See accompanying notes to basic financial statements.

**CITY OF THOUSAND OAKS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**Year ended June 30, 2015**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 54,437,861	54,437,861	58,518,562	4,080,701
Licenses and permits	4,521,260	4,521,260	6,424,536	1,903,276
Fines and forfeitures	315,100	315,100	341,263	26,163
Use of money and property	1,463,999	1,463,999	1,977,097	513,098
Charges for current services	5,852,518	5,852,518	5,708,007	(144,511)
Intergovernmental revenue	248,000	551,090	873,572	322,482
Other	378,950	378,950	1,105,327	726,377
Total revenues	67,217,688	67,520,778	74,948,364	7,427,586
<b>Expenditures:</b>				
Current:				
General government	16,534,064	17,990,695	16,585,710	1,404,985
Public safety	28,364,186	28,492,592	27,054,210	1,438,382
Transportation	10,073,093	12,446,235	10,931,444	1,514,791
Community development	8,749,593	9,057,119	8,474,385	582,734
Culture and leisure	1,628,367	2,459,191	1,709,711	749,480
Capital outlay	702,000	17,499,194	3,158,028	14,341,166
Total expenditures	66,051,303	87,945,026	67,913,488	20,031,538
Excess (deficiency) of revenues over (under) expenditures	1,166,385	(20,424,248)	7,034,876	27,459,124
<b>Other financing sources (uses):</b>				
Transfers in	1,937,000	1,937,000	1,942,101	5,101
Transfers out	(3,155,088)	(3,322,388)	(2,779,389)	542,999
Proceeds from sale of property	15,000	15,000	112,061	97,061
Total other financing sources (uses)	(1,203,088)	(1,370,388)	(725,227)	645,161
Net change in fund balance	(36,703)	(21,794,636)	6,309,649	28,104,285
Fund balance - beginning	89,395,129	89,395,129	89,395,129	-
Fund balance - ending	\$ 89,358,426	67,600,493	95,704,778	28,104,285

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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues:</b>				
Taxes	\$ 5,938,640	5,938,640	6,186,015	247,375
Fines and forfeitures	166,000	166,000	165,763	(237)
Use of money and property	8,001	8,001	12,826	4,825
Charges for current services	16,000	16,000	13,603	(2,397)
Other	43,000	43,000	65,854	22,854
Total revenues	<u>6,171,641</u>	<u>6,171,641</u>	<u>6,444,061</u>	<u>272,420</u>
<b>Expenditures:</b>				
Current:				
Culture and leisure	7,697,856	7,885,887	7,560,717	325,170
Capital outlay	140,000	381,972	226,031	155,941
Total expenditures	<u>7,837,856</u>	<u>8,267,859</u>	<u>7,786,748</u>	<u>481,111</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,666,215)</u>	<u>(2,096,218)</u>	<u>(1,342,687)</u>	<u>753,531</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,666,215	1,833,515	1,342,687	(490,828)
Total other financing sources (uses)	<u>1,666,215</u>	<u>1,833,515</u>	<u>1,342,687</u>	<u>(490,828)</u>
Net change in fund balance	-	(262,703)	-	262,703
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>(262,703)</u>	<u>-</u>	<u>262,703</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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues:</b>				
Use of money and property	\$ 32,000	32,000	58,910	26,910
Intergovernmental revenue	3,910,600	4,444,800	7,227,000	2,782,200
Other	-	-	1,150	1,150
Total revenues	<u>3,942,600</u>	<u>4,476,800</u>	<u>7,287,060</u>	<u>2,810,260</u>
<b>Expenditures:</b>				
Current:				
Transportation	7,595,842	13,686,368	13,322,279	364,089
Capital outlay	2,800,000	2,052,056	-	2,052,056
Total expenditures	<u>10,395,842</u>	<u>15,738,424</u>	<u>13,322,279</u>	<u>2,416,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,453,242)</u>	<u>(11,261,624)</u>	<u>(6,035,219)</u>	<u>5,226,405</u>
<b>Other financing sources (uses):</b>				
Transfers out	(912,000)	(912,000)	(1,037,520)	(125,520)
Total other financing sources (uses)	<u>(912,000)</u>	<u>(912,000)</u>	<u>(1,037,520)</u>	<u>(125,520)</u>
Net change in fund balance	(7,365,242)	(12,173,624)	(7,072,739)	5,100,885
Fund balance - beginning	<u>7,229,855</u>	<u>7,229,855</u>	<u>7,229,855</u>	<u>-</u>
Fund balance - ending	<u>\$ (135,387)</u>	<u>(4,943,769)</u>	<u>157,116</u>	<u>5,100,885</u>

See accompanying notes to basic financial statements.

# Proprietary Fund Financial Statements





**CITY OF THOUSAND OAKS**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

Page 1 of 2

	Business-type Activities			
	Water Utility	Wastewater Utility	Golf Course	Transportation
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 30,279,551	40,998,913	1,552,323	2,877,526
Receivables:				
Accounts	3,494,425	2,654,855	97,298	385,651
Accrued interest	63,003	85,813	2,844	5,040
Intergovernmental	-	1,881	-	1,205,702
Notes/loans	-	750,000	-	-
Inventories - supplies	306,838	227,266	67,102	-
Prepaid items	-	-	53,543	-
Total current assets	<u>34,143,817</u>	<u>44,718,728</u>	<u>1,773,110</u>	<u>4,473,919</u>
Noncurrent assets:				
Restricted cash and investments	-	1,254,426	-	-
Net OPEB asset	349,828	665,181	-	12,517
Capital assets:				
Land	2,378,022	1,463,180	1,217,610	-
Intangibles, non-depreciable	50,113	89,865	-	-
Buildings and improvements	62,665,164	203,850,466	12,633,029	2,480,773
Equipment	1,000,265	3,568,047	1,354,071	4,585,895
Intangibles, depreciable	490,418	-	-	30,906
Construction in progress	423,470	7,846,076	8,418	51,708
Less accumulated depreciation	(28,697,054)	(84,027,083)	(5,802,111)	(1,900,732)
Total noncurrent assets	<u>38,660,226</u>	<u>134,710,158</u>	<u>9,411,017</u>	<u>5,261,067</u>
Total assets	<u>72,804,043</u>	<u>179,428,886</u>	<u>11,184,127</u>	<u>9,734,986</u>
<b>Deferred outflow of resources:</b>				
Deferred pension items	541,020	1,041,140	-	33,006
Total deferred outflow of resources	<u>541,020</u>	<u>1,041,140</u>	<u>-</u>	<u>33,006</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	1,491,118	2,400,971	184,393	616,968
Accrued interest	-	262,197	-	-
Claims payable	-	-	-	-
Due to other agencies	-	-	13,935	-
Advances from other funds	-	-	2,490,000	-
Unearned revenue	-	-	220,093	3,842,778
Deposits	855,340	500	-	-
Compensated absences	196,000	363,752	-	12,202
Notes/loans payable	-	1,779,686	-	-
Revenue bonds payable	-	1,244,622	-	-
Capital lease payable	-	-	105,691	-
Total current liabilities	<u>2,542,458</u>	<u>6,051,728</u>	<u>3,014,112</u>	<u>4,471,948</u>
Noncurrent liabilities:				
Claims payable	-	-	-	-
Compensated absences	436,041	589,227	-	1,972
Notes/loans payable	-	13,249,307	-	-
Revenue bonds payable (net of unamortized premiums and deferred amounts)	-	5,508,227	-	-
Capital lease payable	-	-	127,318	-
Net pension liability	4,117,402	7,923,541	-	251,194
Total noncurrent liabilities	<u>4,553,443</u>	<u>27,270,302</u>	<u>127,318</u>	<u>253,166</u>
Total liabilities	<u>7,095,901</u>	<u>33,322,030</u>	<u>3,141,430</u>	<u>4,725,114</u>
<b>Deferred inflow of resources:</b>				
Deferred pension items	1,030,929	1,983,924	-	62,895
Total deferred inflow of resources	<u>1,030,929</u>	<u>1,983,924</u>	<u>-</u>	<u>62,895</u>
<b>Net position:</b>				
Net investments in capital assets	38,310,398	111,008,709	9,178,008	5,248,550
Restricted for:				
Capital refurbishment and replacement reserve	3,605,000	9,100,000	-	-
Restricted for debt service	-	3,392,274	-	-
Emergency reserve	4,000,000	2,400,000	-	-
Operating reserve	5,200,000	3,700,000	-	-
Unrestricted	14,102,835	15,563,089	(1,135,311)	(268,567)
Total net position	<u>\$ 65,218,233</u>	<u>145,164,072</u>	<u>8,042,697</u>	<u>4,979,983</u>

See accompanying notes to basic financial statements.

Business-type Activities			Govt. Activities - Internal Service Funds
Solid Waste Management	Theatres	Total	
2,344,213	2,702,370	80,754,896	10,913,432
291,446	22,720	6,946,395	-
5,333	4,802	166,835	22,334
96,131	-	1,303,714	-
-	-	750,000	-
-	-	601,206	-
-	64,828	118,371	4,983
<u>2,737,123</u>	<u>2,794,720</u>	<u>90,641,417</u>	<u>10,940,749</u>
-	-	1,254,426	-
53,595	132,970	1,214,091	-
746,754	-	5,805,566	-
-	-	139,978	-
3,235,490	745,686	285,610,608	-
22,226	428,099	10,958,603	-
-	-	521,324	-
-	-	8,329,672	-
(139,044)	(705,005)	(121,271,029)	-
<u>3,919,021</u>	<u>601,750</u>	<u>192,563,239</u>	<u>-</u>
<u>6,656,144</u>	<u>3,396,470</u>	<u>283,204,656</u>	<u>10,940,749</u>
106,912	228,869	1,950,947	-
<u>106,912</u>	<u>228,869</u>	<u>1,950,947</u>	<u>-</u>
118,016	200,266	5,011,732	187,372
-	-	262,197	-
-	-	-	1,152,600
-	-	13,935	-
-	-	2,490,000	-
35,669	2,573,762	6,672,302	-
-	3,504	859,344	-
51,477	66,218	689,649	-
-	-	1,779,686	-
-	-	1,244,622	-
-	-	105,691	-
<u>205,162</u>	<u>2,843,750</u>	<u>19,129,158</u>	<u>187,372</u>
-	-	-	2,243,600
110,834	152,383	1,290,457	-
-	-	13,249,307	-
-	-	5,508,227	-
-	-	127,318	-
813,651	1,819,642	14,925,430	-
<u>924,485</u>	<u>1,972,025</u>	<u>35,100,739</u>	<u>3,396,200</u>
<u>1,129,647</u>	<u>4,815,775</u>	<u>54,229,897</u>	<u>3,583,572</u>
203,725	401,981	3,683,454	-
<u>203,725</u>	<u>401,981</u>	<u>3,683,454</u>	<u>-</u>
3,865,426	468,780	168,079,871	-
-	-	12,705,000	-
-	-	3,392,274	-
-	-	6,400,000	-
-	-	8,900,000	-
1,564,258	(2,061,197)	27,765,107	7,357,177
<u>5,429,684</u>	<u>(1,592,417)</u>	<u>227,242,252</u>	<u>7,357,177</u>
		127,275	Adjustment to reflect accumulated internal
		<u>227,369,527</u>	services fund gain related to enterprise funds
			net position of business-type activities (page 24)

**CITY OF THOUSAND OAKS**  
**Statement of Revenues, Expenses, and Changes In Net Position**  
**Proprietary Funds**  
**Year ended June 30, 2015**

Page 1 of 2

	Business-type Activities			
	Water Utility	Wastewater Utility	Golf Course	Transportation
<b>Operating revenues:</b>				
Sales of water and wastewater services	\$ 24,709,563	18,541,202	-	-
Theatre rentals and fees	-	-	-	-
Charges for services and supplies	-	-	-	-
Bus and subsidized taxi fares	-	-	-	393,722
Green fees, cart rentals and course memberships	-	-	4,587,868	-
Recycling fees	-	-	-	-
Fees for service	758,376	1,754,604	-	1,265,264
Other	115,066	130,036	62,978	274,143
Total operating revenues	<u>25,583,005</u>	<u>20,425,842</u>	<u>4,650,846</u>	<u>1,933,129</u>
<b>Operating expenses:</b>				
Salaries and employee benefits	3,141,065	6,139,911	-	220,895
Contract services	1,818,248	3,928,577	4,588,384	4,092,222
Utilities	506,513	986,779	-	29,387
Purchase of water	14,158,939	-	-	-
Materials and supplies	430,470	1,647,862	-	1,090,528
Claims expenses	-	-	-	-
Administrative expenses	51,765	236,261	2,713	200,101
Depreciation	1,831,872	5,387,613	537,214	407,628
Total operating expenses	<u>21,938,872</u>	<u>18,327,003</u>	<u>5,128,311</u>	<u>6,040,761</u>
Operating income (loss)	<u>3,644,133</u>	<u>2,098,839</u>	<u>(477,465)</u>	<u>(4,107,632)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	291,393	469,371	14,713	15,372
Interest expense	-	(618,722)	(97,197)	-
Donations	-	-	-	-
Rental of facilities	29,130	63,600	-	43,200
Property taxes	-	283	-	-
Federal assistance	-	-	-	1,314,025
State assistance	-	-	-	4,351,972
Loss on disposition of capital asset	-	-	-	-
Total nonoperating revenues (expenses)	<u>320,523</u>	<u>(85,468)</u>	<u>(82,484)</u>	<u>5,724,569</u>
Income (loss) before contributions	<u>3,964,656</u>	<u>2,013,371</u>	<u>(559,949)</u>	<u>1,616,937</u>
Capital contributions	<u>115,446</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>4,080,102</u>	<u>2,013,371</u>	<u>(559,949)</u>	<u>1,616,937</u>
Total net position - beginning, as restated (note 17)	<u>61,138,131</u>	<u>143,150,701</u>	<u>8,602,646</u>	<u>3,363,046</u>
Total net position - ending	<u>\$ 65,218,233</u>	<u>145,164,072</u>	<u>8,042,697</u>	<u>4,979,983</u>

See accompanying notes to basic financial statements.

Business-type Activities			Govt. Activities - Internal Service Funds
Solid Waste Management	Theatres	Total	

-	-	43,250,765	-
-	2,908,175	2,908,175	-
-	-	-	2,716,787
-	-	393,722	-
-	-	4,587,868	-
1,272,839	-	1,272,839	-
-	-	3,778,244	-
155,274	380,084	1,117,581	-
<u>1,428,113</u>	<u>3,288,259</u>	<u>57,309,194</u>	<u>2,716,787</u>

641,082	1,730,204	11,873,157	-
695,475	1,155,119	16,278,025	-
64,596	340,674	1,927,949	-
-	-	14,158,939	-
93,446	44,147	3,306,453	-
-	-	-	1,710,841
53,105	408,188	952,133	-
66,229	80,195	8,310,751	-
<u>1,613,933</u>	<u>3,758,527</u>	<u>56,807,407</u>	<u>1,710,841</u>
<u>(185,820)</u>	<u>(470,268)</u>	<u>501,787</u>	<u>1,005,946</u>

26,758	24,850	842,457	91,427
-	-	(715,919)	-
-	500,000	500,000	-
-	-	135,930	-
-	-	283	-
-	-	1,314,025	-
-	-	4,351,972	-
-	(27,524)	(27,524)	-
<u>26,758</u>	<u>497,326</u>	<u>6,401,224</u>	<u>91,427</u>

(159,062)	27,058	6,903,011	1,097,373
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-	-	115,446	-
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(159,062)	27,058	7,018,457	1,097,373
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<u>5,588,746</u>	<u>(1,619,475)</u>		<u>6,259,804</u>
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<u>5,429,684</u>	<u>(1,592,417)</u>		<u>7,357,177</u>
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397,466	Adjustment to reflect internal service fund gain
<u>7,415,923</u>	related to enterprise funds change in net position
	of business-type activities (page 26)


**CITY OF THOUSAND OAKS**  
**Statement of Cash Flows - Proprietary Funds**  
**Year ended June 30, 2015**

Page 1 of 2

	Business-type Activities			
	Water Utility	Wastewater Utility	Golf Course	Transportation
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 26,264,375	21,086,542	4,668,941	2,132,076
Cash payments for goods and services	(17,924,440)	(5,059,135)	(4,860,213)	(5,137,146)
Cash payments to employees	(3,386,861)	(6,612,338)	-	(240,657)
Net cash provided by (used for) operating activities	<u>4,953,074</u>	<u>9,415,069</u>	<u>(191,272)</u>	<u>(3,245,727)</u>
<b>Cash flows from noncapital financing activities:</b>				
Property taxes and state tax subventions received	-	283	-	4,351,972
Federal assistance	-	-	-	1,876,779
Donations	-	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>283</u>	<u>-</u>	<u>6,228,751</u>
<b>Cash flows from capital and related financing activities:</b>				
Payments for capital acquisitions	(1,042,139)	(6,806,527)	(51,412)	(1,975,462)
Proceeds from sale of property	-	-	-	-
Principal repayments	-	(2,932,905)	-	-
Capital lease obligation repayments	-	-	(103,158)	-
Interest paid	-	(647,307)	(97,197)	-
Net cash used for capital and related financing activities	<u>(1,042,139)</u>	<u>(10,386,739)</u>	<u>(251,767)</u>	<u>(1,975,462)</u>
<b>Cash flows from investing activities:</b>				
Interest received	277,022	461,092	15,217	14,290
Rental payments received	29,130	63,600	-	43,200
Net cash provided by investing activities	<u>306,152</u>	<u>524,692</u>	<u>15,217</u>	<u>57,490</u>
Net increase (decrease) in cash and cash equivalents	4,217,087	(446,695)	(427,822)	1,065,052
Cash and cash equivalents, beginning of year (including \$1,254,335 for the Wastewater Utility fund reported in restricted accounts)	<u>26,062,464</u>	<u>42,700,034</u>	<u>1,980,145</u>	<u>1,812,474</u>
Cash and cash equivalents, end of year (including \$1,254,426 for the Wastewater Utility fund reported in restricted accounts)	<u>\$ 30,279,551</u>	<u>42,253,339</u>	<u>1,552,323</u>	<u>2,877,526</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 3,644,133	2,098,839	(477,465)	(4,107,632)
<b>Adjustments to reconcile operating loss to net cash used for operating activities:</b>				
Depreciation expense	1,831,872	5,387,613	537,214	407,628
(Increase) decrease in accounts/notes receivable	677,390	661,600	(19,805)	100,794
(Increase) decrease in due from other governments	-	(900)	-	98,153
(Increase) decrease in inventories	(69,676)	5,761	(2,787)	-
(Increase) decrease in prepaid expenses	-	-	(16,494)	-
(Increase) decrease in net OPEB asset	(40,090)	(75,526)	-	(2,475)
Increase (decrease) in accounts payables	(888,829)	1,734,583	(26,835)	275,092
Increase in due to other agencies	-	-	2,000	-
(Decrease) in due to other funds	-	-	(225,000)	-
Increase (decrease) in compensated absences	49,793	94,781	-	(1,700)
Increase (decrease) in net pension liability	(255,499)	(491,682)	-	(15,587)
Increase (decrease) in unearned revenue and deposits	3,980	-	37,900	-
(Decrease) in claims payable	-	-	-	-
Total adjustments	<u>1,308,941</u>	<u>7,316,230</u>	<u>286,193</u>	<u>861,905</u>
Net cash provided by (used for) operating activities	<u>\$ 4,953,074</u>	<u>9,415,069</u>	<u>(191,272)</u>	<u>(3,245,727)</u>
<b>Noncash investing, capital, and financing activities:</b>				
Contributions of property, plant and equipment from developers and other funds	115,446	-	-	-

See accompanying notes to basic financial statements.

Business-type Activities			Govt. Activities Internal Service Funds
Solid Waste Management	Theatres	Total	
1,414,996	3,480,242	59,047,172	2,716,787
(923,206)	(1,940,706)	(35,844,846)	(3,305,468)
(679,297)	(1,855,232)	(12,774,385)	-
(187,507)	(315,696)	10,427,941	(588,681)
-	-	4,352,255	-
-	-	1,876,779	-
-	500,000	500,000	-
-	500,000	6,729,034	-
(39,046)	-	(9,914,586)	-
-	-	-	-
-	-	(2,932,905)	-
-	-	(103,158)	-
-	-	(744,504)	-
(39,046)	-	(13,695,153)	-
26,776	24,569	818,966	89,500
-	-	135,930	-
26,776	24,569	954,896	89,500
(199,777)	208,873	4,416,718	(499,181)
2,543,990	2,493,497	77,592,604	11,412,613
2,344,213	2,702,370	82,009,322	10,913,432
(185,820)	(470,268)	501,787	1,005,946
66,229	80,195	8,310,751	-
(7,192)	158,600	1,571,387	-
1,542	-	98,795	-
-	-	(66,702)	-
-	2,673	(13,821)	1,626
(7,741)	(15,220)	(141,052)	-
(18,126)	4,749	1,080,634	(31,653)
-	-	2,000	-
-	-	(225,000)	-
20,015	(40,415)	122,474	-
(50,489)	(69,393)	(883,418)	-
(5,925)	33,383	69,338	-
-	-	-	(1,564,600)
(1,687)	154,572	9,925,386	(1,594,627)
(187,507)	(315,696)	10,427,173	(588,681)
-	-	115,446	-

An aerial photograph of a large, modern building complex, likely a government or institutional facility. The building has a long, rectangular main structure with several wings and a large, curved parking lot in front. The surrounding area includes landscaped grounds with trees and shrubs, and a road or driveway leading to the building. The overall scene is captured from a high angle, showing the building's footprint and its integration with the surrounding environment.

## Fiduciary Fund Financial Statements



**CITY OF THOUSAND OAKS**  
**Statement of Fiduciary Net Position - Fiduciary Funds**  
**June 30, 2015**

	Agency Funds	Thousand Oaks Redevelopment Successor Agency	Defined Benefits Trust Fund
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 7,684,911	6,781,100	-
Cash and cash equivalents	-	-	276,738
Investments:			
Fixed income	-	-	1,021,771
Stocks	-	-	1,002,665
Receivables:			
Accounts	92,848	-	-
Accrued interest	12,633	87	39
Total current assets	<u>7,790,392</u>	<u>6,781,187</u>	<u>2,301,213</u>
Total assets	<u>\$ 7,790,392</u>	<u>6,781,187</u>	<u>2,301,213</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	\$ 41,146	-	-
Accrued liabilities	-	199,850	61,741
Due to other agencies	2,365	-	-
Deposits	7,746,881	-	-
Notes/loans payable	-	5,345,000	-
Total current liabilities	<u>7,790,392</u>	<u>5,544,850</u>	<u>61,741</u>
Noncurrent liabilities:			
Notes/loans payable, less current portion	-	39,765,000	-
Total liabilities	<u>\$ 7,790,392</u>	<u>45,309,850</u>	<u>61,741</u>
<b>Net position:</b>			
Held in trust for pension benefits		-	2,239,472
Held in trust for other purposes		(38,528,663)	-
Total net position		<u>\$ (38,528,663)</u>	<u>2,239,472</u>

See accompanying notes to basic financial statements.

**CITY OF THOUSAND OAKS**  
**Statement of Changes in Net Position - Fiduciary Funds**  
**Year ended June 30, 2015**

	Thousand Oaks Redevelopment Successor Agency	Defined Benefits Trust Fund
<b>Additions:</b>		
Property taxes	\$ 7,686,388	-
Contributions:		
Employer	-	396,456
Employee	-	80,484
Investment income:		
Investment earnings	2,927	-
Net increase in fair value of investments	-	48,241
Other	13,728	-
Total Additions	<u>7,703,043</u>	<u>525,181</u>
<b>Deductions:</b>		
Program expenses	2,320,457	-
Service benefits	-	152,759
Refunds of member contributions	-	25,474
Administrative expenses	244,120	23,951
Fiscal agency expenses	5,377	-
Depreciation	191,071	-
Total Deductions	<u>2,761,025</u>	<u>202,184</u>
<b>Other financing sources (uses):</b>		
Contribution from City	150,000	-
Total Other financing sources (uses)	<u>150,000</u>	<u>-</u>
Extraordinary item	(43,428,316)	-
Changes in net position	(38,336,298)	322,997
Net position - beginning	<u>(192,365)</u>	<u>1,916,475</u>
Net position - ending	<u>\$ (38,528,663)</u>	<u>2,239,472</u>

A photograph of a modern building entrance, likely a school or university. The scene features a paved walkway leading to a building with large glass doors. The area is landscaped with green grass, shrubs, and several trees. A blue signpost is visible on the left side of the walkway. The overall atmosphere is bright and sunny.

## Notes to Basic Financial Statements

# **CITY OF THOUSAND OAKS**

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

**June 30, 2015**

### **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, as amended by GASB Statement No. 61. 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, 2015**

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

Effective July 1, 2014, the City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The objective of GASB Statement No. 68 is to improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability will also be enhanced through new note disclosures and required supplementary information.

Effective July 1, 2014, the City adopted the provisions of GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. The objective of GASB Statement No. 69 is to provide specific accounting and financial reporting guidance for combinations in the governmental environment.

Effective July 1, 2014, the City adopted the provisions of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The objective of GASB Statement No. 71 is to address an issue regarding application of the transition provisions of GASB Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

#### **(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 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

## **CITY OF THOUSAND OAKS**

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

**June 30, 2015**

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 29 and 32.

#### **(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.

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

## CITY OF THOUSAND OAKS

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

June 30, 2015

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.

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.

## CITY OF THOUSAND OAKS

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

June 30, 2015

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.

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 42-43 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 42 and by fund in the combining statements on pages 128-133. Fiduciary funds are



## CITY OF THOUSAND OAKS

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

June 30, 2015

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.

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.

## CITY OF THOUSAND OAKS

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

June 30, 2015

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, 2015, business funds were made up of the following net position classifications:

**Net Investment 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.

*Debt Service* is a restriction used to fund future obligations that are necessary to maintain reliable infrastructure. Reserve amounts ensure a required covered 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.

## CITY OF THOUSAND OAKS

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

June 30, 2015

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

As of June 30, 2015, governmental funds are made up of the following fund balance categories:

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

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

**Committed Fund Balance** has self-imposed limitations on use set in place prior to the end of the fiscal year and imposed at the highest level of decision making (City Council) that requires formal action at the same level to remove. Within the City, both a resolution and ordinance meet this requirement and are equal in difficulty to remove the restraint provided by either action.

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

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

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

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

## **CITY OF THOUSAND OAKS**

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

**June 30, 2015**

#### **(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, 2015, the aggregate unrealized loss for the City's entire investment portfolio across all funds was \$8,004, with \$3,325 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 \$38,184,943 of funds on deposit with LAIF). Fair value is determined annually and is based on current market prices received from the securities custodian. The fair value of participants' position in the pool is substantially the same as the value of the pool shares. The City's policy is to hold investments until maturity, or until market values equal or exceed cost.

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

#### **(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 10. The County of Ventura bills and collects property taxes on behalf of the City. Delinquent property taxes receivable as of June 30, 2015, was \$165,852.

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, 2015, the City did not have a liability due.

## **CITY OF THOUSAND OAKS**

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

**June 30, 2015**

#### **(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

#### **(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.

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2015

### (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, 2015, was as follows:

Fund Type	Fiscal Year 2014-15			Fiscal Year 2013-14
	Current Portion	Noncurrent Portion	Total	Total
Governmental Activities:				
General Fund	\$ 1,676,123	\$ 2,738,716	\$ 4,414,839	\$ 4,201,668
Library	245,269	613,280	858,549	931,146
Country Flood Control Benefit Assessment	26,700	32,664	59,364	55,910
Landscape and Lighting Districts	50,665	61,651	112,316	113,288
Total Governmental Activities	<u>\$ 1,998,757</u>	<u>\$ 3,446,311</u>	<u>\$ 5,445,068</u>	<u>\$ 5,302,012</u>
Business-type Activities:				
Water	\$ 196,000	\$ 436,041	\$ 632,041	\$ 582,248
Wastewater	363,752	589,227	952,979	858,198
Transportation	12,202	1,972	14,174	15,874
Solid Waste	51,477	110,834	162,311	142,296
Theatres	66,218	152,383	218,601	259,016
Total Business-type Activities	<u>\$ 689,649</u>	<u>\$ 1,290,457</u>	<u>\$ 1,980,106</u>	<u>\$ 1,857,632</u>
Total Compensated Absences	<u>\$ 2,688,406</u>	<u>\$ 4,736,768</u>	<u>\$ 7,425,174</u>	<u>\$ 7,159,644</u>

### (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.

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.

## **CITY OF THOUSAND OAKS**

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

**June 30, 2015**

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) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. One is deferred charges on refunding reported in the government-wide statement of net position and the proprietary funds statement of net position. Deferred charges on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is deferred pension related items reported in the government-wide statement of net position and the proprietary funds statement of net position. The City reports deferred outflows of resources for pension contributions made after the actuarial measurement date. This amount is deferred and will be expensed in the following fiscal year.

In addition to liabilities, the balance sheet or statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items. The item, unavailable revenue, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: sales tax and deferred loans. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The other item is deferred pension related items reported in the government-wide statement of net position and the proprietary funds statement of net position. This amount is the result of the net difference between projected and actual earnings on pension plan investments and are being amortized over a five year period on a straight-line basis.

## **CITY OF THOUSAND OAKS**

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

**June 30, 2015**

#### **(p) Net Pension Liability**

##### **California Public Employees' Retirement System (CalPERS)**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CalPERS agent multiple-employer defined benefit plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Valuation Date January 1, 2013 is the date the actuarial valuation was performed. The Measurement Date is June 30, 2014. This is the date the net pension liability was determined. The Measurement Period is July 1, 2013 to June 30, 2014.

##### **City of Thousand Oaks Defined Benefit Pension Plan**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Thousand Oaks' single-employer defined benefit plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Public Agency Retirement Services office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Valuation Date January 1, 2014 is the date the actuarial valuation was performed. The Measurement Date is June 30, 2015. This is the date the net pension liability was determined. The Reporting Date is June 30, 2015, the plan's and City's fiscal year ending date. There have been no significant changes between the valuation date and fiscal year end.

#### **(q) 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 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 \$17,726,598 difference are as follows on the next page:



# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2015

Other postemployment benefit asset	\$ 5,005,211
Prepaid insurance	407
Unavailable revenues	<u>12,720,980</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><b>\$ 17,726,598</b></u>

Another element of the reconciliation states that “deferred outflow of resources represents a consumption of net position that applies to a future period and, therefore, will not be recognized as an expense/expenditure until that time.” The details of this \$5,284,274 difference are as follows:

Pension contributions subsequent to measurement date	\$ 5,242,303
Net difference between projected and actual earnings on pension plan investments	<u>41,971</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><b>\$ 5,284,274</b></u>

Another 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 (\$59,549,087) difference are as follows:

Lease revenue bond payable	\$ (13,832,978)
Deferred charges	175,230
Compensated absences	(5,445,068)
Net pension liability	(40,398,112)
Interest payable	<u>(48,159)</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><b>\$ (59,549,087)</b></u>

Another element of the reconciliation states that “deferred inflows represent an acquisition of net position that applies to a future period and, therefore, will not be recognized as revenue until that time.” The details of this \$9,989,352 difference are as follows:

Net difference between projected and actual earnings on pension plan investments	<u>\$ (9,989,352)</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><b>\$ (9,989,352)</b></u>

## CITY OF THOUSAND OAKS

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

June 30, 2015

#### **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 depreciation expense exceeded capital outlay in the current period. The details of this (\$2,935,813) difference are as follows:

Capital outlay	\$ 12,419,085
Depreciation expense	<u>(15,354,898)</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>\$ (2,935,813)</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 \$43,596,732 difference are as follows:

Extraordinary gain on capital assets transferred from the Thousand Oaks Successor Agency	\$ 43,428,316
Land donations	178,120
Disposals of capital assets decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources	<u>(9,704)</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>\$ 43,596,732</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 issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$555,749 difference are as follows on the next page:

## CITY OF THOUSAND OAKS

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

**June 30, 2015**

Lease revenue bonds principal payments	\$ 560,000
Amortization of loss on refunding	(10,308)
Amortization of premiums	<u>6,057</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>\$ 555,749</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 \$2,654,720 difference are as follows:

Compensated absences	\$ (143,056)
Net change in accrued interest	1,867
Net change in prepaid expenses:	
Pension	2,404,851
OPEB	389,310
Prepaid insurance	<u>(15)</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>\$ 2,652,957</b></u>

#### **(r) 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, 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, 2015**

Budgetary data is presented in the basic financial statements, pages 33-35, and combining financial statements and schedules sections, pages 118-122.

### **(s) 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.

### **(t) 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, 2015, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 238,060,404
Restricted cash and investments	4,419,154
Fiduciary Funds:	
Agencies cash and investments	7,684,911
Successor agency cash and investments	6,781,100
Pension trust cash and investments	2,301,174
	<u>\$ 259,246,743</u>

Cash and investments as of June 30, 2015, consist of the following:

Cash on hand	\$ 346,579
Deposits with financial institutions	46,222,091
Investments held by City and bond trustee	210,436,070
Investments held by pension plan	2,242,003
Total cash and investments	<u>\$ 259,246,743</u>

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

The table on the next page 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

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2015

investment policy, where more restrictive) that address **interest rate risk**, **credit risk**, and **concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustee which are governed by the provisions of debt agreements of the City or the investments in the Hourly/Part-time Defined Benefit Pension Plan which are governed by its trust agreement.

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 Debt Obligations (CA and others)	5 years	None	N/A
State of California Local Agency Debt Obligations	5 years	None	None
Supranationals	5 years	15%	5%
Corporate Medium-Term Notes	5 years	30%	5%
Negotiable Certificates of Deposit	5 years	10%	5%
Banker's Acceptances	180 days	40%	30%
Commercial Paper*	270 days	25%	5%
Repurchase Agreements	30 days	None	None
Bank Deposits - Collateralized/FDIC Insured	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	N/A
County Pooled Investment Funds	N/A	20%	None
Joint Powers Authority Pools	N/A	15%	10%
Mutual Funds	N/A	15%	5%
Money Market Funds	N/A	15%	None

\*City may not purchase more than 5% 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, 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

## CITY OF THOUSAND OAKS

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

June 30, 2015

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

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

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (in years)</u>
U.S. Agencies - Fixed Coupons	\$ 99,051,240	3.04
U.S. Agencies - Step-Up Coupons	7,991,343	3.48
Supranationals	2,005,916	2.04
Municipal Bonds	37,924,014	2.29
Ventura County Treasury Pool	5,002,061	0.80
LAIF	33,182,882	0.65
Held by Fiscal Agent:		
Money Market Funds	6,557,024	0.33
U.S. Agencies - Fixed Coupons	3,398,295	0.98
LAIF	15,323,295	0.65
	<u>\$ 210,436,070</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 on the next page 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 is on the following page:

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2015

Investment Type	Amount	Minimum Legal Rating	AAA	AA	A
U.S. Agencies - Fixed Coupons	\$ 99,051,240	None		\$ 99,051,240	
U.S. Agencies - Step-Up Coupons	7,991,343	None		7,991,343	
Supranationals	2,005,916	AAA	\$ 2,005,916		
Municipal Bonds	37,924,014	A		34,125,715	\$ 3,798,299
Ventura County Treasury Pool	5,002,061	None	5,002,061		
LAIF	33,182,882	Unrated			
Held by Fiscal Agent:					
Money Market Funds	6,557,024	AAA	6,557,024		
U.S. Agencies - Fixed Coupons	3,398,295	None		3,398,295	
LAIF	15,323,295	Unrated			
Total	<u>\$ 210,436,070</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 (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

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 (unless so waived by the governmental unit). 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 federally insured.

As of June 30, 2015, all of the City's deposits with financial institutions in excess of federal depository insurance limits were collateralized by an interest in an undivided collateral pool as required by law.

To protect investments against custodial credit risk caused by the collapse of individual securities dealers, all negotiable securities owned by the City are settled with delivery versus payment procedures and held in safekeeping by the City's custodial bank acting as agent for the City under the terms of a custody agreement.

## CITY OF THOUSAND OAKS

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

June 30, 2015

#### (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:

Issuer	Investment Type	Reported Amount
Federal Farm Credit Bank	Coupon Securities	\$ 19,987,562
Federal Home Loan Bank	Coupon Securities	16,395,199
Federal Home Loan Mortgage Corporation	Coupon Securities	28,156,472
Federal National Mortgage Association	Coupon Securities	37,909,302
Comerica Bank	Collateralized Deposits	13,000,000
Community Bank	Collateralized Deposits	20,000,000

#### (g) Investment in State Investment Pool

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

#### (h) Ventura County Treasurer's Investment Pool

The City hold investments in the County Pool that are subject to being adjusted to "fair value." The City is required to disclose its methods and assumptions used to estimate the fair value of its holding in the County Pool. The City relied upon information provided by the County Treasurer in estimating the City's fair value position of its holdings in the County Pool. The City had a contractual withdrawal value of \$5,002,061 at fiscal year end.

The Ventura County Treasurer's Investment Pool is a governmental investing pool managed and directed by the elected Ventura County Treasurer. The County Pool is not registered with the Securities and Exchange Commission. An oversight committee comprised of local government officials and various participants provide oversight to the management of the fund. The daily operations and responsibilities of the Pool fall under the auspices of the County Treasurer's office. The City is a voluntary participant in the investment pool.



# CITY OF THOUSAND OAKS

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

**June 30, 2015**

### **(i) 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, 2015, was as follows:

<u>Pension Plan Trust Fund Investments</u>	<u>Fair Value</u>	<u>Percent of Portfolio</u>
HighMark PLUS Moderate	\$ 2,242,003	100%

### **(3) LOANS AND NOTES RECEIVABLE**

#### **Governmental Funds**

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, 2015, loans and notes receivable totaling \$33,363,353 consists of \$27,837,537 from the Thousand Oaks Housing Successor Fund, \$2,271,216 from the General Fund and \$3,254,600 from other governmental funds are as follows on the next page:

## CITY OF THOUSAND OAKS

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

**June 30, 2015**

Thousand Oaks Housing Successor Fund:	
Hillcrest Drive	\$ 7,056,500
Shadows Apartments	6,900,000
Los Feliz Drive	5,950,000
Bella Vista Apartments	4,139,200
Oak Creek Senior Villas	2,450,000
Hacienda de Feliz	600,000
Warwick Apartments	420,000
Housing Rehabilitation	251,608
Others	70,229
Total Thousand Oaks Housing Successor Fund	<u>\$ 27,837,537</u>
General Fund:	
Seventh Day Adventist	\$ 1,737,340
Others	533,876
Total General Fund	<u>\$ 2,271,216</u>
Other Governmental Funds:	
Los Feliz Drive	\$ 2,000,000
Oak Creek Senior Villas	1,000,000
CDBG	254,600
Total Other Governmental Funds:	<u>\$ 3,254,600</u>
Total loans/notes receivable	<u>\$ 33,363,353</u>

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

#### **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 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.

#### **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.

## **CITY OF THOUSAND OAKS**

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

**June 30, 2015**

#### **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 (AHA) 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. \$0.5 million and \$0.2 million in pre-development loans were repaid during fiscal years 2013-14 and 2014-15 respectively. The promissory notes were modified to define the loan term into two phases. The Phase I portion of the loan is \$5.1 million and bears interest at a rate of 3 percent per annum, while the Phase II portion of the loan is \$0.9 million and bears interest at a rate of 3.56 percent compounded annually. Loan repayment shall be made from residual receipts and the loan is expected to be repaid in full within 55 years from occupancy certification.

During fiscal year 2013-14, the City also entered into a \$2.0 million loan agreement with AHA for the Los Feliz Drive housing project. Note A of \$1.0 million bears 3 percent interest per annum and loan repayment shall be made from residual receipts and the loan is expected to be repaid in full within 55 years from occupancy certification. Note B of \$1.0 million bears no interest and is due on December 31, 2015.

#### **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.

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

During fiscal year 2002-03, the City and the former Redevelopment Agency entered into a \$1.0 million and a \$1.2 million loan agreement, respectively, with Oak Creek Housing Investors, L.P. The purpose of the loans is to fund the development and construction of Oak Creek Senior Villas, a 57-unit low and very-low income senior housing project. During fiscal year 2004-05, the former Redevelopment Agency issued an additional \$1.3 million to fund the project. The outstanding balance of these loans bears interest at a rate of 3 percent per annum. Loan repayment shall be made from residual receipts and the loan are expected to be repaid in full in three installments; the first installment of \$1.0 million is due on December 18, 2042, the second installment of \$1.2 million is due on December 18, 2057, and the third installment of \$1.3 million is due on March 21, 2045.

## **CITY OF THOUSAND OAKS**

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

**June 30, 2015**

#### **Seventh Day Adventist**

On May 28, 2013, the City authorized a reimbursement agreement between the City and Southern California Conference of Seventh Day Adventist Church (Developer) for the construction of street and intersection improvements for the Developer property (Property) as part of an adjacent City project. The final cost of the improvements, which were completed in 2014, were \$1.7 million. The Developer shall reimburse the City upon sale of the Property, or portion thereof, or the issuance of, any occupancy permits for any future development.

#### **Proprietary Fund**

##### **CHP Clean Energy (CHPCE)**

During fiscal year 2013-14, the City issued a \$1.5 million loan to CHPCE Thousand Oaks, LLC, to finance the construction of a new cogeneration system at the Hill Canyon Wastewater Treatment Plant. The outstanding balance of the loan bears interest at a rate of 3 percent per annum and the loan repayment shall be made from excess available incentive payments. \$750,000 was repaid in May 2015. The loan is expected to be repaid in full by September 30, 2018.

#### **(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, 2015, 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, 2015

### (5) CAPITAL ASSETS

#### (a) Governmental Activities:

Infrastructure additions of \$20.8 million resulted primarily from \$12.7 million for Erbes Road improvements, \$3.8 million for pavement overlay, \$1.2 million for hi-maintenance relief drain improvements, \$0.9 million for illuminated crosswalk improvements, \$0.9 million for Wendy Drive/101 interchange improvements, \$0.5 million for median improvements, and \$0.3 million for light-emitting diode traffic light conversions.

Capital assets governmental activity for the year ended June 30, 2015, was as follows:

	Balance at June 30, 2014	Additions	Disposals	Transfer in/(out) from Successor Agency*	Balance at June 30, 2015
<b>Capital assets, not being depreciated:</b>					
Land - Governmental Funds	\$ 108,921,755	\$ 97,738	\$ -	\$ 20,153,675	\$ 129,173,168
Land - Housing Successor	3,177,545	-	-	-	3,177,545
Intangibles	813,955	112,346	-	-	926,301
Construction in progress	12,343,175	469,518	10,765,642	-	2,047,051
Total	125,256,430	679,602	10,765,642	20,153,675	135,324,065
<b>Capital assets, being depreciated:</b>					
Buildings and improvements - Governmental Funds	135,251,722	654,597	137,628	25,312,736	161,081,427
Buildings and improvements - Housing Successor	4,880,119	-	-	-	4,880,119
Equipment	11,622,618	1,052,480	871,667	-	11,803,431
Intangibles	906,084	175,645	32,222	-	1,049,507
Infrastructure	442,175,632	20,800,523	-	-	462,976,155
Total	594,836,175	22,683,245	1,041,517	25,312,736	641,790,639
Less accumulated depreciation for:					
Buildings and improvements - Governmental Funds	43,937,672	3,829,848	127,924	2,038,095	49,677,691
Buildings and improvements - Housing Successor	235,872	97,602	-	-	333,474
Equipment	7,663,612	856,209	871,667	-	7,648,154
Intangibles	699,607	109,611	32,222	-	776,996
Infrastructure	212,117,509	10,461,628	-	-	222,579,137
Total	264,654,272	15,354,898	1,031,813	2,038,095	281,015,452
Total, net depreciation	330,181,903	7,328,347	9,704	23,274,641	360,775,187
<b>Total net capital assets</b>	<b>\$ 455,438,333</b>	<b>\$ 8,007,949</b>	<b>\$ 10,775,346</b>	<b>\$ 43,428,316</b>	<b>\$ 496,099,252</b>

\*Due to approval of the Long Range Property Management Plan by the State Department of Finance, assets of the Thousand Oaks Successor Agency were transferred to the City. See note 16(b) for additional information.

## CITY OF THOUSAND OAKS

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

June 30, 2015

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

Water Fund construction in progress disposals of \$2.7 million were primarily due to \$1.5 million for reservoir and seismic improvements, \$0.4 million for water system improvements, \$0.4 million for water system looping, and \$0.3 million for Erbes Road improvements. Buildings and improvements additions of \$3.7 million were primarily due to \$1.5 million for the reservoir and seismic improvements, \$0.4 million for new service lines, \$0.4 million for new meter installations, \$0.4 million for water system looping and improvements, and \$0.3 million for Erbes Road improvements.

Wastewater Fund construction in progress additions of \$6.1 million were primarily due to \$3.4 million for Hill Canyon Treatment Plant (HCTP) electrical and instrumentation improvements, \$1.3 million for biosolids dewatering system, \$0.7 million for wastewater pipe relining, \$0.4 million for HCTP network and SCADA upgrades, and \$0.1 million for HCTP bioreactors optimization. Buildings and improvements additions of \$1.4 million were primarily due to \$0.4 million for HCTP tertiary filtration improvements, \$0.4 million for pipe and maintenance hole relining, \$0.2 million for bypass line improvements, and \$0.1 million for flare digester modifications.

Transportation Fund construction in progress disposals of \$1.4 million were primarily due to \$1.3 million for the transportation center expansion. Buildings and improvements of \$1.4 million were primarily due to \$1.3 million for the transportation center expansion. Equipment additions of \$2.0 million were primarily due to \$1.0 million for two CNG buses and \$0.8 million for eight passenger vans.

Capital asset business-type activity for the year ended June 30, 2015, was as follows on the next pages:

# CITY OF THOUSAND OAKS

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

**June 30, 2015**

	Balance at July 1, 2014	Additions	Disposals	Balance at June 30, 2015
<b><u>Water Utility Fund:</u></b>				
Capital assets, not being depreciated:				
Land	\$ 2,344,632	\$ 33,390	\$ -	\$ 2,378,022
Intangibles	45,473	4,640	-	50,113
Construction in progress	2,914,814	251,643	2,742,987	423,470
Total	<u>5,304,919</u>	<u>289,673</u>	<u>2,742,987</u>	<u>2,851,605</u>
Capital assets, being depreciated:				
Buildings and improvements	59,177,812	3,712,918	225,566	62,665,164
Equipment	1,037,004	17,403	54,142	1,000,265
Intangibles	490,418	-	-	490,418
Total	<u>60,705,234</u>	<u>3,730,321</u>	<u>279,708</u>	<u>64,155,847</u>
Less accumulated depreciation for:				
Buildings and improvements	25,998,147	1,714,411	106,144	27,606,414
Equipment	759,016	68,419	54,142	773,293
Intangibles	268,305	49,042	-	317,347
Total	<u>27,025,468</u>	<u>1,831,872</u>	<u>160,286</u>	<u>28,697,054</u>
Total, net depreciation	<u>33,679,766</u>	<u>1,898,449</u>	<u>119,422</u>	<u>35,458,793</u>
<b>Water Utility Fund net capital assets</b>	<b><u>\$ 38,984,685</u></b>	<b><u>\$ 2,188,122</u></b>	<b><u>\$ 2,862,409</u></b>	<b><u>\$ 38,310,398</u></b>
<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	2,676,307	6,112,701	942,932	7,846,076
Total	<u>4,229,352</u>	<u>6,112,701</u>	<u>942,932</u>	<u>9,399,121</u>
Capital assets, being depreciated:				
Buildings and improvements	202,497,933	1,352,533	-	203,850,466
Equipment	3,304,854	284,226	21,033	3,568,047
Total	<u>205,802,787</u>	<u>1,636,759</u>	<u>21,033</u>	<u>207,418,513</u>
Less accumulated depreciation for:				
Buildings and improvements	77,032,410	5,113,714	-	82,146,124
Equipment	1,628,093	273,899	21,033	1,880,959
Total	<u>78,660,503</u>	<u>5,387,613</u>	<u>21,033</u>	<u>84,027,083</u>
Total, net depreciation	<u>127,142,284</u>	<u>(3,750,854)</u>	<u>-</u>	<u>123,391,430</u>
<b>Wastewater Utility Fund net capital assets</b>	<b><u>\$ 131,371,636</u></b>	<b><u>\$ 2,361,847</u></b>	<b><u>\$ 942,932</u></b>	<b><u>\$ 132,790,551</u></b>

# CITY OF THOUSAND OAKS

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

**June 30, 2015**

	Balance at July 1, 2014	Additions	Disposals	Balance at June 30, 2015
<b><u>Golf Course Fund:</u></b>				
Capital assets, not being depreciated:				
Land	\$ 1,217,610	\$ -	\$ -	\$ 1,217,610
Construction in progress	-	8,418	-	8,418
Total	<u>1,217,610</u>	<u>8,418</u>	<u>-</u>	<u>1,226,028</u>
Capital assets, being depreciated:				
Buildings and improvements	12,618,620	14,409	-	12,633,029
Equipment	1,331,648	28,585	6,162	1,354,071
Total	<u>13,950,268</u>	<u>42,994</u>	<u>6,162</u>	<u>13,987,100</u>
Less accumulated depreciation for:				
Buildings and improvements	4,403,737	404,714	-	4,808,451
Equipment	867,322	132,500	6,162	993,660
Total	<u>5,271,059</u>	<u>537,214</u>	<u>6,162</u>	<u>5,802,111</u>
Total, net depreciation	<u>8,679,209</u>	<u>(494,220)</u>	<u>-</u>	<u>8,184,989</u>
<b>Golf Course Fund net capital assets</b>	<b><u>\$ 9,896,819</u></b>	<b><u>\$ (485,802)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 9,411,017</u></b>
<b><u>Transportation Fund:</u></b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,440,113	\$ 41,208	\$ 1,429,613	\$ 51,708
Total	<u>1,440,113</u>	<u>41,208</u>	<u>1,429,613</u>	<u>51,708</u>
Capital assets, being depreciated:				
Buildings and improvements	1,087,298	1,393,475	-	2,480,773
Equipment	2,907,452	1,955,540	277,097	4,585,895
Intangibles	-	30,906	-	30,906
Total	<u>3,994,750</u>	<u>3,379,921</u>	<u>277,097</u>	<u>7,097,574</u>
Less accumulated depreciation for:				
Buildings and improvements	98,581	53,313	-	151,894
Equipment	1,655,566	353,800	261,043	1,748,323
Intangibles	-	515	-	515
Total	<u>1,754,147</u>	<u>407,628</u>	<u>261,043</u>	<u>1,900,732</u>
Total, net depreciation	<u>2,240,603</u>	<u>2,972,293</u>	<u>16,054</u>	<u>5,196,842</u>
<b>Transportation Fund net capital assets</b>	<b><u>\$ 3,680,716</u></b>	<b><u>\$ 3,013,501</u></b>	<b><u>\$ 1,445,667</u></b>	<b><u>\$ 5,248,550</u></b>



# CITY OF THOUSAND OAKS

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

**June 30, 2015**

	Balance at July 1, 2014	Additions	Disposals	Balance at June 30, 2015
<b><u>Solid Waste Management Fund:</u></b>				
Capital assets, not being depreciated:				
Land	\$ 746,754	\$ -	\$ -	\$ 746,754
Construction in progress	-	-	-	-
Total	<u>746,754</u>	<u>-</u>	<u>-</u>	<u>746,754</u>
Capital assets, being depreciated:				
Buildings and improvements	3,196,443	39,047	-	3,235,490
Equipment	22,226	-	-	22,226
Total	<u>3,218,669</u>	<u>39,047</u>	<u>-</u>	<u>3,257,716</u>
Less accumulated depreciation for:				
Buildings and improvements	62,749	64,018	-	126,767
Equipment	10,066	2,211	-	12,277
Total	<u>72,815</u>	<u>66,229</u>	<u>-</u>	<u>139,044</u>
Total, net depreciation	<u>3,145,854</u>	<u>(27,182)</u>	<u>-</u>	<u>3,118,672</u>
<b>Solid Waste Fund net capital assets</b>	<b><u>\$ 3,892,608</u></b>	<b><u>\$ (27,182)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,865,426</u></b>
<b><u>Theatres Fund:</u></b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 745,686	\$ -	\$ -	\$ 745,686
Equipment	547,617	-	119,518	428,099
Total	<u>1,293,303</u>	<u>-</u>	<u>119,518</u>	<u>1,173,785</u>
Less accumulated depreciation for:				
Buildings and improvements	366,138	56,069	-	422,207
Equipment	350,666	24,126	91,994	282,798
Total	<u>716,804</u>	<u>80,195</u>	<u>91,994</u>	<u>705,005</u>
Total, net depreciation	<u>576,499</u>	<u>(80,195)</u>	<u>27,524</u>	<u>468,780</u>
<b>Theatres Fund net capital assets</b>	<b><u>\$ 576,499</u></b>	<b><u>\$ (80,195)</u></b>	<b><u>\$ 27,524</u></b>	<b><u>\$ 468,780</u></b>
<b>Total capital assets, net</b>	<b><u>\$ 188,402,963</u></b>	<b><u>\$ 6,970,291</u></b>	<b><u>\$ 5,278,532</u></b>	<b><u>\$ 190,094,722</u></b>

## CITY OF THOUSAND OAKS

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

June 30, 2015

#### **(c) Depreciation Expense**

Depreciation expense charged to functions/programs of the primary government as of June 30, 2015, was as follows:

Governmental activities:	
General government	\$ 2,150,399
Public safety	295,350
Transportation	11,110,975
Community development	395,898
Culture and leisure	1,402,276
Total depreciation expense - governmental activities	<u>\$ 15,354,898</u>
Business-type activities:	
Water	\$ 1,831,872
Wastewater	5,387,613
Golf Course	537,214
Transportation	407,628
Solid Waste Management	66,229
Theatres	80,195
Total depreciation expense - business-type activities	<u>\$ 8,310,751</u>

#### **(d) Construction and Significant Commitments**

As of June 30, 2015, the City had seven material construction commitments evidenced by contractual commitments with contractors: 1) \$12.5 million (\$7.2 million spent to date) for 101/23 interchange improvements, funded by the General Fund, 2) \$7.2 million (\$6.9 million spent to date) for Pavement Slurry Seal citywide, funded by General Fund, State Gas Tax revenue, and Wastewater Fund, 3) \$3.5 million (\$3.4 million spent to date) for HCTP Electrical and Instrumentation improvements, funded by Wastewater Fund, 4) \$3.5 million (\$3.2 million spent to date) for Erbes Road improvements, funded by General Fund, State Gas Tax revenue, Federal Highway Administration (FHA) grant, Thousand Oaks Road Improvements developer fee revenue and Water Fund, 5) \$2.6 million (\$2.4 million spent to date) for Pavement Overlay citywide, funded by General Fund, Library Fund, State Gas Tax revenue, Water Fund, and Wastewater Fund, 6) \$2.4 million (\$1.3 million spent to date) for HCTP Biosolids Dewatering/Drying improvements, funded by Wastewater Fund, and 7) \$1.6 million (\$0.4 million spent to date) for HCTP Network and SCADA upgrades, funded by Wastewater Fund.

**CITY OF THOUSAND OAKS**

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

**June 30, 2015**

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

**(a) Interfund Receivables and Payables**

Total interfund receivables and payables as of June 30, 2015, were as follows:

Receivable Fund:	Payable Fund:	Purpose	Amount
General	Capital Improvement	Interest due	\$ 8
	Capital Improvement	Internal loan	424,879
	Golf Course	Internal loan	2,490,000
	State Gas Tax	Advance payments	2,642,480
	Other governmental	Advance payments	592,456
Total Interfund Receivables/Payables			<u>\$ 6,149,823</u>

Interfund receivable/payable of \$424,879 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. Available cash from the Wendy Drive/US 101 Freeway Interchange Developer Fee Fund was applied first to interest accrued on the loan for the fiscal year and then to the loan principal balance. Any unpaid interest was added to the principal as of June 30 following completion of the project. The project completed on June 30, 2014 and loan repayment commenced. 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, 2015, \$424,879 was outstanding.

Interfund receivable/payable of \$2,490,000 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 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, 2015, \$2,490,000 was outstanding.

## CITY OF THOUSAND OAKS

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

**June 30, 2015**

Interfund receivable/payable of \$2,642,480 between the State Gas Tax Fund and General Fund will be paid as follows:

On June 30, 2015, the State Gas Tax Fund borrowed \$2,642,480 from the General Fund to cover negative cash due to timing of revenues. The transfer of cash was reversed on July 1, 2015.

#### **(b) Advances**

Total advances to and from other funds as of June 30, 2015, were as follows:

<u>Advance from Fund</u>	<u>Advance to Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Public Housing Authority	Reserve fund	<u>\$ 1,166,952</u>
Total Advances To/From Other Funds			<u><u>\$ 1,166,952</u></u>

Advances to/from of \$1,166,952 between the Public Housing Authority and General Fund will be paid as follows:

Reserve Funds are required to hold cash or cash equivalent such as a Surety Bond in an amount equal to one year of principal and interest payments. The Reserve Fund provides additional security to the holders of the bonds that they will receive their scheduled principal and interest payments. A Surety Bond allows the City to reduce the size of the issue. See note 8(a) for more information on the Thousand Oaks Public Financing Authority – 2010 Refunding Lease Revenue Bonds.

# CITY OF THOUSAND OAKS

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

**June 30, 2015**

### **(c) Interfund Transfers**

The following interfund transfers are reflected in the fund financial statements for governmental and proprietary funds for the year ended June 30, 2015:

From Fund:	To Fund:	Purpose	Amount
General	Library	Library support	\$ 1,342,687
General	Other governmental funds	COP debt service payment	1,157,547
		Flood control fund subsidy	179,155
		Open space transfer	100,000
State Gas Tax	General	Reimbursement for engineering expenditures	1,037,520
Capital Improvement	General	Reimbursement for engineering expenditures, Library facility transfer and Police facility transfer	277,873
Capital Improvement	Other governmental funds	Reimbursement for signal maintenance	193,664
Other governmental funds	General	Reimbursement for traffic enforcement expenditures and reimbursement of administrative costs	626,708
Total Transfers In/Out			<u><u>\$ 4,915,154</u></u>

# CITY OF THOUSAND OAKS

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

June 30, 2015

### (7) FUND BALANCES FOR GOVERNMENTAL FUNDS

Fund balances as of June 30, 2015, for the governmental funds were categorized as nonspendable, restricted, committed, assigned or unassigned for the following purposes:

	Major Funds				Total	
	General	State Gas	Capital	TO Housing	Other	Total
	Fund	Tax Fund	Improvements	Successor	Governmental	Governmental
			Fund	Fund	Funds	Funds
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Inventories	\$ 507,452	\$ -	\$ -	\$ -	\$ -	\$ 507,452
Loans and notes receivable	2,271,216	-	-	-	-	2,271,216
Advances to other funds	1,166,952	-	-	-	-	1,166,952
Assets held for resale	-	-	-	671,084	-	671,084
<b>Subtotal</b>	<b>3,945,620</b>	<b>-</b>	<b>-</b>	<b>671,084</b>	<b>-</b>	<b>4,616,704</b>
<b>Restricted for:</b>						
Capital projects	-	157,116	27,044,635	-	602,618	27,804,369
Debt service	-	-	-	-	748	748
Housing & community dev.	-	-	-	1,365,273	1,708,419	3,073,692
Law enforcement	-	-	-	-	301,819	301,819
Special assessment districts	-	-	-	-	4,645,129	4,645,129
<b>Subtotal</b>	<b>-</b>	<b>157,116</b>	<b>27,044,635</b>	<b>1,365,273</b>	<b>7,258,733</b>	<b>35,825,757</b>
<b>Committed to:</b>						
Capital projects	8,480,000	-	-	-	1,802,421	10,282,421
Grant endowments	8,000,000	-	-	-	-	8,000,000
Loans	5,316,792	-	-	-	-	5,316,792
Emergency reserve	4,874,814	-	-	-	-	4,874,814
Working capital reserve	14,624,443	-	-	-	-	14,624,443
<b>Subtotal</b>	<b>41,296,049</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,802,421</b>	<b>43,098,470</b>
<b>Assigned to:</b>						
Equipment replacement	-	-	-	-	11,557,936	11,557,936
Capital projects	-	-	6,250,126	-	-	6,250,126
Compensated absences	5,273,388	-	-	-	-	5,273,388
Continuing appropriations	12,040,372	-	-	-	-	12,040,372
General government	539,544	-	-	-	-	539,544
Public safety	114,960	-	-	-	-	114,960
Transportation	862,244	-	-	-	-	862,244
Community development	123,636	-	-	-	-	123,636
Culture and leisure	180,468	-	-	-	-	180,468
Legal contingency	2,500,000	-	-	-	-	2,500,000
Loans and notes receivable	6,149,824	-	-	-	-	6,149,824
Public bldg replacement/mtnc	20,800,000	-	-	-	-	20,800,000
Housing repairs	-	-	-	-	-	-
<b>Subtotal</b>	<b>48,584,436</b>	<b>-</b>	<b>6,250,126</b>	<b>-</b>	<b>11,557,936</b>	<b>66,392,498</b>
<b>Unassigned:</b>	<b>1,878,673</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,878,673</b>
<b>Total fund balances</b>	<b>\$ 95,704,778</b>	<b>\$ 157,116</b>	<b>\$33,294,761</b>	<b>\$ 2,036,357</b>	<b>\$ 20,619,090</b>	<b>\$ 151,812,102</b>

# CITY OF THOUSAND OAKS

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

**June 30, 2015**

### **(8) LONG-TERM LIABILITIES**

The following is a summary of changes in the City's long-term liabilities for the year ended June 30, 2015:

	Balance at July 1, 2014	Additions	Disposals	Balance at June 30, 2015	Due Within One Year
<b>Governmental Activities</b>					
Claims payable (1)	\$ 4,960,800	\$ (214,330)	\$ 1,350,270	\$ 3,396,200	\$ 1,152,600
Compensated absences (1)	5,302,012	1,649,968	1,506,912	5,445,068	1,998,757
Lease revenue bonds (2)	14,399,035	-	566,057	13,832,978	586,058
Total	<u>\$ 24,661,847</u>	<u>\$ 1,435,638</u>	<u>\$ 3,423,239</u>	<u>\$ 22,674,246</u>	<u>\$ 3,737,415</u>
<b>Business-type Activities:</b>					
Water Utility Fund:					
Compensated absences (1)	\$ 582,248	\$ 574,299	\$ 524,506	\$ 632,041	\$ 196,000
Wastewater Utility Fund:					
Compensated absences (1)	858,198	1,093,178	998,397	952,979	363,752
1999 state loan	692,511	-	132,037	560,474	135,206
2000 state loan	16,069,765	-	1,601,246	14,468,519	1,644,480
Revenue refunding bonds (3)	7,952,471	-	1,199,622	6,752,849	1,244,622
Golf Course Fund:					
Capital lease payable	336,167	-	103,158	233,009	105,691
Transportation Fund:					
Compensated absences (1)	15,874	17,907	19,607	14,174	12,202
Solid Waste Management Fund:					
Compensated absences (1)	142,296	230,847	210,832	162,311	51,477
Theatres Fund:					
Compensated absences (1)	259,016	425,720	466,135	218,601	66,218
Total	<u>\$ 26,908,546</u>	<u>\$ 2,341,951</u>	<u>\$ 5,255,540</u>	<u>\$ 23,994,957</u>	<u>\$ 3,819,648</u>

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

(2) Lease revenue bonds of \$13,832,978 consist of par amount of \$16,405,000 and unamortized issue premiums of \$102,978, net of cumulative principal payments of \$2,675,000.

(3) Revenue refunding bonds of \$6,752,849 consist of par amount of \$11,690,000 and unamortized issue premium of \$387,849, net of cumulative principal payments of \$5,325,000.

## CITY OF THOUSAND OAKS

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

June 30, 2015

#### **(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, 2015, amounts outstanding with and without amortized premiums were \$13,832,978 and \$13,730,000, respectively.

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

As of June 30, 2015, the total future debt payments for the 2010 Refunding Lease Revenue Bonds, including interest thereon, were as follows:

Year Ending June 30,	2010 Refunding Lease Revenue Bonds		
	Principal	Interest	Total
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	650,000	505,813	1,155,813
2020	675,000	483,063	1,158,063
2021-2025	3,785,000	1,989,513	5,774,513
2026-2030	4,645,000	1,135,000	5,780,000
2031-2032	2,165,000	151,238	2,316,238
Total	<u>\$ 13,730,000</u>	<u>\$ 5,921,966</u>	<u>\$ 19,651,966</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, 2015, \$560,474 was outstanding.



# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2015

### 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 loan amount to \$31,136,452. The loan is to be repaid in twenty annual installments (principal and interest) beginning 2003 through 2022. As of June 30, 2015, \$14,468,519 was outstanding.

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

As of June 30, 2015, the total future debt payments for the SWRCB loan payable, including interest thereon, are as follow:

Year Ending June 30,	1999 SWRCB Loan			2000 SWRCB Loan		
	Principal	Interest	Total	Principal	Interest	Total
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	145,045	3,481	148,526	1,781,312	253,818	2,035,130
2020	-	-	-	1,829,407	205,723	2,035,130
2021-2023	-	-	-	5,789,958	315,434	6,105,392
Total	<u>\$ 560,474</u>	<u>\$ 34,022</u>	<u>\$ 594,496</u>	<u>\$ 14,468,519</u>	<u>\$ 1,812,523</u>	<u>\$ 16,281,042</u>

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

#### 2010 Wastewater Revenue Refunding Bonds

On January 28, 2010, the City issued \$11,690,000 revenue refunding bonds. The purpose of the bonds is to redeem the City's 1998 Wastewater System Certificates of Participation and provide reserves for the 2010 Bondholder payments. These bonds are payable from and secured solely by net revenues derived from the operation of the City's wastewater system. The bonds mature annually in amounts ranging from \$1,020,000 on October 1, 2010, to \$1,370,000 in fiscal year 2019-20. Interest on the bonds is payable on April 1 and October 1 of each year, with interest rates ranging from 1.5 percent to 5 percent. As of June 30, 2015, amounts outstanding with and without amortized premiums were \$6,752,849 and \$6,365,000, respectively.

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2015

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

As of June 30, 2015, the total future debt payments for the 2010 Wastewater Revenue Refunding Bonds, including interest thereon, was as follows:

Year Ending June 30,	2010 Wastewater Revenue Refunding Bonds		
	Principal	Interest	Total
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	1,335,000	62,794	1,397,794
2020	1,370,000	20,550	1,390,550
Total	<u>\$ 6,365,000</u>	<u>\$ 617,308</u>	<u>\$ 6,982,308</u>

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

Effective January 1, 2007, the Golf Course Fund entered into a management agreement with Evergreen Alliance Golf LLP (EAGL), which included capital lease obligations for equipment. As of June 30, 2015, lease agreements covering LP Yamaha 95 YDRE carts, LP Yamaha YT2A beverage cart, Luber Bros Jacobsen equipment package, and a Luber Bros Smithco 3180 Sprayer totaled \$494,048. 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, 2015	Golf Course
Asset:	
LP Yamaha 95 YDRE carts	\$ 327,734
LP Yamaha YT2A beverage cart	9,660
Luber Bros Jacobsen equipment package	115,389
Luber Bros Smithco 3180 Sprayer	41,265
Less: Accumulated depreciation	(193,502)
Total	<u>\$ 300,546</u>

## CITY OF THOUSAND OAKS

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

**June 30, 2015**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

<u>Year Ending June 30,</u>	<u>Golf Course</u>
2016	\$ 117,343
2017	112,530
2018	<u>24,823</u>
Total minimum lease payments	254,696
Less: Interest	<u>(21,687)</u>
Present value of minimum lease payments	<u>\$ 233,009</u>

The \$67,537 difference between the \$300,546 net book value of the assets and the \$233,009 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 \$23,158,000 at June 30, 2015, 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 \$10,562,521 at June 30, 2015, 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, 2015

### (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, 2015, were \$1,809,000 for general liability and \$1,587,200 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, 2015, 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 2014-15 and 2013-14 are presented as follows:

	Claims Payable Balance July 1, 2014	Claims and Changes in Estimates	Claims Payments	Claims Payable Balance June 30, 2015
<b>2014-15</b>				
General Liability	\$ 3,260,700	\$ (763,656)	\$ (688,044)	\$ 1,809,000
Workers' Compensation	1,700,100	549,326	(662,226)	1,587,200
Total	<u>\$ 4,960,800</u>	<u>\$ (214,330)</u>	<u>\$ (1,350,270)</u>	<u>\$ 3,396,200</u>
	Claims Payable Balance July 1, 2013	Claims and Changes in Estimates	Claims Payments	Claims Payable Balance June 30, 2014
<b>2013-14</b>				
General Liability	\$ 325,300	\$ 3,685,081	\$ (749,681)	\$ 3,260,700
Workers' Compensation	1,552,000	961,788	(813,688)	1,700,100
Total	<u>\$ 1,877,300</u>	<u>\$ 4,646,869</u>	<u>\$ (1,563,369)</u>	<u>\$ 4,960,800</u>

## CITY OF THOUSAND OAKS

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

June 30, 2015

#### (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, 2015, was as follows:

	Joint Venture	City Portion
Total assets	\$ 75,675,425	\$ 37,837,713
Total liabilities	37,223	18,612
Net position:		
Net investment in capital assets	74,442,535	37,221,268
Restricted net position	1,195,667	597,833
Total net position, June 30, 2015	<u>\$ 75,638,202</u>	<u>\$ 37,819,101</u>
Total revenues	1,459,007	729,504
Total expenses	(1,072,032)	(536,016)
Change in net position	<u>\$ 386,975</u>	<u>\$ 193,488</u>

Financial information for COSCA can be found at <http://www.toaks.org/cosca/description.htm>.

##### (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, 2015**

#### **(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)**

###### **General Information**

*Plan description* – The City contributes to CalPERS, an agent multiple-employer defined benefit pension plan (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).

*Benefits provided* – 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), employees 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 2.500 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.

*Plan membership* – As of June 30, 2014, pension plan membership consisted of the following on the next page:

## CITY OF THOUSAND OAKS

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

**June 30, 2015**

Inactive plan members or beneficiaries currently receiving benefits	402
Active plan members	<u>355</u>
Total	<u><u>757</u></u>

**Contribution** – Classic employees are required to contribute 7 percent of their annual covered salary as established by state statute. In fiscal year 2013-14, the City contributed 3.5 percent of the required 7 percent contribution on behalf of its classic employees. PEPRA employees are required to contribute half of the normal cost of the plan, which was 6.25 percent in fiscal year 2013-14. 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, 2013 to June 30, 2014, was 16.85 percent. During fiscal year 2013-14 the City contributed \$4,870,194.

#### **Net Pension Liability**

**Actuarial Assumptions** – For the measurement period ended June 30, 2014, the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and the June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds based on the 2014 experience study report
Post Retirement Benefit	Contract COLA up to 2.75% until Purchasing Power
Increase	Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

## CITY OF THOUSAND OAKS

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

**June 30, 2015**

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

*Discount rate* – The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the agent multiple-employer plan. However, employers may determine the impact at the rate plan level for their own financial reporting purposes.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return



# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2015

was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Real Return Years 1-10 (a)</b>	<b>Real Return Years 11+ (b)</b>
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

## Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
<b>Balance at: 6/30/2013</b>	\$ 242,984,012	\$ 173,620,315	\$ 69,363,697
<b>Changes Recognized for the Measurement Period</b>			
Service Cost	4,251,555		4,251,555
Interest on the Total Pension Liability	17,983,431		17,983,431
Contributions from the Employer		4,870,194	(4,870,194)
Contributions from Employees		2,194,930	(2,194,930)
Net Investment Income		29,926,107	(29,926,107)
Benefit Payment, including Refund of Employee Contributions	(10,661,411)	(10,661,411)	-
<b>Net Changes during 2013-14</b>	<b>11,573,575</b>	<b>26,329,820</b>	<b>(14,756,245)</b>
<b>Balance at: 6/30/2014</b>	<b>\$ 254,557,587</b>	<b>\$ 199,950,135</b>	<b>\$ 54,607,452</b>

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2015

*Sensitivity of the net pension liability to changes in the discount rate* – The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability	\$ 86,134,955	\$ 54,607,452	\$ 28,148,090

### Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

*Pension expense* – For the measurement period ending June 30, 2014, the City incurred a pension expense of \$3,786,755 for the Plan.

*Deferred outflows and deferred inflows* – As of June 30, 2014, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 7,175,325	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(13,672,806)
<b>Total</b>	<b>\$ 7,175,325</b>	<b>\$ (13,672,806)</b>

\$7,175,325 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2015	\$ (3,418,201)
2016	(3,418,201)
2017	(3,418,201)
2018	(3,418,203)

## CITY OF THOUSAND OAKS

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

June 30, 2015

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

##### **General Information**

*Plan description* – 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. Public Agency Retirement System (PARS) is the trust administrator of the Plan and U.S. Bank is the 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 has the authority to establish and amend the benefit terms.

*Benefits provided* – 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.

*Plan membership* – As of January 1, 2014, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	82
Active plan members	<u>265</u>
Total	<u><u>347</u></u>

*Contribution* – 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. During fiscal year 2014-15 the City contributed \$396,456.

##### **Net Pension Liability**

*Actuarial assumptions* – The total pension liability determined by an actuarial valuation as of January 1, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

## CITY OF THOUSAND OAKS

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

**June 30, 2015**

Valuation Timing                      Actuarially determined contribution rates are calculated as of January 1, 18 months prior to the end of the fiscal year in which the contributions are reported.

Actuarial Cost Method                      Projected Unit Credit

Amortization Method	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 1/1/2014	6 years
Amortization growth rate	0.00%

Asset Valuation Method	
Smoothing period	None
Recognition method	None
Corridor	None

Inflation                      3.00%

Salary Increases                      5.00%

Investment Rate of Return                      6.00%

Cost of Living Adjustments                      None

Withdrawal                      Hourly/Part-time Employee rates as follows:

<u>Attained Age</u>	<u>Probability of Termination</u>
Under Age 20	0.8
20-24	0.4
25-65	0.2

Full-time Employees: Termination rates developed in the 2010 CalPERS Experience Study for the Miscellaneous employees.

Mortality                      Pre-Retirement: RP-2000 Healthy Non-Annuityants with generational projections using schedule AA mortality improvements.

Post-Retirement: RP-2000 Health Annuityants with generational projections using schedule AA mortality improvements.

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

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2015

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of January 1, 2015.

The table below reflects long-term expected real rate of return by asset class.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Cash	9.59%	0.53%	0.53%
Core Fixed Income	45.63%	2.03%	1.90%
Broad U.S. Equities	32.59%	5.64%	4.25%
Developed Foreign Equities	9.49%	6.31%	4.58%
Emerging Market Equities	2.70%	8.56%	5.11%
Assumed Inflation - Mean		2.76%	2.74%
Assumed Inflation - Standard Deviation		1.85%	1.85%
Portfolio Real Mean Return		3.65%	3.37%
Portfolio Nominal Mean Return		6.41%	6.12%
Portfolio Standard Deviation			7.95%
Long-Term Expected Rate of Return			6.00%

### Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at: 6/30/2014</b>	\$ 2,868,056	\$ 1,916,475	\$ 951,581
<b>Changes for the year:</b>			
Service Cost	93,325	-	93,325
Interest on the Total Pension Liability	172,414	-	172,414
Contributions from the Employer	-	396,456	(396,456)
Contributions from Employees	-	80,484	(80,484)
Net Investment Income	-	48,241	(48,241)
Administrative expenses	-	(23,951)	23,951
Benefit Payment	(178,233)	(178,233)	-
<b>Net Changes during 2014-15</b>	87,506	322,997	(235,491)
<b>Balance at: 6/30/2015</b>	\$ 2,955,562	\$ 2,239,472	\$ 716,090

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2015

*Sensitivity of the net pension liability to changes in the discount rate* – The following presents the net pension liability of the Plan's, calculated using the discount rate of 6.00 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.00 percent) or 1 percentage point higher (7.00 percent) than the current rate.

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Total pension liability	\$ 2,994,673	\$ 2,955,562	\$ 2,922,513
Fiduciary net position	2,239,472	2,239,472	2,239,472
Net pension liability	<u>\$ 755,201</u>	<u>\$ 716,090</u>	<u>\$ 683,041</u>

### Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

*Pension expense* – For the measurement period ending June 30, 2015, the City incurred a pension expense of \$101,069 for the Plan.

*Deferred outflows and deferred inflows* – As of June 30, 2015, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference between Projected and Actual Earnings on Pension Plan Investments	\$ 59,896	\$ -
<b>Total</b>	<u>\$ 59,896</u>	<u>\$ -</u>

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2016	\$ 14,974
2017	14,974
2018	14,974
2019	14,974

## **CITY OF THOUSAND OAKS**

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

**June 30, 2015**

#### **(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, 2015, deferred compensation assets were \$52,725,507 and have been excluded from the City's financial statements. Employee contributions to the 401(a) plan totaled \$86,403, employee contributions to the 457 plan totaled \$2,097,532, and employer contributions to the 401(a) plan totaled \$578,191 for the fiscal year ended June 30, 2015.



## CITY OF THOUSAND OAKS

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

June 30, 2015

#### **(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, 2015, the PEMHCA minimum was \$122 per month. As of June 30, 2015, there were 266 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 \$6.0 million in the CERBT. The purpose of these contributions was to prefund benefits and cover the required City contribution rate of 5.25 percent of annual covered payroll (annual payroll of active employees covered by the plan). As of June 30, 2015, 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)	\$ 1,275,219
Interest on net OPEB obligation/(asset)	(391,703)
Adjustment to ARC	<u>385,861</u>
Annual OPEB cost	1,269,377
Contribution made	<u>(1,799,739)</u>
(Increase) decrease in net OPEB obligation/(asset)	(530,362)
Net OPEB obligation/(asset) June 30, 2014	<u>(5,688,940)</u>
Net OPEB obligation/(asset) June 30, 2015	<u><u>\$ (6,219,302)</u></u>

The contribution rate of 5.25 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, 2015

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 2014-15, the City's annual OPEB cost (expense) of \$1,269,377 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 Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation/ (Asset)
6/30/2013	\$ 1,320,503	\$ 1,332,392	101%	\$ (5,595,763)
6/30/2014	1,232,264	1,325,441	108%	(5,688,940)
6/30/2015	1,269,377	1,799,739	142%	(6,219,302)

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

The funded status of the plan as of June 30, 2015, was as follows:

Actuarial accrued liability (AAL)	\$ 23,059,987
Actuarial value of plan assets	(10,247,162)
Unfunded actuarial accrued liability (UAAL)	<u>\$ 12,812,825</u>
Funded ratio (actuarial value of plan assets/AAL)	44.4%
Covered payroll (active plan members)	\$ 28,199,850
UAAL as a percentage of covered payroll	45.4%

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.

#### **(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.

## **CITY OF THOUSAND OAKS**

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

**June 30, 2015**

As of the most recent actuarial valuation date of June 30, 2013, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.00 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 6.4 percent beginning January 1, 2016, reduced by decrements to an ultimate rate of 5.0 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, 2015, was twenty-one years.

#### **(15) 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.

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

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (Bill) that provided for all redevelopment agencies in the state of California to dissolve as of February 1, 2012. This action 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. Upon redevelopment dissolution, activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2015

The Successor Agency is allocated revenue only in the amount that is necessary to pay the estimated payments on existing enforceable obligations of the former redevelopment agency until all enforceable obligations are paid in full and all assets are liquidated. These obligations are listed on a Recognized Obligation Payment Schedule (ROPS) semi-annually and are subject to the approval of the Oversight Board and the California Department of Finance (DOF).

In November 2013, the City, as the Successor Agency, obtained the Finding of Completion from the DOF. This milestone allowed the Successor Agency to enter into an agreement regarding the expenditure of excess bond proceeds for capital projects in a manner consistent with the original bond covenants. During fiscal year 2014-15 the DOF approved the Long-Range Property Management Plan which resulted in \$43,428,316 in Successor Agency properties being transferred to the City.

At June 30, 2015, the Successor Agency had a deficit net position of \$38,528,663 as a result of its long-term debt exceeding its total assets. The deficit is expected to be progressively eliminated as enforceable obligations are funded biannually with future property taxes.

### (a) Cash and Investments

Cash and investments as of June 30, 2015, are classified in the accompanying financial statements as follows:

Cash and investments pooled with the City	\$ 235,363
Cash and investments with fiscal agent	6,545,737
	<u>\$ 6,781,100</u>

### (b) Capital Assets

Capital assets activity as of June 30, 2015, was as follows:

	Balance at June 30, 2014	Additions	Disposals	Transfer out to City	Balance at June 30, 2015
<b>Capital assets, not being depreciated:</b>					
Land	\$ 20,153,675	\$ -	\$ -	\$ 20,153,675	\$ -
Total	20,153,675	-	-	20,153,675	-
<b>Capital assets, being depreciated:</b>					
Buildings and improvements	25,312,736	-	-	25,312,736	-
Total	25,312,736	-	-	25,312,736	-
Less accumulated depreciation for:					
Buildings and improvements	1,847,024	191,071	-	2,038,095	-
Total	1,847,024	191,071	-	2,038,095	-
Total, net depreciation	23,465,712	(191,071)	-	23,274,641	-
<b>Total capital assets, net</b>	<b>\$ 43,619,387</b>	<b>\$ (191,071)</b>	<b>\$ -</b>	<b>\$ 43,428,316</b>	<b>\$ -</b>

## CITY OF THOUSAND OAKS

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

**June 30, 2015**

As directed by the Department of Finance based on approved Long-Range Property Management Plan (LRPMP), the City, as the Successor Agency, transferred remaining governmental purpose assets totaling \$43.4 million from the Successor Agency to the City in January 2015. This transaction was recorded as an extraordinary item.

#### **(c) Depreciation Expense**

Depreciation expense charged to Successor Agency as of June 30, 2015 was as follows:

Fiduciary activities:	
Thousand Oaks Redevelopment Successor Agency	\$ 191,071
Total depreciation expense - fiduciary activities	<u>\$ 191,071</u>

#### **(d) Long-term Liabilities**

Debt of the former redevelopment agency was transferred to the Successor Agency upon redevelopment dissolution. Summary of the changes in these long-term liabilities as of June 30, 2015, was as follows:

	Balance at June 30, 2014	Additions	Disposals	Balance at June 30, 2015	Due Within One Year
2002 Tax allocation refunding bonds	\$ 3,285,000	\$ -	\$ 115,000	\$ 3,170,000	\$ 120,000
2005 Tax allocation refunding bonds	13,245,000	-	1,395,000	11,850,000	1,460,000
2005 Tax allocation refunding bonds	33,700,000	-	3,610,000	30,090,000	3,765,000
Total	<u>\$ 50,230,000</u>	<u>\$ -</u>	<u>\$ 5,120,000</u>	<u>\$ 45,110,000</u>	<u>\$ 5,345,000</u>

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

The City pledged a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass-through 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, 2015, total principal and interest remaining on the debt was \$53,907,910 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 were \$7,686,388 and the debt service obligation on the bonds was \$7,287,219. Description for each tax allocation bond is as follows:

## **CITY OF THOUSAND OAKS**

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

**June 30, 2015**

#### **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 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, 2015, \$3,170,000 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, 2015, \$11,850,000 was outstanding.

#### **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, 2015, \$30,090,000 was outstanding.

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

As of June 30, 2015, the total future debt payments for the tax allocation bonds, including interest thereon, are as follows below.

## CITY OF THOUSAND OAKS

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

**June 30, 2015**

Year Ending June 30,	Tax Allocation Bonds		
	Principal	Interest	Total
2016	\$ 5,345,000	\$ 1,941,904	\$ 7,286,904
2017	5,580,000	1,704,244	7,284,244
2018	5,830,000	1,453,063	7,283,063
2019	6,100,000	1,186,767	7,286,767
2020	6,380,000	903,774	7,283,774
2021-2025	14,220,000	1,224,808	15,444,808
2026-2030	1,120,000	338,800	1,458,800
2031-2032	535,000	44,550	579,550
Total	<u>\$ 45,110,000</u>	<u>\$ 8,797,910</u>	<u>\$ 53,907,910</u>

#### **(e) 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.

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

##### **Review of Successor Agency**

Pursuant to Health and Safety (H&S) Code section 34177.3, the State Controller's Office (SCO) conducted a review of the Successor Agency in November 2015, to determine that no payments, expenditures, or transfers of revenues and/or other assets of the Successor Agency occurred after January 31, 2012, between the Successor Agency and any other party, except pursuant to an enforceable obligation on a ROPS approved by the DOF. SCO will document findings of noncompliance, if any, in its review report and order unallowable asset transactions returned to the Successor Agency. The City does not anticipate material findings.

##### **Refunding Bonds**

On September 13, 2015, the Thousand Oaks Redevelopment Successor Agency Oversight Board adopted a resolution approving the issuance of refunding bonds to refinance the outstanding bonds of the dissolved Thousand Oaks Redevelopment Agency in order to reduce the interest rate, which will lower the annual tax increment required to make debt payments and increase the share of tax increment available to taxing agencies. The refinancing plan was subsequently approved by the DOF.

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2015

### (17) RESTATEMENT OF PRIOR YEAR BALANCES

#### Governmental Activities

Prior period adjustments reflected on the Statement of Activities on pages 25-26 show a \$47,508,040 decrease to the Governmental Activities' beginning net position. This adjustment was the result of the implementation of GASB Statement No. 68 and the recognition of the net pension liability for the City's CalPERS and Defined Benefit pension plans.

	Governmental Activities
Governmental Activities	
Net Position - beginning	\$ 611,980,320
Adjustment:	
Implementation of GASB 68	(47,508,040)
Net Position - beginning, as restated	<u>\$ 564,472,280</u>

#### Business-type Activities

Prior period adjustments reflected on the Statement of Revenues, Expenses, and Changes in Net Position on page 38-39 show decreases of \$4,862,810 in the Water, \$9,358,007 in the Wastewater, \$296,670 in the Transportation, \$960,953 in the Solid Waste Management, and \$2,062,147 in the Theatres funds' beginning net position. This adjustment was the result of the implementation of GASB Statement No. 68 and the recognition of the net pension liability for the City's CalPERS and Defined Benefit pension plans.

	Water Fund	Wastewater Fund	Transportation Fund
Business-type Activities			
Net Position - beginning	\$ 66,000,941	\$ 152,508,708	\$ 3,659,716
Adjustment:			
Implementation of GASB 68	(4,862,810)	(9,358,007)	(296,670)
Net Position - beginning, as restated	<u>\$ 61,138,131</u>	<u>\$ 143,150,701</u>	<u>\$ 3,363,046</u>

	Solid Waste Management Fund	Theatres Fund
Business-type Activities		
Net Position - beginning	\$ 6,549,699	\$ 442,672
Adjustment:		
Implementation of GASB 68	(960,953)	(2,062,147)
Net Position - beginning, as restated	<u>\$ 5,588,746</u>	<u>\$ (1,619,475)</u>





# **Required Supplementary Information**

# CITY OF THOUSAND OAKS

## **Required Supplementary Information (Unaudited)**

**June 30, 2015**

The following Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Plan Contribution are related to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer defined benefit pension plan.

### **Schedule of Changes in Net Pension Liability and Related Ratios Last Ten Measurement Periods\***

	<b>2015</b>
<b>Total Pension Liability</b>	
Service cost	\$ 4,251,555
Interest	17,983,431
Change of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(10,661,411)
Net change in total pension liability	11,573,575
Total pension liability, beginning	242,984,012
Total pension liability, ending (a)	<u>\$ 254,557,587</u>
<b>Fiduciary Net Position</b>	
Contributions - employer	\$ 4,870,194
Contributions - employee	2,194,930
Net investment income	29,926,107
Benefit payments, including refunds of employee contributions	(10,661,411)
Other changes in fiduciary net position	-
Net change in plan fiduciary net position	26,329,820
Fiduciary net position, beginning	173,620,315
Fiduciary net position, ending (b)	<u>\$ 199,950,135</u>
Net pension liability/(asset), ending (a) - (b)	<u>\$ 54,607,452</u>
Plan fiduciary net position as a percentage of the total pension liability	78.55%
Covered-employee payroll	\$ 28,759,756
Plan net pension liability/(asset) as a percentage of covered-employee payroll	189.87%

\*Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

#### **Notes to Schedule**

##### **Benefit Changes**

The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

##### **Changes of Assumptions**

There were no changes in assumptions.

# CITY OF THOUSAND OAKS

## ***Required Supplementary Information (Unaudited)***

**June 30, 2015**

### **Schedule of Plan Contributions Last Ten Fiscal Years\***

	<b>2015</b>
Actuarially determined contribution	\$ 7,175,325
Contributions in relation to the actuarially determined contribution	(7,175,325)
Contribution deficiency/(excess)	\$ -
Covered-employee payroll	\$ 27,901,030
Contribution as a percentage of covered-employee payroll	25.72%

\*Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

#### **Notes to Schedule**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2012 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2012 Funding Valuation Report.
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvements using Scale AA published by the Society of Actuaries.

# CITY OF THOUSAND OAKS

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

**June 30, 2015**

The following Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Employer Contribution, and Schedule of Investment Returns are related to the City's Single-Employer Defined Benefit Pension Plan for hourly/part-time employees.

### **Schedule of Changes in Net Pension Liability and Related Ratios Last Ten Fiscal Years\***

	<b>2014</b>	<b>2015</b>
<b>Total Pension Liability</b>		
Service cost	\$ 89,207	\$ 93,325
Interest on total pension liability	160,764	172,414
Effect of plan changes	-	-
Effect of economic/demographic gains or (losses)	98,591	-
Effect of assumption changes or inputs	-	-
Benefit payments	(139,381)	(178,233)
Net change in total pension liability	209,181	87,506
Total pension liability, beginning	2,658,875	2,868,056
Total pension liability, ending (a)	<u>\$ 2,868,056</u>	<u>\$ 2,955,562</u>
<b>Fiduciary Net Position</b>		
Employer contributions	\$ 183,517	\$ 396,456
Member contributions	72,642	80,484
Investment income net of investment expenses	209,306	48,241
Benefit payment	(139,381)	(178,233)
Administrative expenses	(21,504)	(23,951)
Net change in plan fiduciary net position	304,580	322,997
Fiduciary net position, beginning	1,611,895	1,916,475
Fiduciary net position, ending (b)	<u>\$ 1,916,475</u>	<u>\$ 2,239,472</u>
Net pension liability, ending (a) - (b)	\$ 951,581	\$ 716,090
Fiduciary net position as a % of total pension liability	66.82%	75.77%
Covered payroll	\$ 1,954,388	\$ 1,956,638
Net pension liability as a % of covered payroll	48.69%	36.60%

\*Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

# CITY OF THOUSAND OAKS

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

**June 30, 2015**

### **Schedule of Plan Contributions Last Ten Fiscal Years\***

	<b>2014</b>	<b>2015</b>
Actuarially determined contribution	\$ 183,517	\$ 196,456
Actual employer contribution	183,517	396,456
Contribution deficiency (excess)	\$ -	\$ (200,000)
Covered payroll	\$ 1,954,388	\$ 1,956,638
Contribution as a percentage of covered payroll	9.39%	20.26%

\*Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

#### **Notes to Schedule**

Valuation Timing	Actuarially determined contribution rates are calculated as of January 1, 18 months prior to the end of the fiscal year in which contributions are reported.								
Actuarial Cost Method	Projected Unit Credit								
Amortization Method									
Level percent or level dollar	Level dollar								
Closed, open, or layered periods	Closed								
Amortization period at 1/1/2014	6 years								
Amortization growth rate	0.00%								
Asset Valuation Method									
Smoothing period	None								
Recognition method	None								
Corridor	None								
Inflation	3.00%								
Salary Increases	5.00%								
Investment Rate of Return	6.00%								
Cost of Living Adjustments	None								
Withdrawal	Hourly/Part-time Employee rates are as follows:								
	<table> <tr> <th>Attained Age</th><th>Probability of</th></tr> <tr> <td>Under age 20</td><td>0.8</td></tr> <tr> <td>20-24</td><td>0.4</td></tr> <tr> <td>25-65</td><td>0.2</td></tr> </table>	Attained Age	Probability of	Under age 20	0.8	20-24	0.4	25-65	0.2
Attained Age	Probability of								
Under age 20	0.8								
20-24	0.4								
25-65	0.2								
	Full-time employees: Termination rates developed in the 2010 CalPERS Experience Study for the Miscellaneous employees.								

# CITY OF THOUSAND OAKS

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

**June 30, 2015**

### **Notes to Schedule (cont.)**

**Retirement**

Hourly/Part-time Employee rates are as follows:

Attained Age	Probability of
Under age 65	0.0
65-74	0.5
Over age 74	1.0

Full-time employees: Retirement rates developed in the 2010 CalPERS Experience Study for the 2% @ 55 Miscellaneous

**Mortality**

Pre-Retirement: RP-2000 Healthy Non-Annuityants with generational projections using schedule AA mortality improvements.

Post-Retirement: RP-2000 Healthy Annuityants with generational projections using schedule AA mortality improvements.

**Form of Payment**

90% of all terminating employees will take an immediate lump sum. The remaining 10% will take a lump sum at age 65.

### **Schedule of Investment Returns Last Ten Fiscal Years\***

	2014	2015
Net Money-Weighted Rate of Return	12.75%	2.45%

\*Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.



# **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, 2015, there are two districts, 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).

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.

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.



## **NONMAJOR GOVERNMENTAL FUNDS, continued**

### **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, 2015**

Page 1 of 3

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

**Assets**

Assets:

Cash and investments	\$ 5,131,437	414,312	1,564,651	576,427	3,073
Receivables:					
Accounts	82,165	-	-	-	-
Accrued interest	11,373	882	2,612	1,239	385,939
Intergovernmental	122,387	140,074	144,599	-	64,244
Notes/loans	-	-	-	-	1,254,600
Restricted cash and investments	-	-	1,997,776	-	-
Total assets	<u>\$ 5,347,362</u>	<u>555,268</u>	<u>3,709,638</u>	<u>577,666</u>	<u>1,707,856</u>

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

Liabilities:

Accounts payable	\$ 702,233	195	3,709,638	11,511	64,244
Due to other agencies	-	-	-	-	254,600
Interfund payables	-	140,074	-	-	-
Unearned revenue	-	-	-	264,336	1,000,000
Advances from other funds	-	-	-	-	-
Total liabilities	<u>702,233</u>	<u>140,269</u>	<u>3,709,638</u>	<u>275,847</u>	<u>1,318,844</u>

Deferred inflows of resources:

Unavailable revenue	-	-	-	-	385,939
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>385,939</u>

Fund balances:

Nonspendable	-	-	-	-	-
Restricted	4,645,129	414,999	-	301,819	3,073
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>4,645,129</u>	<u>414,999</u>	<u>-</u>	<u>301,819</u>	<u>3,073</u>

Total liabilities, deferred inflows of  
resources and fund balances

\$ 5,347,362	555,268	3,709,638	577,666	1,707,856
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See accompanying independent auditors' report.

			Debt Service Funds
County Flood Control Benefit Assessment	Housing Trust	Total	Thousand Oaks Public Financing Authority
-	1,701,863	9,391,763	748
307,963	-	390,128	-
-	33,678	435,723	-
158,466	-	629,770	-
-	2,000,000	3,254,600	-
-	-	1,997,776	1,166,952
466,429	3,735,541	16,099,760	1,167,700
14,047	-	4,501,868	-
-	-	254,600	-
452,382	-	592,456	-
-	2,000,000	3,264,336	-
-	-	-	1,166,952
466,429	2,000,000	8,613,260	1,166,952
-	30,195	416,134	-
-	30,195	416,134	-
-	-	-	-
-	1,705,346	7,070,366	748
-	-	-	-
-	-	-	-
-	-	-	-
-	1,705,346	7,070,366	748
466,429	3,735,541	16,099,760	1,167,700

**CITY OF THOUSAND OAKS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2015**

Page 3 of 3

<b>Capital Projects Funds</b>					
	Fixed Asset Replacement	Community Recreation and Open Space Endowment Fund	Thousand Oaks Public Financing Authority	Total	Total Nonmajor Governmental Funds
<b><u>Assets</u></b>					
Assets:					
Cash and investments	\$ 11,759,768	1,798,710	187,232	13,745,710	23,138,221
Receivables:					
Accounts	-	-	-	-	390,128
Accrued interest	-	3,711	387	4,098	439,821
Intergovernmental	-	-	-	-	629,770
Notes/loans	-	-	-	-	3,254,600
Restricted cash and investments	-	-	-	-	3,164,728
Total assets	<u>\$ 11,759,768</u>	<u>1,802,421</u>	<u>187,619</u>	<u>13,749,808</u>	<u>31,017,268</u>
<b><u>Liabilities, Deferred Inflows of Resources and Fund Balances</u></b>					
Liabilities:					
Accounts payable	\$ 201,832	-	-	201,832	4,703,700
Due to other agencies	-	-	-	-	254,600
Interfund payables	-	-	-	-	592,456
Unearned revenue	-	-	-	-	3,264,336
Advances from other funds	-	-	-	-	1,166,952
Total liabilities	<u>201,832</u>	<u>-</u>	<u>-</u>	<u>201,832</u>	<u>9,982,044</u>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	416,134
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>416,134</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	187,619	187,619	7,258,733
Committed	-	1,802,421	-	1,802,421	1,802,421
Assigned	11,557,936	-	-	11,557,936	11,557,936
Unassigned	-	-	-	-	-
Total fund balances	<u>11,557,936</u>	<u>1,802,421</u>	<u>187,619</u>	<u>13,547,976</u>	<u>20,619,090</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,759,768</u>	<u>1,802,421</u>	<u>187,619</u>	<u>13,749,808</u>	<u>31,017,268</u>

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, 2015**

Page 1 of 3

Special Revenue Funds					
	Landscape and Lighting Districts	Traffic and Bicycle Safety	Community Facilities Districts	Federal Asset Seizure	HOME and Community Development Block Grant
<b>Revenues:</b>					
Taxes	\$ 1,981,136	-	-	-	-
Fines and forfeitures	-	631,620	-	-	-
Use of money and property	39,485	5,059	-	5,455	-
Charges for current services	4,012,055	-	-	-	-
Intergovernmental revenue	-	68,344	-	112,187	403,987
Other	110,422	450	-	-	-
Total revenues	<u>6,143,098</u>	<u>705,473</u>	<u>-</u>	<u>117,642</u>	<u>403,987</u>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	1,174,065	-	-	212,412	-
Transportation	4,954,149	100,452	-	-	-
Community development	-	-	-	-	403,987
Culture and leisure	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	352,344	-	-	-	-
Total expenditures	<u>6,480,558</u>	<u>100,452</u>	<u>-</u>	<u>212,412</u>	<u>403,987</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(337,460)</u>	<u>605,021</u>	<u>-</u>	<u>(94,770)</u>	<u>-</u>
<b>Other financing sources (uses):</b>					
Transfers in	193,664	-	-	-	-
Transfers out	-	(626,708)	-	-	-
Total other financing sources (uses)	<u>193,664</u>	<u>(626,708)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(143,796)	(21,687)	-	(94,770)	-
Fund balance - beginning	<u>4,788,925</u>	<u>436,686</u>	<u>-</u>	<u>396,589</u>	<u>3,073</u>
Fund balance - ending	<u>\$ 4,645,129</u>	<u>414,999</u>	<u>-</u>	<u>301,819</u>	<u>3,073</u>

See accompanying independent auditors' report.

Special Revenue Funds			Debt Service Funds
County Flood Control Benefit Assessment	Housing Trust	Total	Thousand Oaks Public Financing Authority
-	-	1,981,136	-
-	-	631,620	-
-	18,154	68,153	2,850
595,607	145,690	4,753,352	-
-	-	584,518	-
4,487	-	115,359	-
<u>600,094</u>	<u>163,844</u>	<u>8,134,138</u>	<u>2,850</u>
-	-	-	-
-	-	1,386,477	-
779,249	-	5,833,850	-
-	150,000	553,987	-
-	-	-	-
-	-	-	560,000
-	-	-	600,312
-	-	352,344	-
<u>779,249</u>	<u>150,000</u>	<u>8,126,658</u>	<u>1,160,312</u>
<u>(179,155)</u>	<u>13,844</u>	<u>7,480</u>	<u>(1,157,462)</u>
179,155	-	372,819	1,157,547
-	-	(626,708)	-
<u>179,155</u>	<u>-</u>	<u>(253,889)</u>	<u>1,157,547</u>
-	13,844	(246,409)	85
-	1,691,502	7,316,775	663
-	1,705,346	7,070,366	748

**CITY OF THOUSAND OAKS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year ended June 30, 2015**

Page 3 of 3

<b>Capital Projects Funds</b>					
	Fixed Asset Replacement	Community Recreation and Open Space Endowment Fund	Thousand Oaks Public Financing Authority	Total	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Taxes	\$ -	11,900	-	11,900	1,993,036
Fines and forfeitures	-	-	-	-	631,620
Use of money and property	-	15,160	1,603	16,763	87,766
Charges for current services	-	-	-	-	4,753,352
Intergovernmental revenue	-	-	-	-	584,518
Other	836,813	14,839	-	851,652	967,011
Total revenues	<u>836,813</u>	<u>41,899</u>	<u>1,603</u>	<u>880,315</u>	<u>9,017,303</u>
<b>Expenditures:</b>					
Current:					
General government	607,844	-	-	607,844	607,844
Public safety	188,321	-	-	188,321	1,574,798
Transportation	241,637	-	-	241,637	6,075,487
Community development	-	-	-	-	553,987
Culture and leisure	50,616	-	-	50,616	50,616
Debt service:					
Principal	-	-	-	-	560,000
Interest	-	-	-	-	600,312
Capital outlay	-	31,964	-	31,964	384,308
Total expenditures	<u>1,088,418</u>	<u>31,964</u>	<u>-</u>	<u>1,120,382</u>	<u>10,407,352</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(251,605)</u>	<u>9,935</u>	<u>1,603</u>	<u>(240,067)</u>	<u>(1,390,049)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	100,000	-	100,000	1,630,366
Transfers out	-	-	-	-	(626,708)
Total other financing sources (uses)	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>1,003,658</u>
Net change in fund balance	(251,605)	109,935	1,603	(140,067)	(386,391)
Fund balance - beginning	<u>11,809,541</u>	<u>1,692,486</u>	<u>186,016</u>	<u>13,688,043</u>	<u>21,005,481</u>
Fund balance - ending	<u>\$ 11,557,936</u>	<u>1,802,421</u>	<u>187,619</u>	<u>13,547,976</u>	<u>20,619,090</u>

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, 2015**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 1,823,200	1,823,200	1,981,136	157,936
Use of money and property	46,700	46,700	39,485	(7,215)
Charges for current services	3,830,000	3,830,000	4,012,055	182,055
Other	23,000	23,000	110,422	87,422
Total revenues	<u>5,722,900</u>	<u>5,722,900</u>	<u>6,143,098</u>	<u>420,198</u>
<b>Expenditures:</b>				
Current:				
Public safety	1,284,051	1,312,905	1,174,065	138,840
Transportation	5,215,450	5,259,290	4,954,149	305,141
Capital outlay	1,700,000	2,560,251	352,344	2,207,907
Total expenditures	<u>8,199,501</u>	<u>9,132,446</u>	<u>6,480,558</u>	<u>2,651,888</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,476,601)</u>	<u>(3,409,546)</u>	<u>(337,460)</u>	<u>3,072,086</u>
<b>Other financing sources (uses):</b>				
Transfers in	219,000	219,000	193,664	(25,336)
Total other financing sources (uses)	<u>219,000</u>	<u>219,000</u>	<u>193,664</u>	<u>(25,336)</u>
Net change in fund balance	(2,257,601)	(3,190,546)	(143,796)	3,046,750
Fund balance - beginning	<u>4,788,925</u>	<u>4,788,925</u>	<u>4,788,925</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,531,324</u>	<u>1,598,379</u>	<u>4,645,129</u>	<u>3,046,750</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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues:</b>				
Fines and forfeitures	\$ 800,000	800,000	631,620	(168,380)
Use of money and property	2,000	2,000	5,059	3,059
Intergovernmental revenue	26,000	81,000	68,344	(12,656)
Other	-	-	450	450
Total revenues	<u>828,000</u>	<u>883,000</u>	<u>705,473</u>	<u>(177,527)</u>
<b>Expenditures:</b>				
Current:				
Transportation	125,000	536,306	100,452	435,854
Total expenditures	<u>125,000</u>	<u>536,306</u>	<u>100,452</u>	<u>435,854</u>
Excess of revenues over expenditures	<u>703,000</u>	<u>346,694</u>	<u>605,021</u>	<u>258,327</u>
<b>Other financing sources (uses):</b>				
Transfers out	(812,000)	(812,000)	(626,708)	185,292
Total other financing sources (uses)	<u>(812,000)</u>	<u>(812,000)</u>	<u>(626,708)</u>	<u>185,292</u>
Net change in fund balance	(109,000)	(465,306)	(21,687)	443,619
Fund balance - beginning	<u>436,686</u>	<u>436,686</u>	<u>436,686</u>	<u>-</u>
Fund balance - ending	<u>\$ 327,686</u>	<u>(28,620)</u>	<u>414,999</u>	<u>443,619</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, 2015**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Expenditures:</b>				
Current:				
Community development	\$ 71,999	71,999	-	71,999
Total expenditures	<u>71,999</u>	<u>71,999</u>	<u>-</u>	<u>71,999</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(71,999)</u>	<u>(71,999)</u>	<u>-</u>	<u>71,999</u>
Net change in fund balance	(71,999)	(71,999)	-	71,999
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ (71,999)</u>	<u>(71,999)</u>	<u>-</u>	<u>71,999</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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues:</b>				
Intergovernmental revenue	\$ 567,950	567,950	403,987	(163,963)
Total revenues	<u>567,950</u>	<u>567,950</u>	<u>403,987</u>	<u>(163,963)</u>
<b>Expenditures:</b>				
Current:				
Community development	567,950	691,522	403,987	287,535
Total expenditures	<u>567,950</u>	<u>691,522</u>	<u>403,987</u>	<u>287,535</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(123,572)</u>	<u>-</u>	<u>123,572</u>
Net change in fund balance	-	(123,572)	-	123,572
Fund balance - beginning	<u>3,073</u>	<u>3,073</u>	<u>3,073</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,073</u>	<u>(120,499)</u>	<u>3,073</u>	<u>123,572</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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues:</b>				
Charges for current services	\$ 671,600	671,600	595,607	(75,993)
Other	500	500	4,487	3,987
Total revenues	<u>672,100</u>	<u>672,100</u>	<u>600,094</u>	<u>(72,006)</u>
<b>Expenditures:</b>				
Current:				
Transportation	<u>900,573</u>	<u>1,001,519</u>	<u>779,249</u>	<u>222,270</u>
Total expenditures	<u>900,573</u>	<u>1,001,519</u>	<u>779,249</u>	<u>222,270</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(228,473)</u>	<u>(329,419)</u>	<u>(179,155)</u>	<u>150,264</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>228,473</u>	<u>228,473</u>	<u>179,155</u>	<u>(49,318)</u>
Total other financing sources (uses)	<u>228,473</u>	<u>228,473</u>	<u>179,155</u>	<u>(49,318)</u>
Net change in fund balance	-	(100,946)	-	100,946
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>(100,946)</u>	<u>-</u>	<u>100,946</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, 2015**

	Liability Insurance	Workers' Compensation Insurance	Vision Insurance	Total
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 4,457,189	6,394,712	61,531	10,913,432
Receivables:				
Accrued interest	8,969	13,247	118	22,334
Prepaid items	4,983	-	-	4,983
Total current assets	<u>4,471,141</u>	<u>6,407,959</u>	<u>61,649</u>	<u>10,940,749</u>
Total assets	<u>4,471,141</u>	<u>6,407,959</u>	<u>61,649</u>	<u>10,940,749</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	154,919	30,557	1,896	187,372
Noncurrent liabilities:				
Claims payable	1,809,000	1,587,200	-	3,396,200
Total liabilities	<u>1,963,919</u>	<u>1,617,757</u>	<u>1,896</u>	<u>3,583,572</u>
<b>Net position:</b>				
Unrestricted	2,507,222	4,790,202	59,753	7,357,177
Total net position	<u>\$ 2,507,222</u>	<u>4,790,202</u>	<u>59,753</u>	<u>7,357,177</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, 2015**

	Liability Insurance	Workers' Compensation Insurance	Vision Insurance	Total
<b>Operating revenues:</b>				
Charges for services and supplies	\$ 2,398,253	272,643	45,891	2,716,787
Total operating revenues	<u>2,398,253</u>	<u>272,643</u>	<u>45,891</u>	<u>2,716,787</u>
<b>Operating expenses:</b>				
Claims expenses	1,007,269	662,227	41,345	1,710,841
Total operating expenses	<u>1,007,269</u>	<u>662,227</u>	<u>41,345</u>	<u>1,710,841</u>
Operating income (loss)	<u>1,390,984</u>	<u>(389,584)</u>	<u>4,546</u>	<u>1,005,946</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	35,662	55,278	487	91,427
Total nonoperating revenues	<u>35,662</u>	<u>55,278</u>	<u>487</u>	<u>91,427</u>
Change in net position	1,426,646	(334,306)	5,033	1,097,373
Total net position - beginning	<u>1,080,576</u>	<u>5,124,508</u>	<u>54,720</u>	<u>6,259,804</u>
Total net position - ending	<u>\$ 2,507,222</u>	<u>4,790,202</u>	<u>59,753</u>	<u>7,357,177</u>

See accompanying independent auditors' report.

**CITY OF THOUSAND OAKS**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year ended June 30, 2015**

	Liability Insurance	Workers' Compensation Insurance	Vision Insurance	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 2,398,253	272,643	45,891	2,716,787
Cash payments for goods and services	(2,500,740)	(762,235)	(42,493)	(3,305,468)
Net cash provided by (used for) operating activities	(102,487)	(489,592)	3,398	(588,681)
<b>Cash flows from investing activities:</b>				
Interest received	34,583	54,450	467	89,500
Net cash provided by investing activities	34,583	54,450	467	89,500
Net increase (decrease) in cash and cash equivalents	(67,904)	(435,142)	3,865	(499,181)
Cash and cash equivalents, beginning of year	4,525,093	6,829,854	57,666	11,412,613
Cash and cash equivalents, end of year	\$ 4,457,189	6,394,712	61,531	10,913,432
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 1,390,984	(389,584)	4,546	1,005,946
<b>Adjustments to reconcile operating loss to net cash used for operating activities:</b>				
Decrease in prepaid expenses	1,626	-	-	1,626
Increase (decrease) in accounts payables	(43,397)	12,892	(1,148)	(31,653)
(Decrease) in claims payable	(1,451,700)	(112,900)	-	(1,564,600)
Total adjustments	(1,493,471)	(100,008)	(1,148)	(1,594,627)
Net cash provided by (used for) operating activities	\$ (102,487)	(489,592)	3,398	(588,681)

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, 2015**

Page 1 of 2

	Strong Motion Instrumentation	County Flood Zone	Environment Impact Reports	Planning Security Deposits	Public Works Deposits
<b>Assets:</b>					
Cash and investments	\$ 5,358	13,644	9,823	1,283,078	1,912,867
Accounts receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	2,668	3,966
<b>Total assets</b>	<b>\$ 5,358</b>	<b>13,644</b>	<b>9,823</b>	<b>1,285,746</b>	<b>1,916,833</b>
<b>Liabilities:</b>					
Accounts payable	\$ 5,358	13,644	190	12,078	-
Due to other agencies	-	-	-	2,365	-
Deposits	-	-	9,633	1,271,303	1,916,833
<b>Total liabilities</b>	<b>\$ 5,358</b>	<b>13,644</b>	<b>9,823</b>	<b>1,285,746</b>	<b>1,916,833</b>

See accompanying independent auditors' report.

Public Access Television	Law Enforcement	TOPASS	COSCA	Misc. Flow Through	Total
1,549,467	247,357	1,012,721	1,230,354	420,242	7,684,911
92,648	200	-	-	-	92,848
-	526	2,091	2,535	847	12,633
<u>1,642,115</u>	<u>248,083</u>	<u>1,014,812</u>	<u>1,232,889</u>	<u>421,089</u>	<u>7,790,392</u>
-	2,629	20	1,000	6,227	41,146
-	-	-	-	-	2,365
<u>1,642,115</u>	<u>245,454</u>	<u>1,014,792</u>	<u>1,231,889</u>	<u>414,862</u>	<u>7,746,881</u>
<u>1,642,115</u>	<u>248,083</u>	<u>1,014,812</u>	<u>1,232,889</u>	<u>421,089</u>	<u>7,790,392</u>

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year ended June 30, 2015**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b><u>Strong Motion Instrumentation</u></b>				
Assets:				
Cash and investments	\$ 2,763	15,257	12,662	5,358
Total assets	<u>\$ 2,763</u>	<u>15,257</u>	<u>12,662</u>	<u>5,358</u>
Liabilities:				
Accounts payable	\$ 2,763	14,491	11,896	5,358
Due to other agencies	-	15,257	15,257	-
Total liabilities	<u>\$ 2,763</u>	<u>29,748</u>	<u>27,153</u>	<u>5,358</u>
<b><u>County Flood Zone</u></b>				
Assets:				
Cash and investments	\$ 5,622	24,822	16,800	13,644
Total assets	<u>\$ 5,622</u>	<u>24,822</u>	<u>16,800</u>	<u>13,644</u>
Liabilities:				
Accounts payable	\$ 5,622	23,652	15,630	13,644
Due to other agencies	-	24,822	24,822	-
Total liabilities	<u>\$ 5,622</u>	<u>48,474</u>	<u>40,452</u>	<u>13,644</u>
<b><u>Environment Impact Reports</u></b>				
Assets:				
Cash and investments	\$ 3,173	20,000	13,350	9,823
Total assets	<u>\$ 3,173</u>	<u>20,000</u>	<u>13,350</u>	<u>9,823</u>
Liabilities:				
Accounts payable	\$ -	3,323	3,133	190
Deposits	3,173	20,000	13,540	9,633
Total liabilities	<u>\$ 3,173</u>	<u>23,323</u>	<u>16,673</u>	<u>9,823</u>

(Continued ...)

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year ended June 30, 2015**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
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(Continued ...)

**Planning Security Deposits**

<b>Assets:</b>				
Cash and investments	\$ 1,242,335	326,030	285,287	1,283,078
Accrued interest receivable	2,126	8,498	7,956	2,668
<b>Total assets</b>	<b>\$ 1,244,461</b>	<b>334,528</b>	<b>293,243</b>	<b>1,285,746</b>
<b>Liabilities:</b>				
Accounts payable	\$ 14,618	275,899	278,439	12,078
Due to other agencies	5,690	-	3,325	2,365
Deposits	1,224,153	402,799	355,649	1,271,303
<b>Total liabilities</b>	<b>\$ 1,244,461</b>	<b>678,698</b>	<b>637,413</b>	<b>1,285,746</b>

**Public Works Deposits**

<b>Assets:</b>				
Cash and investments	\$ 2,108,974	332,050	528,157	1,912,867
Accrued interest receivable	3,781	13,713	13,528	3,966
<b>Total assets</b>	<b>\$ 2,112,755</b>	<b>345,763</b>	<b>541,685</b>	<b>1,916,833</b>
<b>Liabilities:</b>				
Accounts payable	\$ 2,000	526,157	528,157	-
Deposits	2,110,755	332,735	526,657	1,916,833
<b>Total liabilities</b>	<b>\$ 2,112,755</b>	<b>858,892</b>	<b>1,054,814</b>	<b>1,916,833</b>

**Public Access Television**

<b>Assets:</b>				
Cash and investments	\$ 1,200,346	370,686	21,565	1,549,467
Accounts receivable	94,037	92,648	94,037	92,648
<b>Total assets</b>	<b>\$ 1,294,383</b>	<b>463,334</b>	<b>115,602</b>	<b>1,642,115</b>
<b>Liabilities:</b>				
Deposits	\$ 1,294,383	369,297	21,565	1,642,115
<b>Total liabilities</b>	<b>\$ 1,294,383</b>	<b>369,297</b>	<b>21,565</b>	<b>1,642,115</b>

(Continued ...)

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year ended June 30, 2015**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
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(Continued ...)

**Law Enforcement**

Assets:				
Cash and investments	\$ 338,180	63,196	154,019	247,357
Accounts receivable	-	200	-	200
Accrued interest receivable	665	1,803	1,942	526
Total assets	<u>\$ 338,845</u>	<u>65,199</u>	<u>155,961</u>	<u>248,083</u>

Liabilities:				
Accounts payable	\$ 33,958	121,038	152,367	2,629
Deposits	304,887	61,510	120,943	245,454
Total liabilities	<u>\$ 338,845</u>	<u>182,548</u>	<u>273,310</u>	<u>248,083</u>

**TOPASS**

Assets:				
Cash and investments	\$ 1,004,344	8,387	10	1,012,721
Accrued interest receivable	1,809	6,805	6,523	2,091
Total assets	<u>\$ 1,006,153</u>	<u>15,192</u>	<u>6,533</u>	<u>1,014,812</u>

Liabilities:				
Accounts payable	\$ -	30	10	20
Deposits	1,006,153	8,669	30	1,014,792
Total liabilities	<u>\$ 1,006,153</u>	<u>8,699</u>	<u>40</u>	<u>1,014,812</u>

**COSCA**

Assets:				
Cash and investments	\$ 1,162,705	80,598	12,949	1,230,354
Accounts receivable	-	71,683	71,683	-
Accrued interest receivable	2,085	8,142	7,692	2,535
Total assets	<u>\$ 1,164,790</u>	<u>160,423</u>	<u>92,324</u>	<u>1,232,889</u>

Liabilities:				
Accounts payable	\$ 445	13,505	12,950	1,000
Deposits	1,164,345	92,554	25,010	1,231,889
Total liabilities	<u>\$ 1,164,790</u>	<u>106,059</u>	<u>37,960</u>	<u>1,232,889</u>

(Continued ...)

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year ended June 30, 2015**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
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(Continued ...)

**Misc. Flow Through**

<b>Assets:</b>				
Cash and investments	\$ 410,726	56,144	46,628	420,242
Accrued interest receivable	733	2,759	2,645	847
<b>Total assets</b>	<b>\$ 411,459</b>	<b>58,903</b>	<b>49,273</b>	<b>421,089</b>
<b>Liabilities:</b>				
Accounts payable	\$ 3,495	85,440	82,708	6,227
Deposits	407,964	12,900	6,002	414,862
<b>Total liabilities</b>	<b>\$ 411,459</b>	<b>98,340</b>	<b>88,710</b>	<b>421,089</b>

**Total Agency Funds**

<b>Assets:</b>				
Cash and investments	\$ 7,479,168	1,297,170	1,091,427	7,684,911
Accounts receivable	94,037	164,531	165,720	92,848
Accrued interest receivable	11,199	41,720	40,286	12,633
<b>Total assets</b>	<b>\$ 7,584,404</b>	<b>1,503,421</b>	<b>1,297,433</b>	<b>7,790,392</b>
<b>Liabilities:</b>				
Accounts payable	\$ 62,901	1,063,535	1,085,290	41,146
Due to other agencies	5,690	40,079	43,404	2,365
Deposits	7,515,813	1,300,464	1,069,396	7,746,881
<b>Total liabilities</b>	<b>\$ 7,584,404</b>	<b>2,404,078</b>	<b>2,198,090</b>	<b>7,790,392</b>



# STATISTICAL SECTION

STATISTICAL SECTION

City of Thousand Oaks  
Year Ended June 30, 2015



## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These tables contain trend information over multiple years in order to better help the reader understand how the City's financial performance has changed over time.	135-144
<b>Revenue Capacity</b> These tables contain information regarding the City's largest own-source revenue, property tax and sales tax.	145-150
<b>Debt Capacity</b> These tables present information regarding the City's current debt requirements and the City's financial ability to issue additional debt in the future.	151-158
<b>Demographic and Economic Information</b> These tables present demographic and economic indicators that provide the reader a better understanding of the environment within which the City's activities take place and allow for comparison between cities.	159-160
<b>Operating Information</b> These tables provide information regarding the City's operations and resources in order to help the reader gain knowledge about how the City's financial statistics relate to the services the City provides.	161-164

Table 1

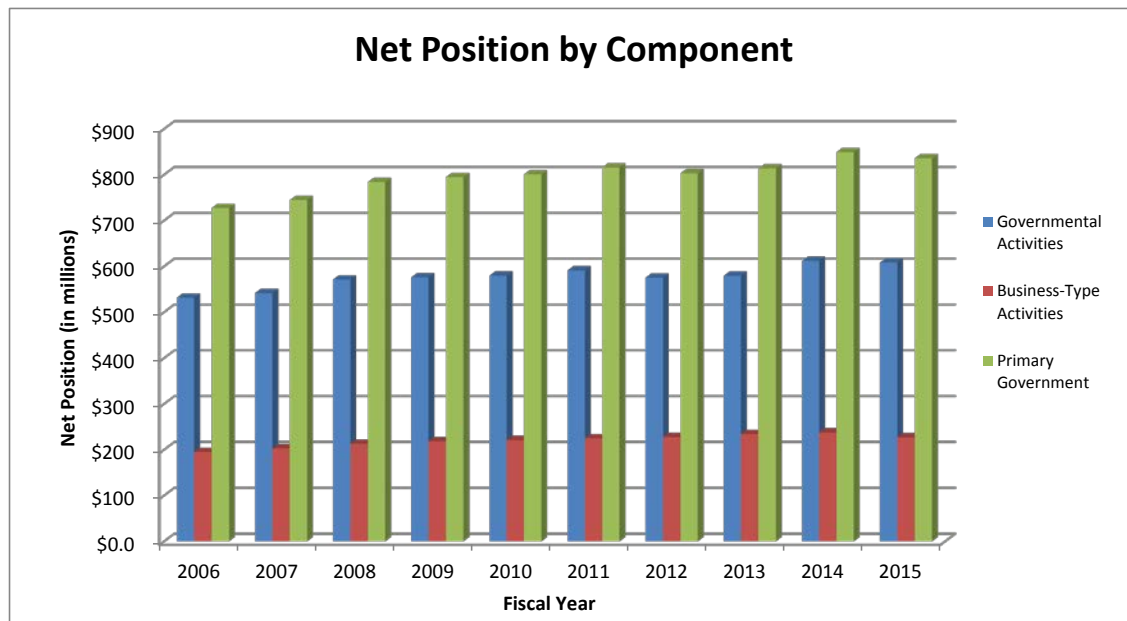
**CITY OF THOUSAND OAKS**

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

Page 1 of 2

	2006	2007	2008	2009
Governmental activities				
Net investments in capital assets	\$ 407,648,885	\$ 418,355,893	\$ 434,736,557	\$ 436,277,657
Restricted	31,169,108	35,924,063	40,440,983	37,727,131
Unrestricted	93,153,410	87,581,092	96,217,592	102,182,201
Total governmental activities net position	<u>\$ 531,971,403</u>	<u>\$ 541,861,048</u>	<u>\$ 571,395,132</u>	<u>\$ 576,186,989</u>
Business-type activities				
Net investments in capital assets	\$ 132,493,444	\$ 142,591,730	\$ 146,826,463	\$ 148,313,106
Restricted	1,523,349	2,531,163	2,522,780	2,734,026
Unrestricted	61,425,928	57,703,269	63,558,847	67,572,396
Total business-type activities net position	<u>\$ 195,442,721</u>	<u>\$ 202,826,162</u>	<u>\$ 212,908,090</u>	<u>\$ 218,619,528</u>
Primary government				
Net investments in capital assets	\$ 540,142,329	\$ 560,947,623	\$ 581,563,020	\$ 584,590,763
Restricted	32,692,457	38,455,226	42,963,763	40,461,157
Unrestricted	154,579,338	145,284,361	159,776,439	169,754,597
Total primary government net position	<u>\$ 727,414,124</u>	<u>\$ 744,687,210</u>	<u>\$ 784,303,222</u>	<u>\$ 794,806,517</u>

Source: City of Thousand Oaks



2010	2011	2012	2013	2014	2015
\$ 434,777,106	\$ 436,968,437	\$ 424,876,492	\$ 429,496,970	\$ 441,224,834	\$ 482,441,504
38,654,458	46,508,324	38,380,982	36,275,259	52,304,427	35,825,757
106,323,825	107,815,418	112,216,327	115,680,931	118,451,059	90,346,428
<u>\$ 579,755,389</u>	<u>\$ 591,292,179</u>	<u>\$ 575,473,801</u>	<u>\$ 581,453,160</u>	<u>\$ 611,980,320</u>	<u>\$ 608,613,689</u>
\$ 151,530,649	\$ 153,821,273	\$ 153,889,583	\$ 160,080,104	\$ 163,352,049	\$ 168,079,871
2,018,609	2,196,556	2,093,726	28,017,654	29,970,531	31,397,274
67,811,296	68,823,038	71,729,967	46,312,992	44,171,611	27,892,382
<u>\$ 221,360,554</u>	<u>\$ 224,840,867</u>	<u>\$ 227,713,276</u>	<u>\$ 234,410,750</u>	<u>\$ 237,494,191</u>	<u>\$ 227,369,527</u>
\$ 586,307,755	\$ 590,789,710	\$ 578,766,075	\$ 589,577,074	\$ 604,576,883	\$ 650,521,375
40,673,067	48,704,880	40,474,708	64,292,913	82,274,958	67,223,031
174,135,121	176,638,456	183,946,294	161,993,923	162,622,670	118,238,810
<u>\$ 801,115,943</u>	<u>\$ 816,133,046</u>	<u>\$ 803,187,077</u>	<u>\$ 815,863,910</u>	<u>\$ 849,474,511</u>	<u>\$ 835,983,216</u>

Table 2

## CITY OF THOUSAND OAKS

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

Page 1 of 4

	2006	2007	2008	2009
<b>Expenses</b>				
Governmental activities:				
General government	\$ 17,206,821	\$ 14,664,399	\$ 18,130,375	\$ 19,274,242
Public safety	22,786,609	25,127,397	26,181,258	26,737,000
Transportation	20,986,608	23,588,625	24,322,484	24,812,778
Community development	24,669,138	37,508,148	24,412,525	23,525,974
Culture and leisure	10,018,836	11,128,984	11,497,376	11,657,026
Interest on long-term debt	4,333,241	4,522,922	4,432,146	4,426,267
Total governmental activities expenses	<u>100,001,253</u>	<u>116,540,475</u>	<u>108,976,164</u>	<u>110,433,287</u>
Business-type activities:				
Water	13,613,806	15,685,054	16,651,251	17,578,603
Wastewater	15,326,168	16,485,524	18,530,603	18,033,389
Golf Course	2,632,059	3,558,463	5,229,818	5,002,620
Transportation	2,153,046	2,392,015	2,656,945	2,928,854
Solid Waste Management	1,095,095	1,218,699	1,225,934	1,250,469
Theatres	3,261,166	3,531,891	3,959,594	4,152,677
Total business-type activities expenses	<u>38,081,340</u>	<u>42,871,646</u>	<u>48,254,145</u>	<u>48,946,612</u>
Total primary government expenses	<u>\$138,082,593</u>	<u>\$159,412,121</u>	<u>\$157,230,309</u>	<u>\$159,379,899</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 5,364,362	\$ 4,599,023	\$ 5,443,275	\$ 5,569,675
Public safety	410,837	415,859	454,311	473,720
Transportation	3,892,761	4,141,942	4,055,638	4,231,897
Community development	5,956,075	6,178,994	5,498,065	4,462,726
Culture and leisure	260,221	265,160	268,351	256,812
Operating grants and contributions	15,910,652	13,984,520	12,520,302	11,360,407
Capital grants and contributions	2,157,451	4,299,200	10,556,495	2,792,857
Total governmental activities program revenues	<u>33,952,359</u>	<u>33,884,698</u>	<u>38,796,437</u>	<u>29,148,094</u>
Business-type activities:				
Charges for services:				
Water	14,370,069	15,817,257	17,180,172	18,436,321
Wastewater	23,293,090	21,780,500	24,047,603	21,871,495
Golf Course	2,847,771	3,767,811	5,527,842	5,570,050
Transportation	229,971	238,923	266,518	285,926
Solid Waste Management	1,587,575	1,686,762	1,676,715	1,574,351
Theatres	3,055,383	3,320,816	4,000,422	3,569,127
Operating grants and contributions	2,083,574	2,338,808	3,548,963	2,845,062
Capital grants and contributions	2,389,038	1,194,074	1,481,682	236,070
Total business-type activities program revenues	<u>49,856,471</u>	<u>50,144,951</u>	<u>57,729,917</u>	<u>54,388,402</u>
Total primary government program revenues	<u>\$ 83,808,830</u>	<u>\$ 84,029,649</u>	<u>\$ 96,526,354</u>	<u>\$ 83,536,496</u>
<b>Net (expense)/revenue</b>				
Governmental activities	\$ (66,048,894)	\$ (82,655,777)	\$ (70,179,727)	\$ (81,285,193)
Business-type activities	<u>11,775,131</u>	<u>7,273,305</u>	<u>9,475,772</u>	<u>5,441,790</u>
Total Primary government net expense	<u>\$ (54,273,763)</u>	<u>\$ (75,382,472)</u>	<u>\$ (60,703,955)</u>	<u>\$ (75,843,403)</u>

2010	2011	2012	2013	2014	2015
\$ 16,318,024	\$ 15,818,365	\$ 14,996,258	\$ 15,544,721	\$ 17,001,257	\$ 16,633,833
26,917,106	27,165,601	27,853,732	27,487,842	28,180,467	28,679,593
24,205,410	27,308,063	25,844,691	26,109,347	26,964,212	33,160,508
31,472,631	26,004,932	19,757,842	11,162,235	12,303,689	9,427,305
11,438,101	10,880,231	10,435,600	9,719,771	10,139,607	10,560,758
4,002,329	3,672,066	1,845,302	636,012	619,929	655,102
114,353,601	110,849,258	100,733,425	90,659,928	95,209,161	99,117,099
18,690,402	19,430,010	20,779,897	22,133,144	24,058,407	21,843,944
18,795,351	18,565,664	19,022,278	18,988,040	19,156,409	18,709,803
5,099,519	4,923,681	4,918,517	4,729,238	5,001,182	5,225,508
3,447,324	3,764,116	4,097,237	4,655,099	5,092,147	6,038,124
1,332,067	1,424,288	1,571,469	1,899,126	1,633,529	1,608,741
3,915,498	3,716,595	4,101,536	4,083,872	4,006,613	3,727,264
51,280,161	51,824,354	54,490,934	56,488,519	58,948,287	57,153,384
<u>\$165,633,762</u>	<u>\$162,673,612</u>	<u>\$155,224,359</u>	<u>\$147,148,447</u>	<u>\$154,157,448</u>	<u>\$156,270,483</u>
\$ 6,584,710	\$ 5,620,394	\$ 6,606,146	\$ 6,281,280	\$ 7,220,202	\$ 6,618,463
643,054	518,740	849,732	847,579	832,949	887,976
4,693,392	4,271,158	5,949,669	5,460,232	5,448,265	5,844,243
4,352,037	4,764,843	4,694,052	3,962,106	4,753,171	5,038,087
316,762	260,421	343,042	244,486	288,179	255,755
11,453,153	13,906,945	13,194,721	11,561,006	8,872,310	5,351,236
1,622,157	1,652,089	483,744	5,570,206	11,467,954	4,148,837
29,665,265	30,994,590	32,121,106	33,926,895	38,883,030	28,144,597
18,896,852	21,283,333	22,828,323	25,548,666	27,570,065	25,903,528
20,657,404	20,028,254	19,091,002	19,347,142	19,300,050	20,959,096
5,307,892	4,874,576	5,074,016	4,646,379	4,609,795	4,665,559
396,405	301,075	457,938	998,709	1,288,342	1,991,701
1,602,364	1,388,587	1,484,372	1,621,874	1,486,259	1,454,871
3,191,463	3,142,176	3,155,208	3,278,415	3,223,057	3,313,109
3,620,080	3,989,932	4,057,467	4,393,103	300,000	500,000
225,179	175,441	1,068,810	2,748,298	4,254,160	5,781,443
53,897,639	55,183,374	57,217,136	62,582,586	62,031,728	64,569,307
<u>\$ 83,562,904</u>	<u>\$ 86,177,964</u>	<u>\$ 89,338,242</u>	<u>\$ 96,509,481</u>	<u>\$100,914,758</u>	<u>\$ 92,713,904</u>
\$ (84,688,336)	\$ (79,854,668)	\$ (68,612,319)	\$ (56,733,033)	\$ (56,326,131)	\$ (70,972,502)
2,617,478	3,359,020	2,726,202	6,094,067	3,083,441	7,415,923
<u>\$ (82,070,858)</u>	<u>\$ (76,495,648)</u>	<u>\$ (65,886,117)</u>	<u>\$ (50,638,966)</u>	<u>\$ (53,242,690)</u>	<u>\$ (63,556,579)</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>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Governmental activities:				
Taxes				
Property tax	\$ 32,970,013	\$ 32,239,737	\$ 34,762,919	\$ 37,321,236
Property tax in-lieu of VLF	6,803,905	8,788,762	9,393,866	9,783,399
Sales tax	29,919,102	28,176,057	26,356,909	24,132,888
Transient occupancy tax	2,541,091	2,830,919	2,859,810	2,493,840
Franchise tax	4,720,176	5,363,492	5,117,984	5,282,424
Business tax	1,781,543	1,826,253	1,843,606	1,782,198
Property transfer tax	1,300,101	1,120,684	703,515	525,900
Unrestricted intergovernmental revenue	830,131	742,951	571,281	441,670
Miscellaneous Revenue	-	-	-	-
Proceeds from the sale of property	18,746,601	6,449,961	12,529,289	1,668,014
Unrestricted investment/interest earnings	2,677,146	5,116,742	6,180,788	2,686,701
Extraordinary item - RDA dissolution (1)	-	-	-	-
Extraordinary item - Asset transfer from Successor Agency (2)	-	-	-	-
Transfers	(476,027)	(110,136)	(606,156)	(41,220)
Special item (3)	(848,300)	-	-	-
Total governmental activities	<u>100,965,482</u>	<u>92,545,422</u>	<u>99,713,811</u>	<u>86,077,050</u>
Business-type activities:				
Transfers	476,027	110,136	606,156	41,220
Total business-type activities	<u>476,027</u>	<u>110,136</u>	<u>606,156</u>	<u>41,220</u>
Total primary government	<u>\$101,441,509</u>	<u>\$ 92,655,558</u>	<u>\$100,319,967</u>	<u>\$ 86,118,270</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 34,916,588	\$ 9,889,645	\$ 29,534,084	\$ 4,791,857
Business-type activities	12,251,158	7,383,441	10,081,928	5,483,010
Total primary government	<u>\$ 47,167,746</u>	<u>\$ 17,273,086</u>	<u>\$ 39,616,012</u>	<u>\$ 10,274,867</u>

## Notes:

(1) The former Thousand Oaks Redevelopment Agency was dissolved as of February 1, 2012, through the Supreme Court decision on Assembly Bill X1 26. See Note 16 for more information on the dissolution.

(2) In fiscal year 2013-14, as directed by the California Department of Finance, the City, as the Successor Agency, transferred specified governmental purpose assets of the former redevelopment agency totaling \$4.6 million from the Successor Agency to the City. During fiscal year 2014-15 the DOF approved the Long-Range Property Management Plan which resulted in \$43.4 million in Successor Agency properties being transferred to the City.

(3) 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

2010	2011	2012	2013	2014	2015
\$ 36,833,910	\$ 34,355,639	\$ 25,278,294	\$ 14,829,441	\$ 15,568,174	\$ 16,142,673
9,803,594	9,644,764	9,707,468	9,772,778	10,090,869	10,641,639
23,873,911	22,123,406	25,957,903	25,197,744	27,497,621	29,664,075
2,281,581	2,702,879	2,977,691	3,162,291	3,528,776	3,921,765
5,200,169	5,790,082	5,984,921	6,204,829	6,649,679	6,936,019
1,673,282	1,708,860	1,705,654	1,840,690	1,793,854	1,940,876
573,839	588,295	634,332	734,488	850,572	988,600
382,584	657,519	-	121,989	-	53,361
-	-	500,000	-	152,538	206,952
6,161,617	1,535,345	3,989,070	1,378,420	378,435	-
1,595,797	931,529	1,342,253	91,728	1,318,781	1,189,635
-	-	(25,137,438)	-	-	-
-	-	-	-	4,611,540	43,428,316
(123,548)	(121,293)	(146,207)	60,108	14,338,221	-
-	-	-	-	-	-
88,256,736	79,917,025	52,793,941	63,394,506	86,779,060	115,113,911
123,548	121,293	146,207	(60,108)	-	-
123,548	121,293	146,207	(60,108)	-	-
\$ 88,380,284	\$ 80,038,318	\$ 52,940,148	\$ 63,334,398	\$ 86,779,060	\$ 115,113,911
\$ 3,568,400	\$ 62,357	\$ (15,818,378)	\$ 6,661,473	\$ 30,452,929	\$ 44,141,409
2,741,026	3,480,313	2,872,409	6,033,959	3,083,441	7,415,923
\$ 6,309,426	\$ 3,542,670	\$ (12,945,969)	\$ 12,695,432	\$ 33,536,370	\$ 51,557,332

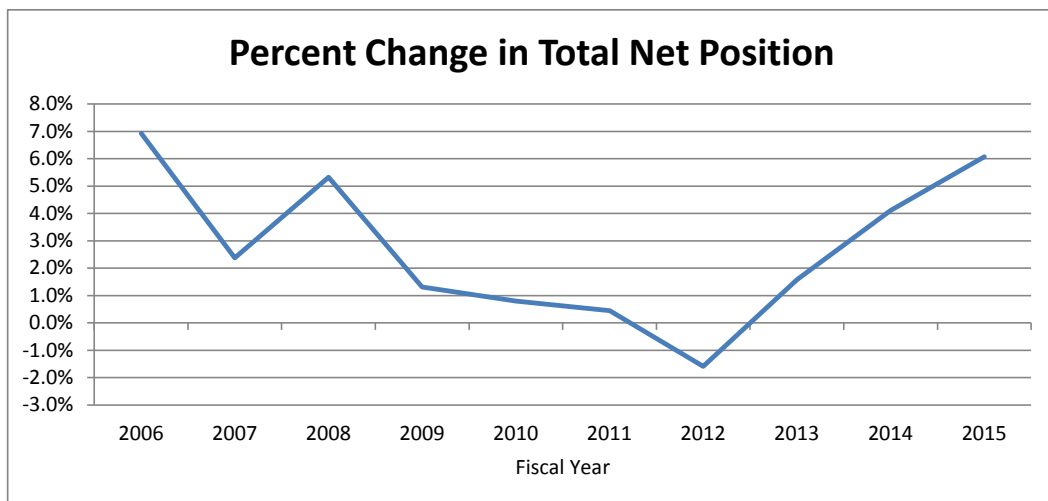


Table 3

## CITY OF THOUSAND OAKS

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

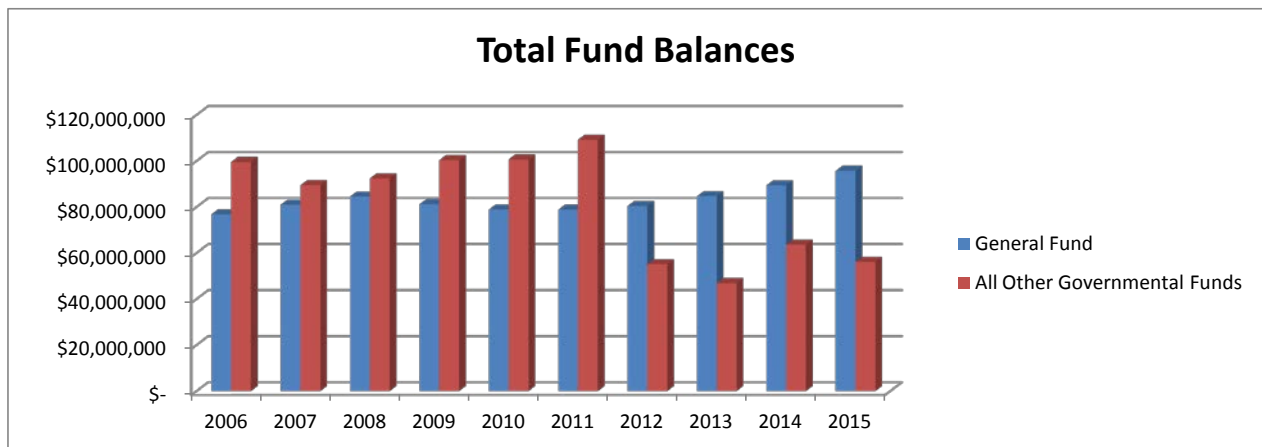
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	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 5,686,993	\$ 9,222,787	\$ 8,078,178	\$ 7,346,454	\$ 7,452,277
Unreserved	71,118,732	71,791,197	76,484,258	73,848,723	71,441,836
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 76,805,725</u>	<u>\$ 81,013,984</u>	<u>\$ 84,562,436</u>	<u>\$ 81,195,177</u>	<u>\$ 78,894,113</u>
All other governmental funds					
Reserved	\$ 21,938,971	\$ 28,821,905	\$ 27,574,498	\$ 28,675,993	\$ 35,259,948
Unreserved, reported in:					
Special revenue funds	14,357,717	15,202,299	17,607,477	21,464,035	18,554,270
Capital projects funds	63,308,782	45,493,233	47,247,642	50,226,170	46,906,091
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 99,605,470</u>	<u>\$ 89,517,437</u>	<u>\$ 92,429,617</u>	<u>\$100,366,198</u>	<u>\$100,720,309</u>

## Note:

The City of Thousand Oaks implemented GASB Statement No. 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





2011	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
386,487	458,467	444,070	3,925,151	3,945,620
30,382,360	29,133,665	32,150,306	30,679,785	41,296,049
47,971,223	49,836,670	50,970,528	53,756,465	48,584,436
75,762	1,018,694	1,096,184	1,033,728	1,878,673
<u>\$ 78,815,832</u>	<u>\$ 80,447,496</u>	<u>\$ 84,661,088</u>	<u>\$ 89,395,129</u>	<u>\$ 95,704,778</u>

\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
9,454,786	671,083	671,083	671,084	671,083
65,811,852	33,496,970	25,270,524	42,377,963	35,825,757
16,273,358	1,484,061	1,643,144	1,692,486	1,802,421
18,085,550	19,800,800	19,345,705	18,895,556	17,808,062
(383,659)	(404,032)	(38,159)	-	-
<u>\$109,241,887</u>	<u>\$ 55,048,882</u>	<u>\$ 46,892,297</u>	<u>\$ 63,637,089</u>	<u>\$ 56,107,323</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

	2006	2007	2008	2009	2010
<b>Revenues</b>					
Taxes	\$81,242,996	\$82,876,729	\$82,765,481	\$81,773,373	\$76,920,440
Licenses and permits	6,828,237	7,067,251	6,444,165	5,206,207	4,319,610
Fines and forfeitures	1,315,310	1,355,570	1,406,029	1,565,993	1,356,890
Use of money and property	11,767,522	10,372,723	11,324,470	6,467,079	4,505,561
Charges for current services	8,262,238	9,658,202	12,746,634	10,030,782	9,876,944
Intergovernmental revenue	6,665,999	7,544,785	6,532,289	11,077,630	7,687,314
Reimbursements	1,548,917	1,636,729	1,630,729	1,759,091	-
Other	1,152,685	824,383	403,694	190,291	3,271,990
<b>Total revenues</b>	<b>118,783,904</b>	<b>121,336,372</b>	<b>123,253,491</b>	<b>118,070,446</b>	<b>107,938,749</b>
<b>Expenditures</b>					
Current:					
General government	15,766,855	17,977,207	16,062,522	17,306,010	14,530,618
Public safety	22,695,988	25,042,113	26,105,855	26,599,446	26,684,654
Transportation	19,517,689	18,745,267	20,280,207	22,524,959	15,762,955
Community development (1)	24,898,340	37,478,789	24,442,524	23,404,601	31,093,436
Culture and leisure	9,155,333	10,205,274	10,130,739	10,035,034	9,718,996
Debt service:					
Principal	2,086,140	1,565,000	4,195,000	4,380,000	4,560,000
Interest	4,288,548	4,528,991	4,447,340	4,240,684	4,034,636
Issuance cost (2)	1,662,447	-	-	-	253,368
Payment to refunded bond escrow agent - prior	-	-	-	-	1,214,341
Capital outlay	9,789,053	11,603,594	10,528,549	4,998,150	3,416,204
<b>Total expenditures</b>	<b>109,860,393</b>	<b>127,146,235</b>	<b>116,192,736</b>	<b>113,488,884</b>	<b>111,269,208</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>8,923,511</b>	<b>(5,809,863)</b>	<b>7,060,755</b>	<b>4,581,562</b>	<b>(3,330,459)</b>
<b>Other financing sources (uses)</b>					
Extraordinary item (3)	-	-	-	-	-
Transfers in	36,084,301	8,832,240	9,903,957	9,252,559	8,428,849
Transfers out	(36,560,328)	(8,942,376)	(10,510,113)	(9,293,779)	(8,552,397)
Refunding bonds issued	77,715,000	-	-	-	16,405,000
Premium on refunding bonds issued	178,731	-	-	-	133,266
Discount on refunding bonds issued	(216,183)	-	-	-	-
Payment to refunded bond escrow agent - current	(52,620,000)	-	-	-	(15,107,427)
Proceeds from sale of property	21,672	40,225	6,033	28,980	76,215
Special Item	(848,300)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>23,754,893</b>	<b>(69,911)</b>	<b>(600,123)</b>	<b>(12,240)</b>	<b>1,383,506</b>
<b>Net change in fund balances</b>	<b>\$32,678,404</b>	<b>\$ (5,879,774)</b>	<b>\$ 6,460,632</b>	<b>\$ 4,569,322</b>	<b>\$ (1,946,953)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>6.8%</b>	<b>5.5%</b>	<b>8.6%</b>	<b>8.5%</b>	<b>8.1%</b>

## Notes:

(1) In fiscal year 2006-07, the increase in community development expenditures included \$15 million in the former Thousand Oaks Redevelopment Agency loans issued to affordable housing projects. Agency loans are recorded as expenditures when issued.

(2) In fiscal year 2005-06, the City redeemed 1995 Tax Allocation Bonds in full.

(3) The former Thousand Oaks Redevelopment Agency was dissolved as of February 1, 2012, through the Supreme Court decision on Assembly Bill X1 26. See Note 16 for more information on the dissolution.

Source: City of Thousand Oaks

2011	2012	2013	2014	2015
\$78,791,255	\$ 69,974,247	\$ 61,184,148	\$ 65,652,130	\$ 66,697,613
4,829,204	5,044,995	5,101,683	5,858,997	6,424,536
1,245,879	1,252,050	1,170,876	1,201,226	1,138,646
3,273,362	3,051,485	1,835,698	3,664,767	3,084,840
9,660,891	10,758,658	11,047,312	11,051,746	11,411,961
11,584,850	10,945,123	11,193,429	16,588,309	8,685,090
-	-	-	-	-
2,325,759	3,719,494	1,970,848	3,003,278	2,204,224
111,711,200	104,746,052	93,503,994	107,020,453	99,646,910
14,170,542	14,679,175	14,564,358	15,237,607	17,193,554
26,999,458	27,622,423	27,336,083	28,007,014	28,629,008
22,727,687	29,403,527	28,459,116	26,492,614	30,645,163
26,085,166	19,555,500	10,496,554	11,704,339	9,588,092
9,351,390	9,013,448	8,451,440	8,704,663	9,321,044
4,875,000	4,910,000	520,000	535,000	560,000
3,585,683	2,090,329	637,312	621,712	656,969
-	-	-	-	-
-	-	-	-	-
6,846,658	14,535,378	7,081,193	9,098,366	4,385,257
114,641,584	121,809,780	97,546,056	100,401,315	100,979,087
(2,930,384)	(17,063,728)	(4,042,062)	6,619,138	(1,332,177)
-	(35,366,016)	-	-	-
7,159,053	8,167,067	5,271,869	19,536,789	4,915,154
(7,280,346)	(8,313,274)	(5,211,761)	(5,198,568)	(4,915,154)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
20,542	14,610	38,961	447,243	112,061
-	-	-	-	-
(100,751)	(35,497,613)	99,069	14,785,464	112,061
\$ (3,031,135)	\$ (52,561,341)	\$ (3,942,993)	\$ 21,404,602	\$ (1,220,116)
8.3%	7.5%	1.5%	1.4%	1.4%

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			Former Redevelopment Agency (2)			Total Direct Tax Rate (1)
	Secured	Unsecured	Taxable Assessed Value	Secured	Unsecured	Taxable Assessed Value	
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	-
2014	23,611,025,109	565,199,407	24,176,224,516	2,096,540,686	197,333,069	2,293,873,755	-
2015	24,918,441,906	577,344,968	25,495,786,874	2,188,046,023	205,605,677	2,393,651,700	-

## Notes:

- (1) The City does not have a direct property tax rate.
- (2) The former Thousand Oaks Redevelopment Agency was dissolved on February 1, 2012, through the Supreme Court decision on Assembly Bill X1 26.

Source: Ventura County Auditor-Controller

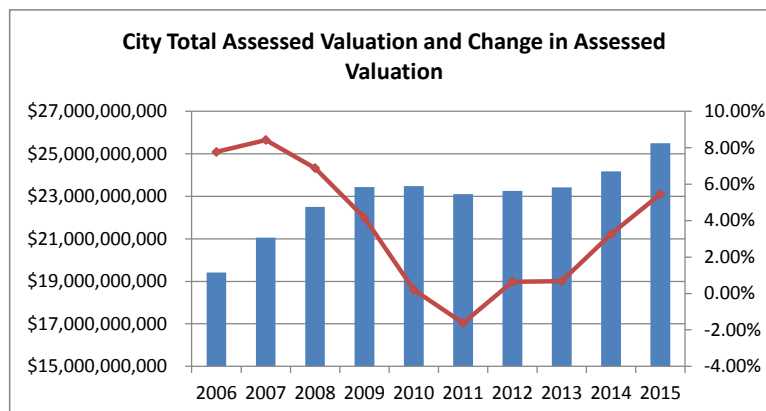


Table 6

**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
		Prop 13 Maximum 1% Tax (3)	Conejo Valley Unified School District Bond (2)	Ventura Community College Bond (2)	Metropolitan Water (2)	
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
2014	-	1.000000	0.032700	0.016700	0.003500	1.052900
2015	-	1.000000	0.032900	0.017600	0.003500	1.054000

## 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**

<b><u>Taxpayer</u></b>	<b>2015</b>		<b>2006</b>	
	<b>Taxable Assessed Value (1)</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total Taxable Assessed Value</b>
AMGEN INC.	\$ 1,194,648,262	4.69%	\$ 1,127,672,840	5.81%
MACERICH OAKS LLC	343,288,429	1.35%	164,767,263	0.85%
BAXTER HEALTHCARE CORP.	320,819,754	1.26%	190,459,407	0.98%
LOS ROBLES HOSPITAL	209,210,742	0.82%	100,648,936	0.52%
CONTINUING LIFE COMMUNITIES THOUSAND OAKS LLC	182,738,353	0.72%	-	0.00%
DUESENBERG INVESTMENT CO.	122,143,730	0.48%	105,280,368	0.54%
KNOLLS APARTMENTS LLC	106,151,079	0.42%	-	0.00%
WESTLAKE PLAZA CTR EAST LLC	99,758,652	0.39%	-	0.00%
REGENCY CENTERS LP	74,582,773	0.29%	66,038,857	0.34%
IMT CAPITAL WESTLAKE LLC	72,069,800	0.28%	-	0.00%
BHC TRUST	-	0.00%	97,160,748	0.50%
LANG RANCH ASSOC.	-	0.00%	63,265,546	0.33%
WASHINGTON SUB, INC.	-	0.00%	62,848,990	0.32%
USA INVESTMENTS, INC.	-	0.00%	60,274,301	0.31%
<b>TOTAL</b>	<b>\$ 2,725,411,574</b>	<b>10.70%</b>	<b>\$ 2,038,417,256</b>	<b>10.50%</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**

<b>Fiscal Year Ended June 30</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
<b>2006</b>	29,295,470	29,052,106	99.2%	192,369	29,244,475	99.8%
<b>2007</b>	32,111,585	31,693,931	98.7%	404,567	32,098,498	100.0%
<b>2008</b>	36,647,595	36,065,366	98.4%	318,176	36,383,542	99.3%
<b>2009</b>	37,438,880	36,880,898	98.5%	163,707	37,044,604	98.9%
<b>2010</b>	37,320,750	36,942,155	99.0%	79,046	37,021,201	99.2%
<b>2011</b>	35,517,611	35,219,996	99.2%	82,727	35,302,723	99.4%
<b>2012</b>	36,020,486	35,770,741	99.3%	78,801	35,849,542	99.5%
<b>2013</b>	35,541,638	35,311,933	99.4%	99,796	35,411,730	99.6%
<b>2014</b>	37,900,282	37,727,071	99.5%	144,827	37,871,898	99.9%
<b>2015</b>	39,875,934	39,710,082	99.6%	N/A	39,710,082	99.6%

Source: Ventura County Auditor-Controller

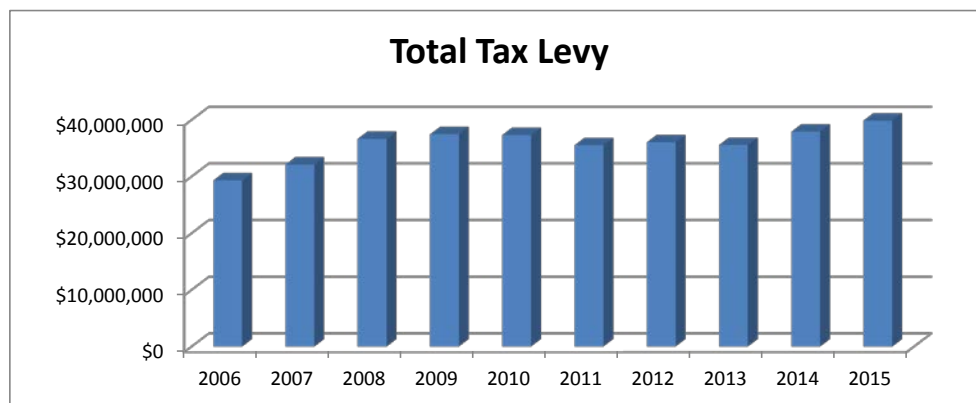


Table 9

**CITY OF THOUSAND OAKS**

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

<b>Fiscal Year</b>	<b>City Direct Rate (1)</b>	<b>Ventura County</b>	<b>State of California</b>
<b>2006</b>	-	1.00%	6.25%
<b>2007</b>	-	1.00%	6.25%
<b>2008</b>	-	1.00%	6.25%
<b>2009</b>	-	1.00%	7.25%
<b>2010</b>	-	1.00%	7.25%
<b>2011</b>	-	1.00%	7.25%
<b>2012</b>	-	1.00%	6.25%
<b>2013</b>	-	1.00%	6.50%
<b>2014</b>	-	1.00%	6.50%
<b>2015</b>	-	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)
2005	\$127,334	\$ 199,032	\$100,681	\$ 241,909	\$ 146,505	\$820,846	\$153,185	\$ 507,634	\$ 652,289	\$2,949,415	-
2006	127,552	179,385	109,577	251,815	146,174	769,333	172,481	513,648	671,071	2,941,036	-
2007	121,022	170,266	107,677	265,943	140,325	740,476	188,933	514,811	604,946	2,854,399	-
2008	118,417	173,683	102,699	255,888	120,023	614,423	193,902	462,288	589,241	2,630,564	-
2009	118,576	176,259	99,911	245,330	102,898	577,156	149,299	410,820	509,847	2,390,096	-
2010	121,846	180,840	98,693	252,357	97,619	606,354	169,274	424,251	497,707	2,448,941	-
2011	125,685	185,970	98,288	266,919	100,849	632,795	204,577	436,981	512,353	2,564,417	-
2012	129,118	185,543	101,290	284,447	101,803	689,810	219,637	435,299	520,118	2,667,065	-
2013	132,950	185,972	104,323	295,533	108,127	722,149	212,979	447,992	509,391	2,719,416	-
2014	137,922	171,947	109,587	306,241	115,841	777,252	206,301	462,372	557,434	2,844,897	-

## 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 2015 not available.

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

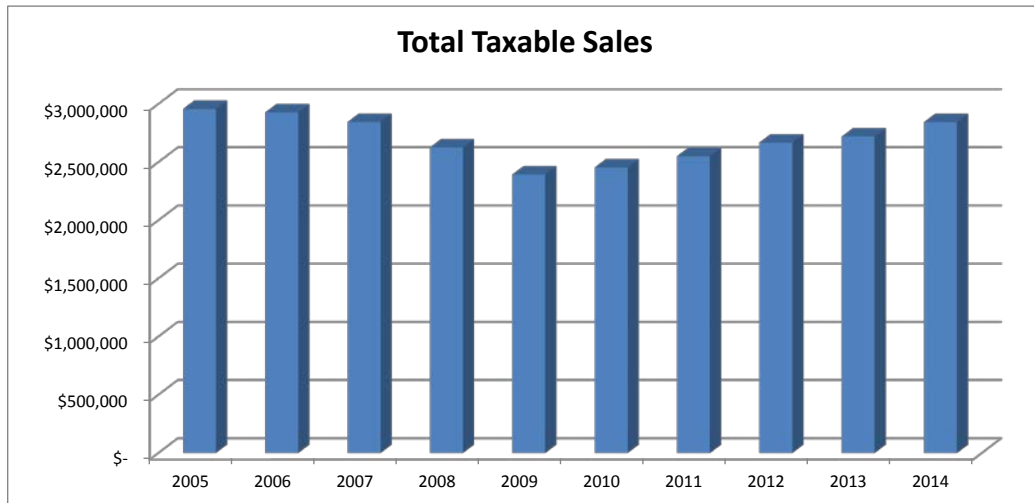


Table 11

**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)
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	-	16,311,498
2011	1,600,000	64,340,000	-	15,760,748
2012	-	-	-	15,259,998
2013	-	-	-	14,940,093
2014	-	-	-	14,399,035
2015	-	-	-	13,832,978

## Notes:

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

- (1) The former Thousand Oaks Redevelopment 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 16 for more information on the dissolution and outstanding debt.
- (2) The former Thousand Oaks Redevelopment 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 16 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. In fiscal year 2014-15 Evergreen Alliance Golf LLP changed to ARCIS Golf.
- (5) The City redeemed 1998 Wastewater System Certificates of Participation through issuance of Revenue Refunding Bonds in fiscal year 2009-10.
- (6) The City issued \$11,690,000 Revenue Refunding Bonds in fiscal year 2009-10. The purpose of the bonds is to redeem the City's 1998 Wastewater System Certificates of Participation and provide reserves for the 2010 bondholder payments. Revenue Refunding Bonds of \$10,276,714 consist of par amount of \$11,690,000 and unamortized capitalized issue premium of \$641,714 net of principal payments of \$2,055,000.
- (7) See Table 16 for personal income and population data.

Source: City of Thousand Oaks

<b>Business-type Activities</b>						
<b>Wastewater</b>	<b>Capital Lease (4)</b>	<b>Certificates of Participation (5)</b>	<b>Revenue Refunding Bonds (6)</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (7)</b>	<b>Debt Per Capita (7)</b>
\$ 29,097,016	\$ -	\$ 17,935,000	\$ -	\$ 148,087,016	2.9%	\$ 1,160.16
27,693,918	76,727	17,255,000	-	\$ 144,515,645	2.8%	1,131.34
26,253,163	410,388	16,050,000	-	\$ 138,008,551	2.4%	1,072.74
24,773,945	472,259	14,815,000	-	\$ 130,976,204	2.3%	1,018.76
23,255,132	317,047	-	12,228,823	\$ 122,372,500	2.1%	939.82
21,695,661	217,158	-	11,396,335	\$ 115,009,902	2.1%	901.64
20,094,446	107,711	-	10,276,714	\$ 45,738,869	0.8%	357.25
18,450,367	464,978	-	9,127,092	\$ 42,982,530	0.7%	335.43
16,762,276	336,167	-	7,952,471	\$ 39,449,949	0.7%	305.72
15,028,994	300,546	-	6,752,849	\$ 35,915,367	0.6%	277.66

**Total Primary Government Debt**

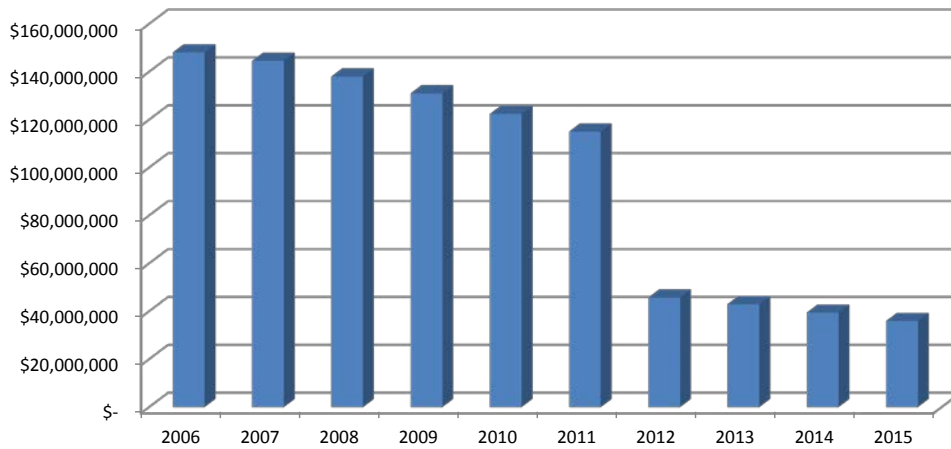


Table 12

**CITY OF THOUSAND OAKS****Ratio of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Gross Bonded Debt (1)</b>	<b>Less: Debt Payable from Redevelopment Revenues (2)</b>	<b>Net Bonded Debt</b>	<b>Percentage of Actual Taxable Value of Property (3)</b>	<b>Debt Per Capita (4)</b>
<b>2006</b>	\$ 99,455,000	\$ 81,750,000	\$ 17,705,000	0.08%	\$ 138.71
<b>2007</b>	97,890,000	80,565,000	17,325,000	0.08%	135.63
<b>2008</b>	93,695,000	76,760,000	16,935,000	0.07%	132.32
<b>2009</b>	89,315,000	72,795,000	16,520,000	0.07%	128.62
<b>2010</b>	84,971,498	68,660,000	16,311,498	0.07%	128.79
<b>2011</b>	80,100,748	64,340,000	15,760,748	0.07%	123.84
<b>2012</b>	15,259,998	-	15,259,998	0.07%	119.19
<b>2013</b>	14,940,093	-	14,940,093	0.06%	116.59
<b>2014</b>	14,399,035	-	14,399,035	0.06%	111.59
<b>2015</b>	13,832,978	-	13,832,978	0.05%	106.94

## Notes:

- (1) Gross bonded debt includes all long-term debt except worker's compensation payable, accrued vacation, and arbitrage rebate tax, net of unamortized premiums and deferred
- (2) The Agency was dissolved as of February 1, 2012, through the Supreme Court decision on Assembly Bill X1 26. See Note 16 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, 2015**

<b>Jurisdiction</b>	<b>Net General Obligation Debt Outstanding</b>	<b>Percentage Applicable to City of Thousand Oaks (1)</b>	<b>Amount Applicable to City of Thousand Oaks June 30, 2015</b>
<u>Overlapping Tax and Assessment Debt:</u>			
Metropolitan Water District	\$ 110,420,000	1.101 %	\$ 1,215,724
Ventura County Community College District	303,412,082	22.345 %	67,797,430
Conejo Valley Unified School District	63,911,497	90.412 %	57,783,663
City of Thousand Oaks Community Facilities Districts (2)	22,675,000	100.000 %	22,675,000
<u>Overlapping General Fund Debt:</u>			
Ventura County General Fund Obligations	385,475,000	22.337 %	86,103,551
Ventura County Superintendent of Schools Certificates	10,795,000	22.337 %	<u>2,411,279</u>
Subtotal overlapping and assessment debt			237,986,647
<u>City Direct Debt:</u>			
City of Thousand Oaks Revenue Lease Refunding Bonds	13,832,978	100.000 %	<u>13,832,978</u>
Subtotal direct debt			13,832,978
Total Direct and Overlapping Debt (3)			<u><u>\$251,819,625</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

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Debt limit	\$ 789,621,363	\$ 843,986,565	\$ 878,983,971	\$ 880,798,372
Total net debt applicable to limit	<u>17,705,000</u>	<u>17,325,000</u>	<u>16,935,000</u>	<u>16,520,000</u>
Legal debt margin	<u>\$ 771,916,363</u>	<u>\$ 826,661,565</u>	<u>\$ 862,048,971</u>	<u>\$ 864,278,372</u>
Total net debt applicable to the limit as percentage of debt limit	2.24%	2.05%	1.93%	1.88%

## 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

2010	2011	2012	2013	2014	2015
\$ 866,528,344	\$ 872,161,962	\$ 872,161,962	\$ 878,029,725	\$ 906,608,419	\$ 956,092,008
16,405,000	15,850,000	15,345,000	14,825,000	14,290,000	13,730,000
<u>\$ 850,123,344</u>	<u>\$ 856,311,962</u>	<u>\$ 856,816,962</u>	<u>\$ 863,204,725</u>	<u>\$ 892,318,419</u>	<u>\$ 942,362,008</u>
1.89%	1.82%	1.76%	1.69%	1.58%	1.44%

#### Legal Debt Margin Calculation for Fiscal Year 2013-14

Assessed value	<u>\$ 25,495,786,874</u>
Debt limit (3.75% of total assessed value) (1)	956,092,008
Less net amount of debt applicable to debt limit	<u>13,730,000</u>
Legal debt margin	<u>\$ 942,362,008</u>

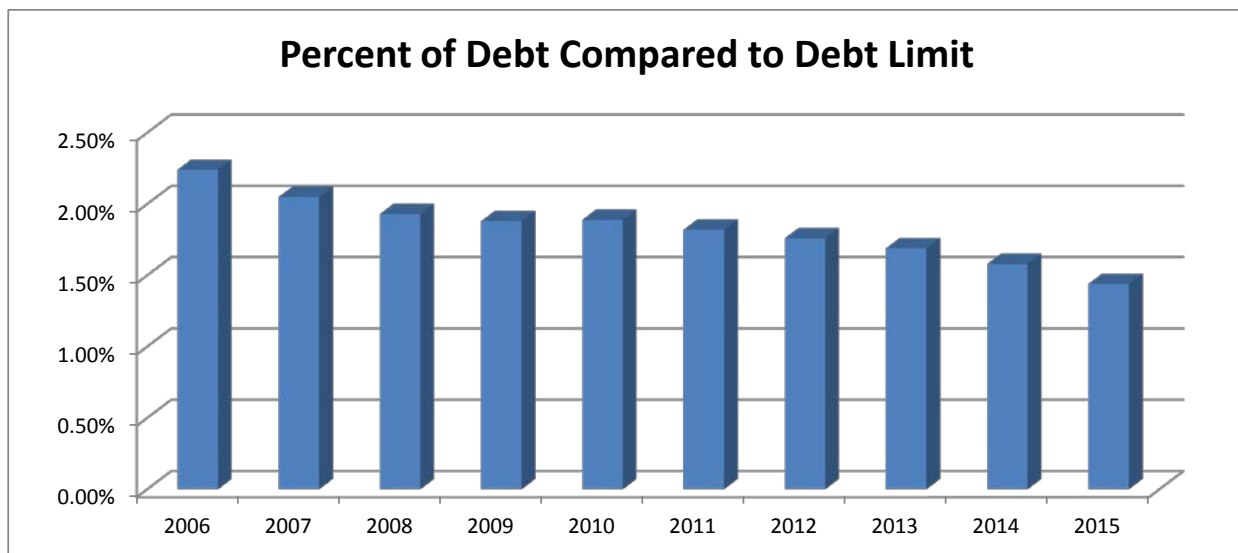


Table 15

**CITY OF THOUSAND OAKS****Pledged-Revenue Coverage  
Last Ten Fiscal Years**

Page 1 of 2

Fiscal Year	Wastewater Revenue Refunding Bonds (7)					
	Gross Revenue(1)	Less: Operating Expenses(6)	Net Revenue Available for Debt Service	Debt Service		Coverage(3)
				Principal (2)	Interest	
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	1,020,000	377,463	5.70
2012	19,275,502	12,951,555	6,323,947	1,035,000	359,463	4.54
2013	19,347,142	12,853,263	6,493,879	1,065,000	333,138	4.64
2014	19,300,050	12,253,237	7,046,813	1,090,000	306,263	5.05
2015	20,959,096	12,939,390	8,019,706	1,115,000	281,425	5.74

## 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 former Thousand Oaks Redevelopment Agency was dissolved as of February 1, 2012, through the Supreme Court decision on Assembly Bill X1 26. See Note 16 for more information on the dissolution.
- (6) Operating expenses do not include depreciation.
- (7) The City issued \$11,690,000 Revenue Refunding Bonds in fiscal year 2009-10. The purpose of the bonds is to redeem the City's 1998 Wastewater System Certificates of Participation and provide reserves for the 2010 bondholder payments.

Source: City of Thousand Oaks



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**Tax Allocation Bonds (5)**


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<b>Property Tax Increment</b>	<b>Debt Service</b>		<b>Coverage (3)</b>
	<b>Principal (4)</b>	<b>Interest (4)</b>	
\$ 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 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>
<b>2006</b>	127,644	5,110,099,896	40,034	22,479	3.3%
<b>2007</b>	127,739	5,249,561,944	41,096	22,215	3.8%
<b>2008</b>	127,984	5,605,955,168	43,802	22,115	4.9%
<b>2009</b>	128,443	5,570,444,467	43,369	21,732	8.0%
<b>2010</b>	126,655	5,708,720,815	45,073	21,202	8.3%
<b>2011</b>	127,264	5,421,319,136	42,599	21,111	8.0%
<b>2012</b>	127,431	5,379,754,527	42,217	20,686	7.1%
<b>2013</b>	128,252	6,015,660,060	46,905	20,533	5.7%
<b>2014</b>	128,942	5,729,795,654	44,437	20,066	4.8%
<b>2015</b>	129,349	5,720,500,917	44,225	19,706	5.1%

## Notes:

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

(2) Unemployment figure is as of June of each year.

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

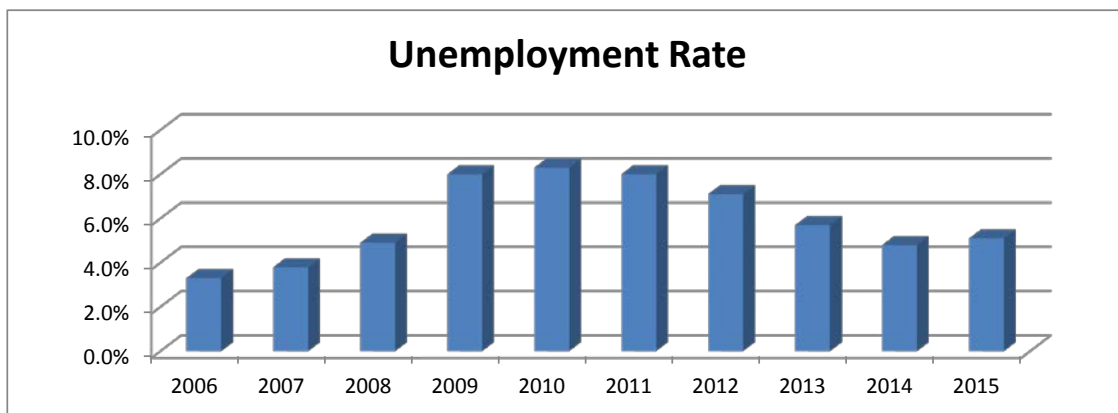


Table 17

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

	<b>2015</b>		<b>2006</b>	
	<b>Employees</b>	<b>Percent of Total City Employment</b>	<b>Employees</b>	<b>Percent of Total City Employment</b>
Amgen Inc.	5,000	7.4%	8,000	11.4%
The Oaks	2,110	3.1%	-	0.0%
Conejo Valley Unified School District	1,980	2.9%	1,777	2.5%
Los Robles Regional Medical Center	1,720	2.5%	1,500	2.1%
Baxalta (1)	1,340	2.0%	850	1.2%
Anthem Inc. (2)	900	1.3%	3,700	5.3%
Skyworks Solutions Inc.	638	0.9%	-	0.0%
California Lutheran University	636	0.9%	-	0.0%
Sage Publications	574	0.8%	-	0.0%
Silver Star Automotive Group	560	0.8%	-	0.0%
Verizon	-	0.0%	2,100	3.0%
Countrywide	-	0.0%	900	1.3%
Teradyne	-	0.0%	800	1.1%
City of Thousand Oaks	-	0.0%	605	0.9%
JD Powers & Associates	-	0.0%	600	0.9%
<b>Total</b>	<b>15,458</b>	<b>22.6%</b>	<b>20,832</b>	<b>29.7%</b>

## Notes:

(1) Formally Baxter BioScience

(2) Formally Anthem Blue Cross

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Central Administration	22	31	31	29	27	25	24	22	22	23
Finance	52	53	51	51	49	48	46	44	48	51
Legal	6	6	6	5	6	5	5	5	5	5
Police (1)	113	113	116	114	112	111	109	108	108	108
Community Development										
Building & Safety	34	31	32	30	29	27	20	18	17	18
Planning	35	33	33	32	32	27	32	27	26	23
Redevelopment (2)	4	6	6	6	5	5	0	0	0	0
Public Works										
Central Administration	88	88	85	84	81	80	83	78	74	72
Landscape	31	34	32	29	27	24	25	25	25	25
Streets & Highways	31	32	32	30	29	27	25	25	26	26
Wastewater	35	35	40	40	39	39	40	40	39	38
Water	11	13	13	13	10	13	12	12	12	13
Library	48	48	50	48	45	38	37	36	38	34
Cultural Affairs (3)	23	16	20	20	19	16	15	15	14	13
Total (4)	533	539	547	531	510	485	473	455	454	449

## 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 16 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

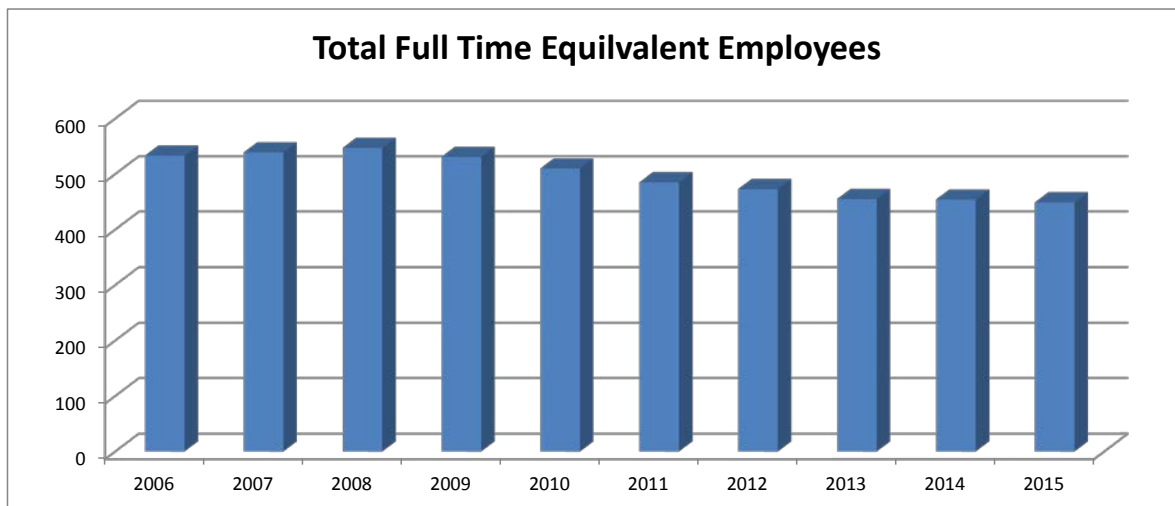


Table 19

**CITY OF THOUSAND OAKS****Operating Indicators by Function  
Last Ten Fiscal Years**

Page 1 of 2

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
General Government				
Business licenses	11,406	11,222	12,271	11,605
Building permits issued	3,551	2,963	2,345	1,790
Library				
Total volumes in collection (1)	353,053	426,182	450,985	450,537
Police				
Physical arrests	4,274	4,623	4,555	3,646
Parking violations	5,621	6,344	5,108	6,335
Traffic violations	12,965	12,378	12,235	13,603
Highways and streets				
Potholes repaired (2)	62	121	1,126	1,339
Streets repaved (miles) (3)	3.36	17.80	0.00	0.00
Water				
Services	16,488	16,536	16,844	16,886
Average daily consumption (gallons per household)	588	597	583	504
Gallons per day purchased from Calleguas Municipal Water District	11,785,034	13,173,325	13,003,525	12,265,940
Wastewater				
Services	37,474	37,655	37,739	37,799
Average daily sewage treatment (millions of gallons)	10.76	10.4	10.60	10.65

**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 years 2007-08, 2008-09, and 2013-14.

Source: City of Thousand Oaks

2010	2011	2012	2013	2014	2015
11,031	11,089	10,951	11,746	11,685	11,784
1,777	2,017	2,216	2,373	2,941	3,040
455,833	460,737	458,677	461,448	466,965	452,307
3,034	2,852	2,829	2,753	3,129	2,733
5,186	4,176	5,487	5,325	4,469	3,811
12,522	12,153	10,753	10,576	9,613	9,127
1,282	942	1,172	623	1,312	606
6.03	29.10	10.10	8.99	0.00	7.35
16,907	16,924	16,974	16,995	17,020	17,054
452	418	439	454	479	412
10,601,420	9,804,111	10,397,607	10,876,296	11,419,977	9,616,188
37,873	37,921	38,053	38,130	38,165	38,194
9.82	9.77	9.47	9.17	8.93	8.47

Table 20

**CITY OF THOUSAND OAKS**

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Function</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	387	387	377	377	377	377	377	377
Streetlights	7,749	7,816	7,828	7,833	7,841	7,829	7,836	7,846	7,845	7,861
Traffic signals (2)	128	132	134	135	137	137	140	144	154	154
Water:										
Water mains (miles) (3)	297	306	317	317	317	320	349	351	351	332
Fire hydrants (4)	1,865	1,934	1,964	1,964	1,964	1,964	1,965	1,970	1,967	1,982
Wastewater:										
Sanitary sewers (miles) (5)	548	550	557	559	560	563	409	409	413	415

Notes:

- (1) Fiscal year 2009-10 decrease is a result of an updated Pavement Management Study which revealed that 10 miles of local streets previously listed as City streets were actually private.
- (2) Includes pedestrian signals.
- (3) Fiscal year 2014-15 decrease due to deactivated water meters.
- (4) Includes privately owned hydrants representing less than 1.5% of hydrants citywide.
- (5) Fiscal year 2011-12 decrease is a result of an updated Geographic Information System. Also, it was discovered that previous years included abandoned lines.

Source: City of Thousand Oaks