



THOUSAND OAKS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2018



**CITY OF THOUSAND OAKS, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2018**



**Prepared by
Finance Department**

**Jaime Boscarino
Finance Director/City Treasurer**

**CITY OF THOUSAND OAKS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For The Fiscal Year Ended June 30, 2018**

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INTRODUCTORY SECTION

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

Jaime Boscarino
Finance Director/Treasurer

December 19, 2018

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, 2018. 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 the 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.

Rogers, Anderson, Malody, & Scott, LLP, Certified Public Accountants, have issued an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2018. The independent auditors' report is located at the front of the financial section of this report.

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

CITY OF THOUSAND OAKS PROFILE

Thousand Oaks was incorporated on October 7, 1964, as a general law city. Located approximately 40 miles northwest of Los Angeles, halfway between the cities of Los Angeles and Santa Barbara, the City of Thousand Oaks is the second largest city in Ventura County, with an estimated population of 130,196, as of January 1, 2018.



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. In 1977 The City and Conejo Recreation and Park District formed Conejo Open Space Conservation Agency (COSCA), entrusted with the responsibility of preserving, protecting, and managing open space resources. In total, the City has more than 15,000 acres dedicated to open space, which represents forty percent of all land in the planning area of the City.

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 for a one-year term. City Council terms are four years, with elections held every two years. City Council appoints the City Manager and City Attorney. An organization chart listing the names of City Council members and other City officials, as of June 30, 2018, 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 and proprietary funds on an accrual basis. The budgetary level of control for all governmental fund types is at the fund level.

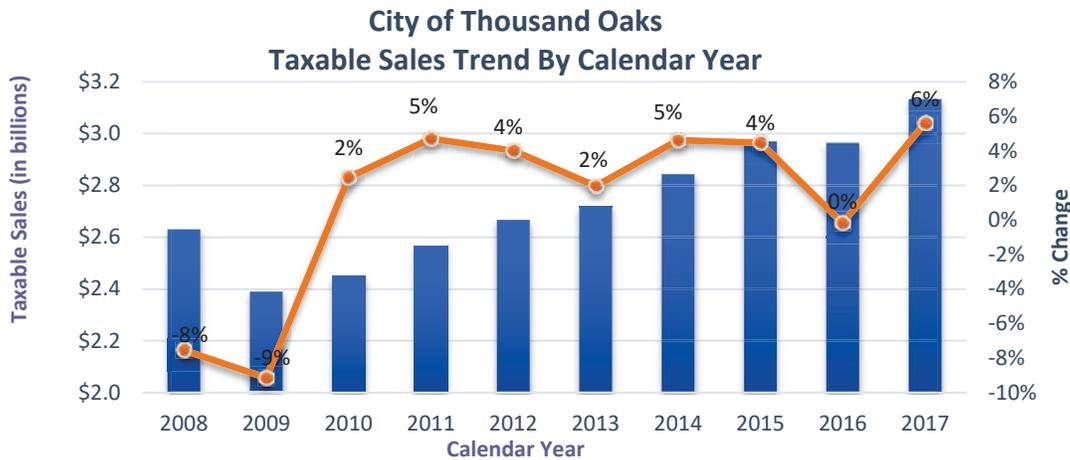


Primary responsibility for financial administration of the City rests with the Finance Director/Treasurer. He/she is appointed by the City Manager and is responsible for establishing and maintaining the accounting and management information systems, as well as the receipt, investment, and disbursement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

FISCAL/ECONOMIC CONDITIONS AND OUTLOOK

The City of Thousand Oaks incorporated without a general municipal property tax¹; 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 funding for 36 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 strong, 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 RAAS Nutritional, Frontier Communications, Atara Biotherapeutics, PennyMac, AmeriHome Mortgage, Vintage Grocers, and AMG Mercedes.



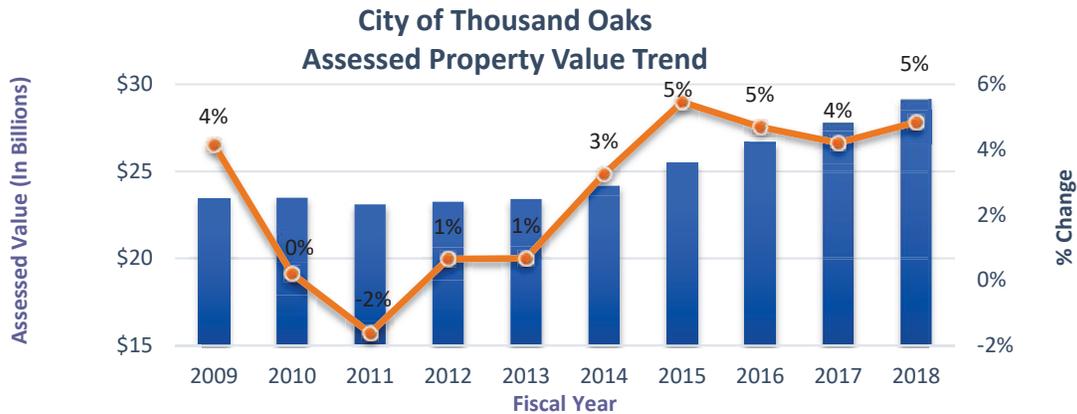
The housing market continues to perform well. The City's net taxable assessed value increased 4.8 percent in fiscal year 2017-18, which mirrored the countywide increase of 4.9 percent. The County Assessor continues to review the market values of properties that were reduced during the recession. As a result,

¹ 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



approximately 22,500 properties countywide are being assessed at a market value higher than their assessed value.

Signs of a continued strengthening housing market are reflected in the fiscal year 2018-19 County Property Tax Assessment Roll released in July 2018, in which the City's net taxable assessed value increased 4.4 percent.



Retail and industrial vacancy rates continue to remain low at 5.0 percent and 1.7 percent, respectively. Office vacancy rates are still on the higher end at 13.3 percent.

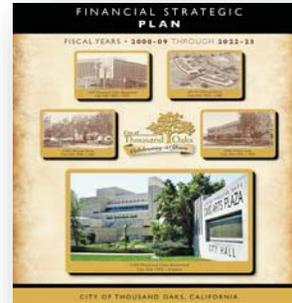
The unemployment rate decreased from 4.3 percent in the prior year to 3.6 percent. The recession high for unemployment was over 8.0 percent while pre-recession, the City's unemployment rate hovered around 4.0 percent. Employers within the City also added approximately 1,200 jobs to the job base and the number of business licenses increased approximately 4.2 percent during the fiscal year, although total revenue was comparable.

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 Mountains National Recreation Area located on the City's southern periphery.



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. In addition, in fiscal year 2015-16 the City prepared a Fiscal Sustainability Study to specifically focus on areas in which there is expected to be financial challenges moving forward. Included in this analysis was various options that City Council could consider to address these challenges.



In an effort to address pension unfunded liabilities and continue focusing on long-term financial sustainability, City Council approved the creation of a pension rate stabilization trust fund in fiscal year 2017-18. This fund will help to ensure pension rate stability and act as a “rainy day” fund during future economic downturns.

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, 2017. 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 reserve policy of 20 percent of the subsequent fiscal year General Fund and Library Fund's budgeted expenditures and any capital project budget carryovers (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, 2018, the City's General Fund total fund balance was \$116.1 million. In compliance with the City's Governmental Fund Balance Policy for the General Fund, the City designated 20.0 percent, or \$21.6 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 has a strong commitment to its residents' safety, security, well-being, and cultural activities. Thousand Oaks has continually been recognized as one of the safest cities with a population of more than 100,000. This contributes positively towards attracting and retaining businesses and the community's quality of life.

Education plays an important role in having a strong and vibrant community. The Conejo Valley Unified School District consistently receives high Academic Performance Index (API) scores throughout all schools in the District. The City is also home to one university, California Lutheran University, and several private schools.

The City has a strong commitment to sustainability and this is reflected throughout the community. City Council approved the City's first Sustainability Plan in June 2018. The plan details actions that will establish the City as a sustainability leader while incorporating new advances in technology, assisting the State in meeting its ambitious sustainability goals, and preparing for anticipated future direction of State legislation. It provides strategies that will make municipal operations more sustainable through improved efficiencies, reductions in energy and water use, increase in renewable energy generation and resilient energy supply, lessening of landfill waste, and better environmental quality.



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 2017-18 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, mentoring for youths, and to music and sports programs at the City's high school and middle schools. The City also sponsored the first Pop-Up in the Arts program.

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's budget engagement project, "Your City, Your Priorities," earned an Award for Excellence in Government Finance from the Government Finance Officers Association (GFOA). The GFOA recognizes innovative programs and contributions to the practice of government finance that exemplify outstanding financial management. It stresses practical, documented work, that offers leadership to the profession and promotes improved public finance. The City developed the campaign to understand how residents prioritize City projects and services and educate the public on the budget process. This was the City's first large-scale citizen engagement initiative in conjunction with the budget process.



The Public Works Department was recognized for various achievements, including receiving the 2018 Project of the Year for the Thousand Oaks Boulevard Undergrounding from the APWA and the American Society of Civil Engineers, the 2018 Instrumentation Person of the Year for the Tri-Counties Chapter from the California Water Environment Association, and the 2018 Community Engagement and Outreach Project of the Year from the California Water Environment Association for the HCTP Educational Video.

AWARDS

Comprehensive Annual Financial Report:

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, 2017. This was the 28th 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, 2017, 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 2015-16 and 2016-17. 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 2015-16 and 2016-17. 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 budgets submitted for the award.

ACKNOWLEDGEMENTS

Preparation of a financial report of this scope would not be possible without the support and leadership of City Council, Finance/Audit Committee, City management, and the cooperation of each department and the efforts of the entire staff of the Finance Department, and our auditors, Rogers, Anderson, Malody & Scott, LLP. Special thanks must go to Accounting Manager Elisa Magana, Budget Officer Brent Sakaida, Senior Accountant James Russell-Field, Senior Accountant Janna Bogue, Senior Accountant David Brown, and Accountant Angie Moore 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,



Jaime Boscarino
Finance Director/City Treasurer





Government Finance Officers Association

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

Presented to

**City of Thousand Oaks
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

CITY OF THOUSAND OAKS

Residents



MAYOR
Andrew P. Fox



MAYOR PRO TEM
Rob McCoy



COUNCILMEMBER
Al Adam



COUNCILMEMBER
Claudia Bill-de la Peña



COUNCILMEMBER
Joel R. Price

- Business Roundtable
- Community Funding Review Committee
- Council on Aging
- Cultural Affairs Commission
- Disabled Access Appeals and Advisory Board
- Investment Review Committee
- Planning Commission
- Rent Adjustment Commission
- Social Services Funding Committee
- Traffic & Transportation Advisory Commission
- Youth Commission

CITY ATTORNEY
Tracy Noonan

CITY MANAGER
Andrew P. Powers

ASSISTANT CITY MANAGER
Vacant

CITY CLERK
Cynthia Rodriguez

CULTURAL AFFAIRS
Barry McComb

COMMUNITY DEVELOPMENT
Mark Towne

FINANCE
John F. Adams

FIRE
John Spykerman

HUMAN RESOURCES
Gary Rogers

LIBRARY SERVICES
Heather Cousin

POLICE
Tim Hagel

PUBLIC WORKS
Jay Spurgin



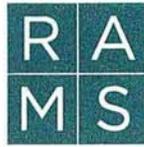
FINANCIAL SECTION

- 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, 2018

Independent Auditors' Report





ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
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Independent Auditor's Report

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

PARTNERS

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Jay H. Zercher, CPA (Partner Emeritus)
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Lisa Dongxue Guo, CPA, MSA
Samuel Singery, CPA
Jing Wu, CPA
Evelyn Morentin-Barcena, CPA
Jin Gu, CPA, MT

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 the City of Thousand Oaks (the City), as of and for the year ended June 30, 2018, 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

The City's 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.

STABILITY. ACCURACY. TRUST.



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American Institute of
Certified Public Accountants

PCPS The AICPA Alliance
for CPA Firms

Governmental Audit
Quality Center

Employee Benefit Plan
Audit Quality Center

California Society of
Certified Public Accountants

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison information for the General Fund, the Library Fund, the State Gas Tax Fund and the Thousand Oaks Housing Successor Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 of the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Changes in Net Pension Liability and Related Ratios, Schedules of Plan Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Employer Contributions 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 schedules, budgetary comparison information and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The combining schedules and budgetary comparison information is the responsibility of management and was derived from and relates 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2018 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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 19, 2018



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, 2018. 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 iv - xii 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, 2018, City assets and deferred outflows exceeded liabilities and deferred inflows by \$826.4 million (net position). Of this amount, \$183.1 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 \$6.0 million during the fiscal year. Governmental activities net position increased \$0.3 million compared to the prior fiscal year's decrease of \$1.7 million (Pages 9-12). Business-type activities increased \$5.7 million compared to the prior fiscal year's increase of \$5.5 million (Pages 12-13).

Fund based

- At the close of fiscal year 2017-18, governmental funds reported combined ending fund balance of \$170.3 million, an increase of \$5.7 million compared to the prior fiscal year's increase of \$4.2 million. The \$1.5 million net increase is primarily due to a non-recurring prior year expenditure related to the transfer of fire facility developer fees, a non-recurring reimbursement for the Thousand Oaks Boulevard undergrounding project in the current year, offset by non-recurring expenditures to support performing arts, overlay and street projects, and Sapwi Trails Community Park. The ending fund balance is primarily identified as: \$30.6 million restricted (18 percent), \$42.8 million committed (25 percent), and \$93.7 million assigned (55 percent) (Page 14).
- At the close of fiscal year 2017-18, fund balance for the General Fund was \$116.1 million consisting primarily of \$40.7 million in committed funds and \$72.1 million in assigned funds (Pages 14-15).
- At the close of fiscal year 2017-18, General Fund revenues, including transfers in and proceeds from sale of properties, were \$86.0 million. Total revenues increased by \$5.6 million from prior fiscal year's revenues of \$80.4 million (Pages 15-16).
- At the close of fiscal year 2017-18, General Fund expenditures, including transfers out, were \$85.1 million. Total expenditures increased by \$14.2 from prior fiscal year's expenditures of \$70.9 million (Pages 16-17).

- At the close of fiscal year 2017-18, Library Fund revenues, excluding transfers in, were \$7.4 million. Total revenues were \$0.3 million higher than prior fiscal year's revenues of \$7.1 million (Page 17).
- At the close of fiscal year 2017-18, proprietary funds reported combined ending unrestricted net position of \$79.3 million, an increase of \$5.9 million compared to the prior fiscal year's increase of \$9.3 million (Page 18-19).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

The statement of activities presents information showing how the City's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid (e.g., earned but unused vacation leave or uncollected taxes).

Government-wide financial statements distinguish City governmental activities that are principally supported by taxes and intergovernmental revenues from other business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities of the City include general government, public safety, transportation, community development, and culture and leisure. Business-type activities of the City include water, wastewater, golf course, transportation, solid waste management, and theatres operations. The government-wide financial statements can be found on pages 25-27 of this report.

Fund financial statements

Fund financial statements are designed to report information about groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal

requirements. City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains several individual governmental funds organized by their type (special revenue, debt service, and capital projects funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Library, State Gas Tax, Capital Improvements, and Thousand Oaks Housing Successor funds, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements shown on pages 118-132.

The City adopts a biennial appropriated budget for its General Fund and special revenue funds. Budgetary comparison statements have been provided to demonstrate compliance with this budget on pages 34-37.

The basic governmental funds financial statements can be found on pages 28-33 of this report.

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

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of water, wastewater, golf course, transportation, solid waste management, and theatres.

- **Internal service funds** are used to report activities that provide internal services for the City. The City uses internal service funds to account for its liability, workers' compensation, and vision insurance coverage. Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements found on pages 133-136.

The basic proprietary funds financial statements can be found on pages 38-43 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 44-45 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 46-110 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 and OPEB Liability and Related Ratios, Schedule of Employer Contributions for pensions and OPEB, and Schedule of Investment Returns for pensions. RSI can be found on pages 111-117 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 120-143 of this report.

Statistical tables regarding: fiscal trends, revenue capacity, debt capacity, demographic and economic information, and operating information can be found on pages 144-174 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 \$826.4 million at the close of fiscal year 2017-18 as summarized below:

Statement of Net Position						
June 30, 2018						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	\$ 242,868,963	\$ 240,638,607	\$ 116,284,260	\$ 107,894,207	\$ 359,153,223	\$ 348,532,814
Capital assets (net of depreciation)	461,967,701	465,822,564	172,252,421	178,246,403	634,220,122	644,068,967
Total assets	<u>704,836,664</u>	<u>706,461,171</u>	<u>288,536,681</u>	<u>286,140,610</u>	<u>993,373,345</u>	<u>992,601,781</u>
Deferred outflows of resources:						
Deferred charges	144,307	154,615	-	-	144,307	154,615
Deferred pension items	16,764,905	13,918,069	6,000,710	4,744,480	22,765,615	18,662,549
Deferred OPEB items	1,752,408	-	641,592	-	2,394,000	-
Total deferred outflows of resources	<u>18,661,620</u>	<u>14,072,684</u>	<u>6,642,302</u>	<u>4,744,480</u>	<u>25,303,922</u>	<u>18,817,164</u>
Liabilities:						
Current and other liabilities	53,613,534	46,303,006	15,763,077	14,178,006	69,376,611	60,481,012
Noncurrent liabilities outstanding	81,903,273	71,106,868	36,389,844	36,091,418	118,293,117	107,198,286
Total liabilities	<u>135,516,807</u>	<u>117,409,874</u>	<u>52,152,921</u>	<u>50,269,424</u>	<u>187,669,728</u>	<u>167,679,298</u>
Deferred inflows of resources:						
Deferred pension items	2,986,431	3,117,694	1,203,091	1,251,813	4,189,522	4,369,507
Deferred OPEB items	305,976	-	112,024	-	418,000	-
Total deferred inflows of resources	<u>3,292,407</u>	<u>3,117,694</u>	<u>1,315,115</u>	<u>1,251,813</u>	<u>4,607,522</u>	<u>4,369,507</u>
Net position:						
Net investments in capital assets	450,107,203	453,336,316	159,522,153	162,523,929	609,629,356	615,860,245
Restricted	30,564,146	35,187,559	3,142,286	3,224,630	33,706,432	38,412,189
Unrestricted	104,017,721	111,482,412	79,046,508	73,615,294	183,064,229	185,097,706
Total net position	<u>\$ 584,689,070</u>	<u>\$ 600,006,287</u>	<u>\$ 241,710,947</u>	<u>\$ 239,363,853</u>	<u>\$ 826,400,017</u>	<u>\$ 839,370,140</u>

The largest portion (74 percent) of the City's net position reflects its investment of \$609.6 million in capital assets (land, buildings and improvements, equipment, intangibles, infrastructure, and construction in progress, net of accumulated depreciation), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, \$33.7 million (4 percent), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$183.1 million (22 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 2017-18. The City's net position increased overall by \$6.0 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, 2018

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 23,122,831	\$ 19,771,566	\$ 62,915,500	\$ 59,053,672	\$ 86,038,331	\$ 78,825,238
Operating grants and contributions	6,696,406	5,914,541	4,836,160	300,000	11,532,566	6,214,541
Capital grants and contributions	2,449,510	3,412,100	38,165	4,346,733	2,487,675	7,758,833
General revenues:						
Property tax	18,724,121	17,874,024	-	-	18,724,121	17,874,024
Property tax in-lieu of VLF	12,168,229	11,606,510	-	-	12,168,229	11,606,510
Sales tax	30,230,035	29,136,957	-	-	30,230,035	29,136,957
Transient occupancy tax	4,750,931	4,538,143	-	-	4,750,931	4,538,143
Franchise taxes	6,600,816	6,473,304	-	-	6,600,816	6,473,304
Business tax	2,053,459	2,000,963	-	-	2,053,459	2,000,963
Property transfer tax	1,060,355	1,075,442	-	-	1,060,355	1,075,442
Other taxes	30,302	26,998	-	-	30,302	26,998
Unrestricted intergovernmental	69,197	59,298	-	-	69,197	59,298
Gain/(loss) from sale of property	12,479	-	-	-	12,479	-
Contributions, unrestricted	10,015	1,142,403	-	-	10,015	1,142,403
Unrestricted invest./interest earnings	136,904	(77,968)	-	-	136,904	(77,968)
Total revenues	108,115,590	102,954,281	67,789,825	63,700,405	175,905,415	166,654,686
Expenses:						
General government	22,009,003	18,559,780	-	-	22,009,003	18,559,780
Public safety	31,261,436	33,414,773	-	-	31,261,436	33,414,773
Transportation	28,946,935	31,862,406	-	-	28,946,935	31,862,406
Community development	10,422,774	9,531,142	-	-	10,422,774	9,531,142
Culture and leisure	14,440,330	10,697,550	-	-	14,440,330	10,697,550
Interest on long-term debt	526,631	556,540	-	-	526,631	556,540
Water	-	-	24,554,703	21,774,730	24,554,703	21,774,730
Wastewater	-	-	19,570,996	18,875,727	19,570,996	18,875,727
Golf course	-	-	5,820,522	5,477,483	5,820,522	5,477,483
Transportation	-	-	6,983,544	6,813,792	6,983,544	6,813,792
Solid waste management	-	-	1,241,419	1,264,791	1,241,419	1,264,791
Theatres	-	-	4,084,270	4,026,388	4,084,270	4,026,388
Total expenses	107,607,109	104,622,191	62,255,454	58,232,911	169,862,563	162,855,102
Transfers, net (note 6)	(172,719)	11,433	172,719	(11,433)	-	-
Change in net position	335,762	(1,656,477)	5,707,090	5,456,061	6,042,852	3,799,584
Net position - beginning, as restated (note 17)	584,353,308	601,662,764	236,003,857	233,907,792	820,357,165	835,570,556
Net position - ending	\$ 584,689,070	\$ 600,006,287	\$ 241,710,947	\$ 239,363,853	\$ 826,400,017	\$ 839,370,140

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

Governmental activities increased the City's net position \$0.3 million compared to the prior fiscal year's decrease of \$1.7 million. Key elements of the increase in net position were as follows:

Program revenues increased \$3.2 million primarily due to increases in charges for services of \$3.4 million, and operating grants and contributions of \$0.8 million, offset by a decrease in capital grants and contributions of \$1.0 million. The major changes are highlighted below:

- Charges for services increased \$3.4 million primarily due to \$3.3 million increase in general government activity non-recurring reimbursement for Thousand Oaks Boulevard undergrounding project, increase in transportation activities of \$0.3 million in special assessments, \$0.2 million in motor vehicle code fines, and \$0.1 million in reclaimed water sales. This increase is offset by a decrease of \$0.7 million in transportation activity for non-recurring reimbursement in the prior fiscal year related to another undergrounding project.
- Operating grants and contributions increased \$0.8 million in transportation activity primarily due to an overall increase in gas tax revenue.
- Capital grants and contributions decreased \$1.0 million in transportation activities primarily due to \$0.5 million in grant revenue and \$0.3 million in developer fee revenue related to road improvement projects.

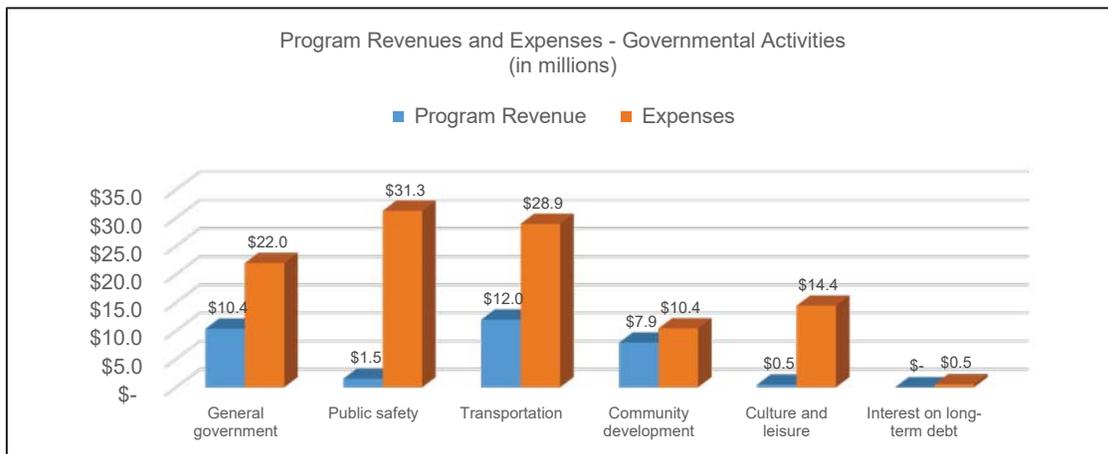
General revenues increased \$2.0 million primarily due to \$1.1 million increase in sales tax revenue, \$0.9 million increase in property tax, \$0.6 million increase in property tax in-lieu of vehicle license fee (VLF), offset by \$1.1 million decrease in unrestricted contributions as highlighted below:

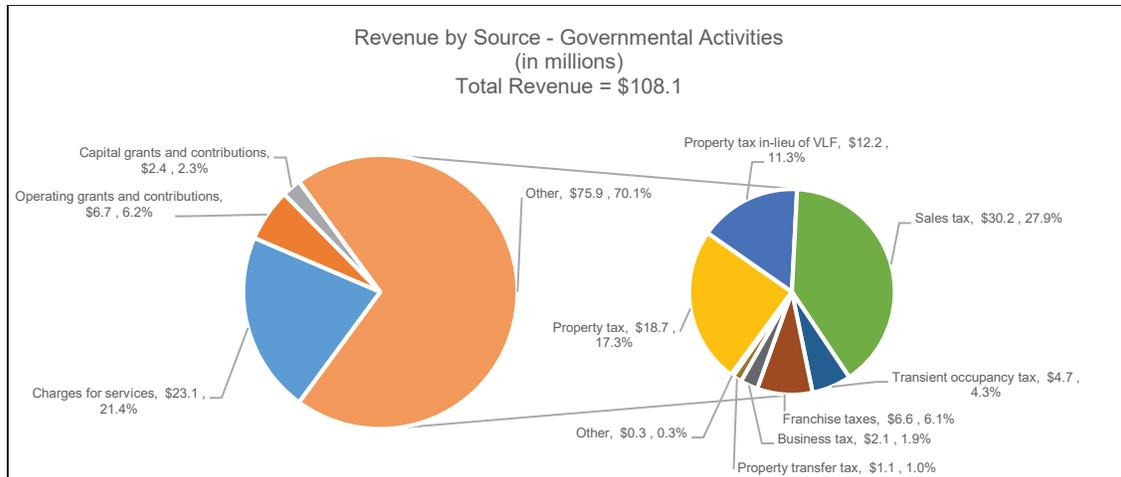
- Sales tax revenue increased \$1.1 million primarily due to a \$1.9 million increase attributed to an increase in sales tax growth, offset by a net \$0.8 million decrease related to the close out of the State of California's Triple Flip, which creates variances due to payments made from outdated estimates and reconciling payments or reductions for prior year activities.
- Property tax increased \$0.9 million primarily due to an 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.
- Unrestricted contributions decreased \$1.1 million primarily due to a decrease in developer donations in capital assets

Expenses increased \$3.0 million primarily due to an increase of \$3.7 million in culture and leisure, \$3.4 million increase in general government, offset by a \$2.9 million decrease in transportation, and a \$2.2 million decrease in public safety. These changes are highlighted below:

- Culture and leisure expenses increased \$3.7 million primarily due to a non-recurring current year expense of \$4.0 million contribution to establish the Thousand Oaks Endowment for the Arts to support the performing arts operations, partially offset by a \$0.4 million decrease in pension costs.
- General government expenses increased \$3.4 million primarily due to a non-recurring current year expense of \$2.5 million grant contribution towards the Sapwi Trails Community Park
- Transportation expenses decreased \$2.9 million primarily due to a net change in project costs. This decrease is primarily due to projects completed in the prior fiscal year for \$2.9 million in costs related to the Thousand Oaks Boulevard Project and \$1.1 million in project costs related to road and pavement improvements. These decreases are offset by \$0.4 million increase in pension costs and \$0.3 million in fixed asset replacement costs.
- Public safety expenses decreased \$2.2 million primarily due to a one-time cost in the prior fiscal year of \$3.2 million related to construction of Fire Station 35 in Newbury Park, offset by \$0.9 million increase due to increase in Ventura County Sheriff's department contract for police services.

As shown on the charts below and on the following page, public safety is the largest program (\$31.3 million), followed by transportation (\$28.9 million), general government (\$22.0 million), culture and leisure (\$14.4 million), community development (\$10.4 million), and interest on long-term debt (\$0.5 million). General revenues, such as property and sales tax, are not shown by program, but are effectively used to support program activities citywide.



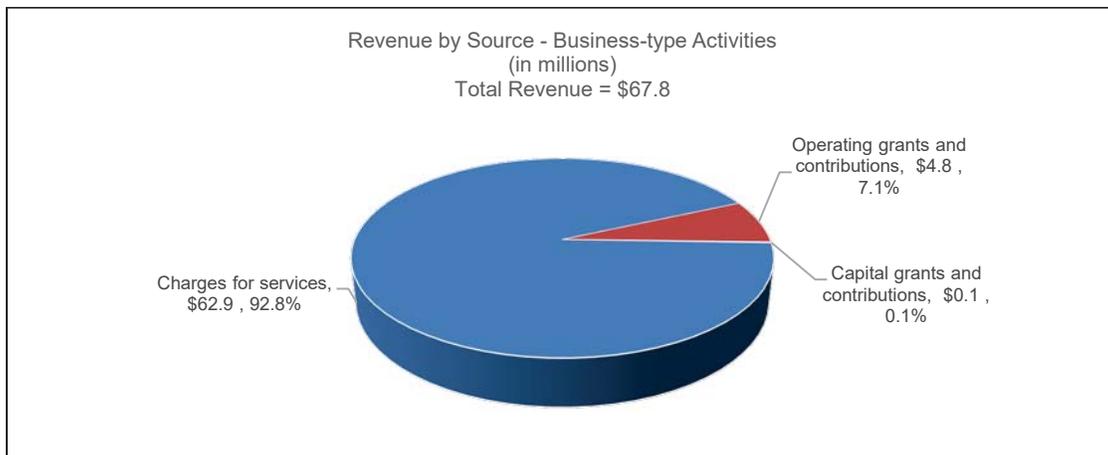
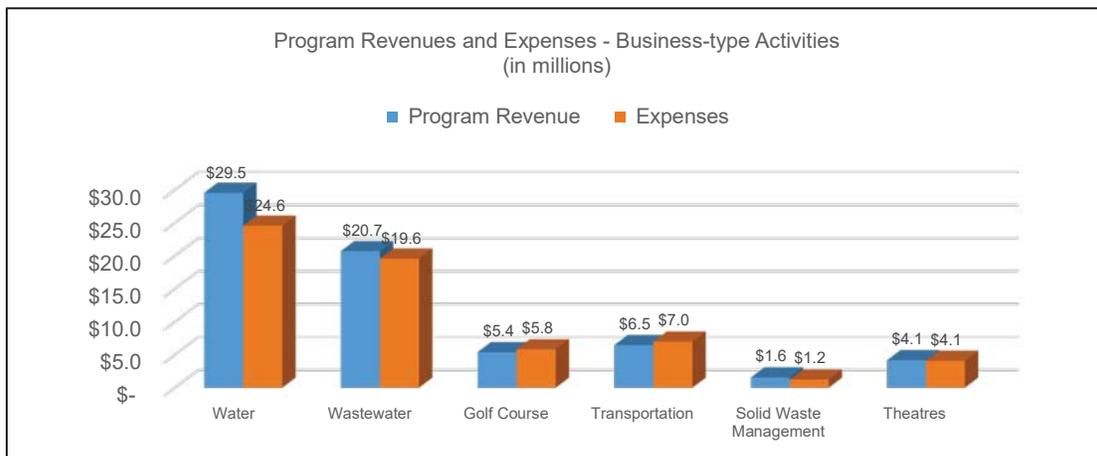


Business-type activities increased the City's net position by \$5.7 million, compared to prior fiscal year's increase of \$5.5 million. This increase was the result of \$68.0 million in program revenues, including transfers in, exceeding \$62.3 million in expenses. Key elements of net position changes from the prior fiscal year were as follows:

- Water Utility Fund's net position increased \$5.0 million, or 7.0 percent, compared to the prior fiscal year's increase of \$3.8 million. While adjustments in the water rate structure allows the fund to continue to generate stable net income to invest in capital assets, this \$1.2 million net increase was primarily due to a \$3.9 million increase in the sale of water related to water rate adjustments, offset by an increase of \$2.1 million in the purchase of water and a \$0.4 million increase in expenses for salary and benefits.
- Wastewater Utility Fund's net position increased \$1.1 million, or 0.8 percent, compared to prior fiscal year's increase of \$2.5 million. This \$1.4 million net decrease was primarily due to a decrease of \$1.1 million in fees for service related to declines in revenue for residential and commercial connection fees and a \$0.3 million increase in salaries and benefits.
- Golf Course Fund's net position decreased \$0.4 million, or 6.7 percent, compared to prior fiscal year's decrease of \$0.6 million. The \$0.2 million net increase was primarily due to a \$0.5 million increase in other fees, rentals and memberships revenue, offset by a \$0.3 million increase in contract services.
- Transportation Fund's net position decreased \$0.5 million, or 12.5 percent, compared to prior fiscal year's decrease of \$0.5 million. This was primarily due to a \$0.1 million decrease in fees for service, and \$0.2 million increase in salaries and benefits, offset by savings in materials and supplies.
- Solid Waste Management Fund's net position increased \$0.3 million, or 5.5 percent, compared to prior fiscal year's increase of \$0.2 million. This \$0.1 million net increase was the result of a \$0.1 million revenue increase from recycling fees and other revenue.

- Theatres Fund’s net position increased \$0.1 million, or 3.3 percent, compared to prior fiscal year’s increase of less than \$0.1 million. This was primarily due to an increase of \$1.0 million in reimbursements of personnel costs related to performing arts operations.
- Internal Service Funds (ISF) allocation of operating profit decreased net position of business type activities by \$0.4 million compared to prior fiscal year’s decrease of \$0.2 million. The decrease was primarily due to an increase in reserves for liability and workers’ compensation insurance to account for an increase in estimated outstanding losses.

As shown on the charts below, Water and Wastewater funds have the greatest total expenses with \$24.6 million and \$19.6 million, respectively, out of \$62.3 million in total business-type expenses. For all the business-type activities below, charges for services provide the largest share of revenues (92.8 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 2017-18, City governmental funds reported a combined ending fund balance of \$170.3 million, an increase of \$5.7 million in comparison with the prior fiscal year balance of \$164.7 million, as restated. The increase in fund balance was primarily due to an increase in Capital Improvements Fund of \$2.5 million, increase in other governmental funds of \$1.8 million, increase in General Fund of \$0.9 million, and an increase on Thousand Oaks Housing Successor Fund of \$0.3 million. Approximately \$167.1 million, or 98.1 percent, consists of \$93.7 million in assigned fund balance, \$42.8 million in committed funds, and \$30.6 million in restricted fund balance. Refer to pages 28-37 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, 2018, ending fund balance increased \$0.9 million, to \$116.1 million, compared to prior fiscal year's increase of \$9.5 million.

General Fund's fund balance consists of \$2.3 million in nonspendable inventories, loans and notes receivable, and advances to other funds, \$40.7 million in funds committed to capital projects, grant endowments, loans, emergency reserve, and working capital reserve, and \$72.1 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, pavement management program, unfunded pension costs, public building replacement/maintenance and campus master plan project. The remaining \$1.0 million is unassigned. Refer to page 80 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					
	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues	\$ 83,766,893	\$ 78,083,676	\$ 80,027,940	\$ 74,948,364	\$ 71,052,994
Expenditures	(78,029,455)	(67,588,526)	(70,000,330)	(67,913,488)	(65,317,617)
Other financing sources (uses)	(4,799,832)	(948,233)	(139,474)	(725,227)	(1,001,336)
Operating surplus/(deficit)	937,606	9,546,917	9,888,136	6,309,649	4,734,041
Beginning fund balance	115,139,831	105,592,914	95,704,778	89,395,129	84,661,088
Ending fund balance	<u>\$ 116,077,437</u>	<u>\$ 115,139,831</u>	<u>\$ 105,592,914</u>	<u>\$ 95,704,778</u>	<u>\$ 89,395,129</u>
Fund balance categories:					
Nonspendable	\$ 2,269,250	\$ 2,236,692	\$ 3,911,863	\$ 3,945,620	\$ 3,925,151
Committed	40,743,359	49,360,297	36,627,164	41,296,049	30,679,785
Assigned	72,064,828	61,225,142	62,654,198	48,584,436	53,756,465
Unassigned	1,000,000	2,317,700	2,399,689	1,878,673	1,033,728
Fund balance	<u>\$ 116,077,437</u>	<u>\$ 115,139,831</u>	<u>\$ 105,592,914</u>	<u>\$ 95,704,778</u>	<u>\$ 89,395,129</u>

General Fund – Revenue and Expenditure Analysis

General Fund Revenues for fiscal year 2017-18, including transfers in and proceeds from sale of property, were \$86.0 million, an increase of \$5.6 million, or 7.0 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 2017-18	Fiscal Year 2016-17	Variance Over/(Under) Prior Fiscal Year	% of Increase (Decrease) Over Prior Year	% of Total
Property tax	\$ 9,313,890	\$ 8,871,540	\$ 442,350	5.0%	10.8%
Property tax - in lieu of VLF	12,168,229	11,606,510	561,719	4.8%	14.1%
Sales tax	30,670,277	28,736,341	1,933,936	6.7%	35.7%
Transient occupancy tax	4,750,931	4,538,143	212,788	4.7%	5.5%
Franchise tax	6,600,816	6,473,303	127,513	2.0%	7.7%
Property transfer tax	1,060,355	1,075,442	(15,087)	-1.4%	1.2%
Business license	2,334,332	2,233,751	100,581	4.5%	2.7%
Other licenses & permits	4,764,651	4,532,351	232,300	5.1%	5.5%
Fines and forfeitures	334,030	346,026	(11,996)	-3.5%	0.4%
Use of money & property	834,091	743,723	90,368	12.2%	1.0%
Charges for services	6,518,798	6,709,161	(190,363)	-2.8%	7.6%
Intergovernmental revenue	442,770	804,944	(362,174)	-45.0%	0.5%
Other revenue	3,973,723	1,412,441	2,561,282	181.3%	4.6%
Other financing sources	2,265,897	2,339,107	(73,210)	-3.1%	2.7%
Total Revenues	<u>\$ 86,032,790</u>	<u>\$ 80,422,783</u>	<u>\$ 5,610,007</u>	<u>7.0%</u>	<u>100.0%</u>

- Other revenue increased \$2.6 million primarily due to a non-recurring reimbursement of \$3.2 million for the Thousand Oaks Boulevard undergrounding project, offset by a decrease of \$0.7 million for a non-recurring reimbursement for another undergrounding project in the prior fiscal year.
- Sales tax increased \$1.9 million primarily due to an increase in sales tax growth.
- Property tax – in lieu of VLF increased \$0.6 million and experienced similar growth as property tax since it is linked to assessed valuations.
- Property tax increased \$0.4 million due to an increase in assessed valuations.
- Transient occupancy tax increased \$0.2 million due to an overall increase in hotel occupancy.
- Intergovernmental revenue decreased \$0.4 million primarily due to a non-recurring grant revenue received in the prior fiscal year for \$0.3 million.

General Fund Expenditures for fiscal year 2017-18, including transfers out, increased \$14.2 million, or 20.1 percent. The chart below compares general fund expenditures for the last two fiscal years followed by key information:

	Fiscal Year 2017-18	Fiscal Year 2016-17	Variance Over/(Under) Prior Fiscal Year	% of Increase/ (Decrease) Over Prior Fiscal Year	% of Total
General government	\$ 20,438,373	\$ 17,903,332	\$ 2,535,041	14.2%	24.0%
Public safety	29,712,395	28,699,301	1,013,094	3.5%	34.9%
Transportation	10,441,154	10,249,456	191,698	1.9%	12.3%
Community development	9,655,245	8,653,782	1,001,463	11.6%	11.3%
Culture and leisure	5,711,116	1,911,387	3,799,729	198.8%	6.7%
Capital outlay	2,071,172	171,268	1,899,904	1109.3%	2.4%
Other financing uses	7,065,729	3,287,340	3,778,389	114.9%	8.4%
Total Expenditures	\$ 85,095,184	\$ 70,875,866	\$ 14,219,318	20.1%	100.0%

- Culture and leisure increased \$3.8 million primarily due to a non-recurring current year expenditure of \$4.0 million contribution to establish the Thousand Oaks Endowment for the Arts to support the performing arts operations.
- Other financing uses increased \$3.8 million primarily due to a non-recurring current year transfer of \$5.6 million to Capital Improvements Fund to fund overlay and slurry street projects, offset by \$1.6 million decrease in Library Fund support.
- General government increased \$2.5 million primarily due to a non-recurring \$2.5 million grant contribution to the Conejo Recreation and Parks District (CRPD) for construction of the Sapwi Trails Community Park.

- Capital outlay expenditures increased \$1.9 million primarily due to an increase in capital projects in the current fiscal year compared to prior fiscal year. Current year projects include \$0.6 million for Civic Arts Plaza parking structure improvements and energy savings upgrades, \$0.4 million for citywide corrugated metal pipe replacements, \$0.4 million for Hillcrest building access upgrades, \$0.2 million for Newbury Road widening and improvements, \$0.1 million for Thousand Oaks Boulevard streetscape improvements, and \$0.1 million for utility management system.
- Public safety expenditures increased \$1.0 million compared to prior fiscal year. This is primarily due to an increase of \$0.9 million, or 3.3 percent, in police contract costs.
- Community development increased \$1.0 million primarily due to an increase of \$0.4 million in contracted services related to the completion of the Thousand Oaks Boulevard undergrounding project, \$0.3 million in consulting services for the downtown master plan, and \$0.1 million for open space maintenance contract services.

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 General Fund support for the Library Fund to balance program appropriations, historically the fund balance has always been zero.

The City's Library Fund fund balance increased less than \$0.1 million compared to no increase in the prior fiscal year. The net increase in fund balance is primarily due to an increase of revenues, excluding transfers in, of \$0.3 million increase in property taxes due to an increase in assessed valuations, a decrease of \$0.8 million in capital improvements projects and \$0.5 million in operating expenditures, offset by a decrease of \$1.6 million in General Fund support.

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 increased \$0.1 million compared to prior fiscal year's decrease of \$1.4 million. The net increase of \$1.3 million in fund balance is primarily due to a new gas tax funding source of \$0.9 million for Road Repair and Accountability Act (RRAA) and Road Maintenance and Rehabilitation Account (RMRA) revenue and a \$1.0 million decrease in street related project expenditures, offset by a decrease of \$0.5 million in grant revenue and \$0.1 million in Highway User's Tax revenue.

Capital Improvements Fund

The Capital Improvements Fund accounts for developer agreement and developer impact fee revenues and Successor Agency revenue bond proceeds 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 increased \$2.5 million, compared to prior fiscal year’s decrease of \$5.2 million. The \$7.7 million net increase is primarily due to a non-recurring transfer of \$5.6 million from the General Fund to fund overlay and slurry street projects, one-time expenditure in the prior fiscal year of \$3.2 million related to construction of Fire Station 35 in Newbury Park and prior year expenditure of \$2.9 million related to the Thousand Oaks Boulevard undergrounding project, offset by an increase of \$2.4 million in expenditures relating to the pavement overlay project, \$1.0 million in various capital projects, and a decrease of \$0.5 million in developer fee revenue.

Thousand Oaks Housing Successor Fund

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

The fund balance of the Thousand Oaks Housing Successor Fund increased \$0.3 million, compared to prior fiscal year’s decrease of \$0.4 million. The net increase of \$0.7 million is primarily due to an increase of \$0.3 million in residual receipts and a decrease of \$0.3 million due to a one-time loss in sale of Park Lane Condominiums sold in the prior fiscal year. In addition, the beginning fund balance was restated decreasing it by \$6.0 million due to the reclassification of revenue recognized in a prior year to unearned revenue (refer to note 17).

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, 2018

Fund	Unrestricted Net Position	Change in Unrestricted Net Position	Total Net Position	Change in Total Net Position
Water	\$ 40,730,538	\$ 5,134,550	\$ 76,220,682	\$ 5,110,754
Wastewater	40,733,203	937,385	151,657,771	1,384,555
Golf Course	(2,017,192)	78,364	6,095,995	(439,694)
Transportation	(91,053)	(120,960)	3,860,188	(350,321)
Solid Waste Management	2,291,674	228,027	5,957,543	314,041
Theatres	(2,326,947)	(384,198)	(1,807,517)	129,709
Total	<u>\$ 79,320,223</u>	<u>\$ 5,873,168</u>	<u>\$ 241,984,662</u>	<u>\$ 6,149,044</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 12-13. Proprietary financial statements can be found on pages 38-43.

BUDGETARY HIGHLIGHTS

General Fund

Provided below and on the following page is a more detailed summary of budget and actual, with expenditures shown by category as opposed to activity. The General Fund budget and actual report can be found on page 34. Major differences are highlighted below.

General Fund - Budget and Actual					
	Original Budget	Final Budget	Actual	Final Budget vs. Actual	%
					Variance
Revenues:					
Sales tax	\$ 29,996,000	\$ 29,996,000	\$ 30,670,277	\$ 674,277	2.2%
Property tax	8,977,500	8,977,500	9,313,890	336,390	3.7%
Property tax - in lieu of VLF	11,955,000	11,955,000	12,168,229	213,229	1.8%
Transient occupancy tax	4,702,000	4,702,000	4,750,931	48,931	1.0%
Franchise tax	6,660,000	6,660,000	6,600,816	(59,184)	-0.9%
Property transfer tax	900,000	900,000	1,060,355	160,355	17.8%
Other taxes	30,000	30,000	30,301	301	1.0%
Licenses and permits	6,706,300	6,846,300	7,098,983	252,683	3.7%
Fines and forfeitures	334,500	334,500	334,030	(470)	-0.1%
Use of money and property	2,027,200	2,027,200	834,091	(1,193,109)	-58.9%
Charges for current services	6,596,000	6,596,000	6,518,798	(77,202)	-1.2%
Intergovernmental revenue	883,150	903,310	442,770	(460,540)	-51.0%
Other	514,750	1,252,750	3,943,422	2,690,672	214.8%
Proceeds from sale of property	60,000	60,000	12,479	(47,521)	-79.2%
Transfers in	1,883,200	1,883,200	2,253,418	370,218	19.7%
Total revenues	82,225,600	83,123,760	86,032,790	2,909,030	3.5%
Expenditures:					
Salaries and benefits	21,086,536	21,086,536	19,432,404	1,654,132	7.8%
Maintenance & operations	23,757,187	33,318,623	27,739,170	5,579,453	16.7%
Public safety contract	30,093,594	30,093,594	28,786,709	1,306,885	4.3%
Operating total	74,937,317	84,498,753	75,958,283	8,540,470	10.1%
Capital/facility improvements	2,055,000	12,915,814	2,071,172	10,844,642	84.0%
Transfers out	8,434,450	8,454,368	7,065,729	1,388,639	16.4%
Total expenditures	85,426,767	105,868,935	85,095,184	20,773,751	19.6%
Net change in fund balance	(3,201,167)	(22,745,175)	937,606	23,682,781	
Fund balance-beginning	115,139,831	115,139,831	115,139,831	-	
Fund balance-ending	\$ 111,938,664	\$ 92,394,656	\$ 116,077,437	\$ 23,682,781	

Revenues, including transfers in, were \$2.9 million, or 3.5 percent, higher than budgetary estimates as a result of receiving greater than anticipated revenue in the following:

- Other revenue increase of \$2.7 million was primarily due to a non-recurring reimbursement for Thousand Oaks Boulevard undergrounding project.
- Sales tax revenue increase of \$0.7 million was primarily due to an increase in sales tax growth.
- Property tax increase of \$0.4 million was primarily due to an increase in assessed valuations.

- Transfers in increase of \$0.3 million was primarily due to an increase of \$0.2 million related to pavement overlay, and an increase of \$0.1 million from Traffic and Bicycle Safety related to reimbursement for engineering expenditures.
- Licenses and permits revenue increase of \$0.3 million was primarily due to an increase in construction activity.
- Use of money decrease of \$1.2 million was primarily due to a \$2.0 million decrease in the fair value of investments, which is not budgeted. This was offset by an increase of \$0.8 million primarily due to the investment portfolio rate of return increase from 1.156 percent in fiscal year 2016-17 to 1.534 percent in fiscal year 2017-18.
- Intergovernmental revenue decrease of \$0.5 million was primarily due to a delay in the receipt of a \$0.5 million state grant for a parks project.

Expenditures, including transfers out, were less than budgetary estimates by \$20.8 million, or 19.6 percent, primarily due to the following:

- The \$19.5 million decrease in net change in fund balance between the original and final budget is the result of City Council approved budget adjustments. This is primarily due to carryover from the prior fiscal year as follows: \$9.3 million for capital project carryovers, \$6.5 million in grant funded operating carryovers, and \$1.3 million in maintenance and operations carryovers.
- Unspent capital outlay of \$10.8 million, with \$10.3 million to be carried forward to fiscal year 2018-19.
- Maintenance and operations expenditure savings of \$5.6 million was primarily due to less than anticipated expenditures totaling \$4.1 in professional and contractual services, \$1.7 million in supplies and equipment, \$0.6 million in utilities, and \$0.5 million in building maintenance, partially offset by an increase of \$0.9 million in chargebacks, including \$1.7 million to be carried forward to fiscal year 2018-19.
- Salaries and benefits savings of \$1.7 million was primarily due to position vacancies and underfilling of positions.
- Transfers out to other funds expenditure savings of \$1.4 million was primarily due to a decrease of \$1.1 million in Library Fund support and a decrease of \$0.3 million to storm water and flood control support.
- Public safety contract savings of \$1.3 million was primarily due to an overall budget savings in the law enforcement contract. The cost savings is attributed to personnel fluctuations, underfilling of positions, and conservative budgeting.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

Investments in capital assets for governmental and business-type activities as of June 30, 2018, totaled \$634.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, infrastructure, intangibles, and construction in progress. The total decrease in capital assets for fiscal year 2017-18 was \$12.8 million, which represents a 1.5 percent decrease for governmental activities and a 3.4 percent decrease for business-type activities. Additional information on the City's capital assets can be found on pages 71-77 in the notes to basic financial statements. Capital assets are summarized below:

City of Thousand Oaks Capital Assets (net of accumulated depreciation) June 30, 2018						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land *	\$132,891,808	\$132,907,917	\$ 5,834,172	\$ 5,805,566	\$138,725,980	\$138,713,483
Intangibles, non-depreciable	840,555	838,055	133,538	133,538	974,093	971,593
Buildings and improvements	102,220,028	105,069,000	159,268,352	166,476,971	261,488,380	271,545,971
Equipment	3,306,912	3,812,405	4,676,373	5,001,581	7,983,285	8,813,986
Intangibles, depreciable	142,635	215,803	47,064	99,196	189,699	314,999
Infrastructure	213,953,768	223,919,793	-	-	213,953,768	223,919,793
Construction in progress	8,611,995	2,052,341	2,292,922	729,551	10,904,917	2,781,892
Total capital assets, net	<u>\$461,967,701</u>	<u>\$468,815,314</u>	<u>\$172,252,421</u>	<u>\$178,246,403</u>	<u>\$634,220,122</u>	<u>\$647,061,717</u>

* Land was erroneously retired in prior fiscal year and reinstated in fiscal year 2017-18.

Major capital asset events during fiscal year 2017-18 included the following:

- The \$10.0 million net decrease in governmental activity infrastructure was primarily due to the depreciation of existing capital assets, offset by the completion of pavement overlay citywide, traffic signal upgrades, replacement of existing corrugated metal storm drain pipes under roadways at various locations within City streets.
- The \$2.8 million net decrease in governmental activity buildings and improvements was primarily due to depreciation of existing capital assets, offset by the Civic Arts Plaza parking structure improvements
- The \$0.5 million net decrease in governmental activity equipment was primarily due to depreciation of existing equipment throughout the City.
- The \$7.2 million net decrease in business type activity buildings and improvements was primarily due to the depreciation of existing capital assets, offset by biosolids dewatering and drying improvements project at Hill Canyon Treatment Plant (HCTP), network and supervisory control and data acquisition (SCADA) upgrades at HCTP, citywide wastewater pipe relining, Lawrence Drive lift station, and installation of water meters citywide.

Long-term debt

At the end of fiscal year 2017-18 the City had total bonded debt outstanding of \$14.8 million. Of this amount, \$12.0 million, or 7.1 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 \$2.8 million, or 1.7 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 \$2.0 million, due to principal reduction as the result of on-going debt service payments.

Standard and Poor's has issued a AA+ rating to the PFA lease payment bond and a AAA rating to the wastewater revenue bond. These ratings were last affirmed in 2013.

Additional information on long-term liabilities can be found on pages 81-85 in the notes to the basic financial statements. Bonded debt outstanding is summarized below:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Lease revenue bonds*	\$ 12,004,805	\$ 12,640,863	\$ -	\$ -	\$ 12,004,805	\$ 12,640,863
Revenue bonds	-	-	2,838,985	4,203,606	2,838,985	4,203,606
Total outstanding debt	<u>\$ 12,004,805</u>	<u>\$ 12,640,863</u>	<u>\$ 2,838,985</u>	<u>\$ 4,203,606</u>	<u>\$ 14,843,790</u>	<u>\$ 16,844,469</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, 2018, taking into consideration the national, state, and local economic conditions and their impacts on the City.

According to the Bureau of Economic Statistics, 2018 has been a banner year for economic growth. The economy has been doing well, as consumers spent more, companies invested in inventories, and local governments maintained their spending. The good economic news for 2019 is that the odds are still against the U.S. economy entering into a recession, with the news being that according to many economists, the growth will not only be slower in the U.S., but also globally.

Thousand Oaks could serve as a model for economic success that could be emulated throughout Ventura County. Recently, the City Council evaluated Measure E (a growth measure) and reallocated over 1,000 residential units to be constructed within the City which will attract more companies to the City.

Additionally, with the completion of the Conejo Spectrum Business Park which includes 9, state-of-the-art industrial buildings, Bio tech company Atara Biotherapeutics opened their R&D and manufacturing facility. With the opening of Westlake BioPartners, a venture capital firm focused on incubating and building life science companies in the City

and the region, a bio tech hub is developing within the City that will encourage the growth of the bio tech industry in the near future. This will create high paying jobs that will have a positive impact on the local economy.

On June 13, 2017, City Council adopted a structurally balanced Operating and Capital Improvements Program Budgets for fiscal years 2017-18 and 2018-19, 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 depend on.

- Actual fiscal year 2017-18 operating revenues, not including transfers in, were \$2.5 million or 3.1 percent over fiscal year 2017-18 final budget. This was due to a conservative budget projection approach, as well as an increase in both consumer confidence and the economy. Actual fiscal year 2017-18 sales tax revenues of \$30.7 million was \$0.7 million or 2.3 percent greater than budgeted sales tax for the same period. Actual property tax revenues of \$9.3 million also outpaced property tax budget by \$0.3 million or 3.7 percent. Based on actual revenues received during fiscal year 2017-18, staff is projecting a leveling out of sales tax revenues for fiscal year 2018-19.
- The adopted fiscal year 2018-19 General Fund operating expenditure budget, not including transfers out, is \$77.3 million, an increase of \$0.3 million, or 0.4 percent, over fiscal year 2017-18 actual expenditures (not including transfers out) of \$78.0 million.
- Water and wastewater Financial Plans were originally prepared in 2017 to establish rates for 2018 and 2019, which were included in the adopted fiscal year 2018-19 Operating Budget. At that time, projected water purchase cost increase of 4.8 percent was included based on Calleguas projections. The actual rates adopted by Calleguas for 2019 were only 2.2 percent versus 4.8 percent. Staff worked with the City's rate consultant to re-calculate the pass-through amount based on the adopted rates. This resulted in a pass-through increase of \$0.26 per hundred cubic feet (hcf), rather than the previously adopted pass-through increase of \$0.35 per hcf. Because of this decrease, City Council approved an overall rate decrease of 1.4 percent for 2019 on October 23, 2018.

Staff continues to work on educating residents and community stakeholders on the City's "Top Priorities" and budget process, as well as short- and long-term financial challenges. Engagement with residents and community stakeholders will be provided through the use of on-line budget tools, community surveys, and staff interaction at various community events via "pop-ups" and/or community meetings. This will be the second-time staff has provided community engagement and public outreach as part of the upcoming fiscal years 2019-20 and 2020-21 Budget process.

The City continues to meet its actuarially required contribution towards its pension plan with California Public Employees Retirement System (CalPERS). As of the June 30, 2017, CalPERS Actuarial Valuation provided in July 2018, the City's pension plan unfunded liability decreased \$3.7 million from the previous year. The decrease in unfunded liability is due to an increase in investment return. In addition, the City did make

an additional contribution to the plan in the amount of \$1.5 million during fiscal year 2017-18. The funded status on a market basis increased by 2.7 percent to 75.7 percent. A pension plan with a funded status above 80 percent is considered healthy.

Considering best practices, the City's current strong financial situation, and the interest savings gained by switching to a 15-year amortization schedule, City Council adopted the CalPERS Fresh Start Program on July 10, 2018. Based on the CalPERS actuarial as of June 30, 2016 the City is projected to save \$30.9 million by moving from a 30-year amortization schedule to a 15-year amortization schedule. Staff has been taking steps to achieve the goal of sustainability over the past several years, including one-time additional payments towards the unfunded liability as salaries and benefits savings have been realized. The change was incorporated in the City's June 30, 2017 CalPERS actuarial for the fiscal year 2019-20 operating budget. Budget for the average \$1.5 million increase in annual unfunded liability payments over the next fifteen years will be included in future budget cycles.

The CalPERS investment portfolio reported an 8.6 percent return for the fiscal year ended June 30, 2018, a decrease from the 11.2 percent return for fiscal year 2016-17. The City's employer contribution rate for fiscal year 2018-19 increased to 23.569 percent (8.274 percent for employer normal cost and 15.295 percent for unfunded liability) from 21.068 percent. In fiscal year 2019-20, the employer contribution rate will be 29.689 percent (9.177 percent for employer normal cost and 20.512 percent for unfunded liability), with a projected 9.8 percent employer normal cost for fiscal year 2020-21 and no projections were provided for the unfunded liability.

Although the national state and economies still show signs of optimism, with this being the longest recovery discussion of a recession is increasing amongst economists. Therefore, staff projects conservative increases in sales and property taxes. City Council has been responsive to changes made over the past several years and has continued to ensure the City's fiscal sustainability and will proceed into the next fiscal year with a structurally balanced budget.

REQUESTS FOR INFORMATION

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

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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, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments (notes 1 and 2)	\$ 175,543,420	106,492,970	282,036,390
Receivables (notes 1 and 3):			
Accounts	5,826,899	8,402,423	14,229,322
Accrued interest	8,172,975	486,478	8,659,453
Intergovernmental	11,070,032	577,413	11,647,445
Notes/loans	36,468,592	450,000	36,918,592
Internal balances	2,028,715	(2,028,715)	-
Inventories - supplies (note 1)	574,296	423,216	997,512
Prepaid items and other assets (note 1)	2,751	222,173	224,924
Noncurrent assets:			
Restricted cash and investments (notes 1 and 2)	3,181,283	1,258,302	4,439,585
Capital assets (notes 1 and 5):			
Land	132,891,808	5,834,172	138,725,980
Intangibles, non-depreciable	840,555	133,538	974,093
Buildings and improvements	163,534,725	297,382,165	460,916,890
Equipment	12,256,086	12,319,532	24,575,618
Intangibles, depreciable	970,698	521,324	1,492,022
Infrastructure	470,141,895	-	470,141,895
Construction in progress	8,611,995	2,292,922	10,904,917
Accumulated depreciation	(327,280,061)	(146,231,232)	(473,511,293)
Total assets	<u>704,836,664</u>	<u>288,536,681</u>	<u>993,373,345</u>
Deferred outflows of resources:			
Deferred charges	144,307	-	144,307
Deferred pension items	16,764,905	6,000,710	22,765,615
Deferred OPEB items	1,752,408	641,592	2,394,000
Total deferred outflows of resources	<u>18,661,620</u>	<u>6,642,302</u>	<u>25,303,922</u>
Liabilities:			
Accounts payable (note 1)	14,895,196	4,179,367	19,074,563
Accrued interest (note 1)	42,151	148,031	190,182
Due to other agencies (note 1)	268,855	33,672	302,527
Unearned revenue (note 1)	38,407,332	10,705,731	49,113,063
Deposits (note 1)	-	696,276	696,276
Noncurrent liabilities (note 8):			
Due within one year (note 8)	4,060,683	4,167,028	8,227,711
Due in more than one year (note 8)	16,621,569	10,458,815	27,080,384
Net pension liability	53,373,490	19,708,532	73,082,022
Net OPEB liability	7,847,531	2,055,469	9,903,000
Total liabilities	<u>135,516,807</u>	<u>52,152,921</u>	<u>187,669,728</u>
Deferred inflows of resources:			
Deferred pension items	2,986,431	1,203,091	4,189,522
Deferred OPEB items	305,976	112,024	418,000
Total deferred inflows of resources	<u>3,292,407</u>	<u>1,315,115</u>	<u>4,607,522</u>
Net position:			
Net investments in capital assets	450,107,203	159,522,153	609,629,356
Restricted for:			
Assessment districts	7,967,228	-	7,967,228
Culture and leisure	48,443	-	48,443
Public safety	184,783	-	184,783
Street related purposes	16,842,109	-	16,842,109
Community development	5,516,535	-	5,516,535
Debt service	5,048	3,142,286	3,147,334
Unrestricted	104,017,721	79,046,508	183,064,229
Total net position	<u>\$ 584,689,070</u>	<u>241,710,947</u>	<u>826,400,017</u>

See accompanying notes to basic financial statements.

CITY OF THOUSAND OAKS
Statement of Activities
Year ended June 30, 2018

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary Government:				
Governmental activities:				
General government	\$ 22,009,003	10,307,660	61,261	-
Public safety	31,261,436	974,423	416,578	129,686
Transportation	28,946,935	5,776,193	3,941,193	2,269,438
Community development	10,422,774	5,694,880	2,225,312	-
Culture and leisure	14,440,330	369,675	52,062	50,386
Interest on long-term debt	526,631	-	-	-
Total governmental activities	107,607,109	23,122,831	6,696,406	2,449,510
Business-type activities:				
Water	24,554,703	29,529,144	-	15,760
Wastewater	19,570,996	20,682,588	-	22,405
Golf Course	5,820,522	5,380,828	-	-
Transportation	6,983,544	1,921,292	4,536,160	-
Solid Waste Management	1,241,419	1,552,730	-	-
Theatres	4,084,270	3,848,918	300,000	-
Total business-type activities	62,255,454	62,915,500	4,836,160	38,165
Total Primary Government	\$ 169,862,563	86,038,331	11,532,566	2,487,675

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

 Gain/(loss) from sale of property

 Contributions not restricted for specific programs

 Unrestricted investment/interest earnings

Transfers, net (note 6)

 Total general revenues

 Change in net position

Net position - beginning, as restated (note 17)

Net position - ending

See accompanying notes to basic financial statements.

Primary Government

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
(11,640,082)	-	(11,640,082)
(29,740,749)	-	(29,740,749)
(16,960,111)	-	(16,960,111)
(2,502,582)	-	(2,502,582)
(13,968,207)	-	(13,968,207)
(526,631)	-	(526,631)
<u>(75,338,362)</u>	<u>-</u>	<u>(75,338,362)</u>
-	4,990,201	4,990,201
-	1,133,997	1,133,997
-	(439,694)	(439,694)
-	(526,092)	(526,092)
-	311,311	311,311
-	64,648	64,648
-	<u>5,534,371</u>	<u>5,534,371</u>
<u>(75,338,362)</u>	<u>5,534,371</u>	<u>(69,803,991)</u>
18,724,121	-	18,724,121
12,168,229	-	12,168,229
30,230,035	-	30,230,035
4,750,931	-	4,750,931
6,600,816	-	6,600,816
2,053,459	-	2,053,459
1,060,355	-	1,060,355
30,302	-	30,302
69,197	-	69,197
12,479	-	12,479
10,015	-	10,015
136,904	-	136,904
<u>(172,719)</u>	<u>172,719</u>	<u>-</u>
<u>75,674,124</u>	<u>172,719</u>	<u>75,846,843</u>
335,762	5,707,090	6,042,852
584,353,308	236,003,857	820,357,165
<u>\$ 584,689,070</u>	<u>241,710,947</u>	<u>826,400,017</u>

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Governmental Fund Financial Statements



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CITY OF THOUSAND OAKS
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Library	State Gas Tax	Capital Improvements
Assets				
Assets:				
Cash and investments	\$ 104,228,578	143,602	3,880,854	25,334,895
Receivables:				
Accounts	5,234,711	84,645	-	4,906
Accrued interest	605,976	-	15,836	96,408
Intergovernmental	9,029,362	161,349	1,165,910	20,110
Notes/loans	528,002	-	-	-
Interfund receivables	2,427,767	-	-	-
Inventories - supplies	574,296	-	-	-
Advances to other funds	1,166,952	-	-	-
Restricted cash and investments	-	-	-	-
	\$ 123,795,644	389,596	5,062,600	25,456,319
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 5,119,850	337,548	1,746,451	2,729,093
Due to other agencies	14,255	-	-	-
Interfund payables	-	-	-	-
Unearned revenue	2,584,102	3,605	-	-
Advances from other funds	-	-	-	-
Total liabilities	7,718,207	341,153	1,746,451	2,729,093
Deferred inflows of resources:				
Unavailable revenue	-	-	688,997	-
Total deferred inflows of resources	-	-	688,997	-
Fund balances:				
Nonspendable	2,269,250	-	-	-
Restricted	-	48,443	2,627,152	13,859,040
Committed	40,743,359	-	-	-
Assigned	72,064,828	-	-	8,868,186
Unassigned	1,000,000	-	-	-
Total fund balances	116,077,437	48,443	2,627,152	22,727,226
Total liabilities, deferred inflows of resources and fund balances	\$ 123,795,644	389,596	5,062,600	25,456,319

See accompanying notes to basic financial statements.

Thousand Oaks Housing Successor	Other Governmental Funds	Total Governmental Funds
2,382,336	28,888,825	164,859,090
574	502,063	5,826,899
6,797,909	608,536	8,124,665
-	693,301	11,070,032
33,685,990	2,254,600	36,468,592
-	-	2,427,767
-	-	574,296
-	-	1,166,952
-	3,181,283	3,181,283
<u>42,866,809</u>	<u>36,128,608</u>	<u>233,699,576</u>
-	4,902,412	14,835,354
-	254,600	268,855
-	672,767	672,767
33,685,990	2,133,635	38,407,332
-	1,166,952	1,166,952
<u>33,685,990</u>	<u>9,130,366</u>	<u>55,351,260</u>
<u>6,787,320</u>	<u>537,283</u>	<u>8,013,600</u>
<u>6,787,320</u>	<u>537,283</u>	<u>8,013,600</u>
-	-	2,269,250
2,393,499	11,636,012	30,564,146
-	2,052,730	42,796,089
-	12,779,257	93,712,271
-	(7,040)	992,960
<u>2,393,499</u>	<u>26,460,959</u>	<u>170,334,716</u>
<u>42,866,809</u>	<u>36,128,608</u>	<u>233,699,576</u>

CITY OF THOUSAND OAKS
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2018

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

Total fund balances - total governmental funds (page 29)	\$ 170,334,716
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	461,967,701
Other long-term assets, prepaid insurance and unavailable revenue, are not available to pay for current-period expenditures and, therefore, are unavailable in the funds	8,015,927
Deferred outflows represent a consumption of net position that applies to a future period.	18,517,313
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.	6,964,838
Long-term liabilities, including pension liabilities, OPEB, compensated absences, bonds payable, and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(77,819,018)
Deferred inflows represent an acquisition of net position that applies to a future period.	(3,292,407)
Net position of governmental activities (page 25)	\$ 584,689,070

See accompanying notes to basic financial statements.

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CITY OF THOUSAND OAKS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2018

Page 1 of 2

	General Fund	Library	State Gas Tax	Capital Improvements
Revenues:				
Taxes	\$ 64,594,799	7,040,001	-	-
Licenses and permits	7,098,983	-	-	-
Fines and forfeitures	334,031	131,151	-	-
Use of money and property	834,091	14,376	16,041	328,525
Charges for current services	6,518,798	16,836	-	1,659,871
Intergovernmental revenue	442,770	-	3,859,951	-
Other	3,943,421	232,043	-	85,402
Total revenues	<u>83,766,893</u>	<u>7,434,407</u>	<u>3,875,992</u>	<u>2,073,798</u>
Expenditures:				
Current:				
General government	20,438,373	-	-	-
Public safety	29,712,395	-	-	-
Transportation	10,441,154	-	2,822,286	606,272
Community development	9,655,245	-	-	-
Culture and leisure	5,711,116	7,372,965	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	3,494
Capital outlay	2,071,172	12,999	-	3,574,760
Total expenditures	<u>78,029,455</u>	<u>7,385,964</u>	<u>2,822,286</u>	<u>4,184,526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,737,438</u>	<u>48,443</u>	<u>1,053,706</u>	<u>(2,110,728)</u>
Other financing sources (uses):				
Transfers in (note 6)	2,253,418	-	-	5,550,000
Transfers out (note 6)	(7,065,729)	-	(978,593)	(939,158)
Proceeds from sale of property	12,479	-	-	-
Total other financing sources (uses)	<u>(4,799,832)</u>	<u>-</u>	<u>(978,593)</u>	<u>4,610,842</u>
Net change in fund balance	937,606	48,443	75,113	2,500,114
Fund balance - beginning, as restated (note 17)	<u>115,139,831</u>	<u>-</u>	<u>2,552,039</u>	<u>20,227,112</u>
Fund balance - ending	<u>\$ 116,077,437</u>	<u>48,443</u>	<u>2,627,152</u>	<u>22,727,226</u>

See accompanying notes to basic financial statements.

Thousand Oaks Housing Successor	Other Governmental Funds	Total Governmental Funds
-	2,379,230	74,014,030
-	-	7,098,983
-	761,522	1,226,704
408,482	207,269	1,808,784
-	5,193,273	13,388,778
-	1,446,644	5,749,365
15,720	1,219,105	5,495,691
<u>424,202</u>	<u>11,207,043</u>	<u>108,782,335</u>
-	110,926	20,549,299
-	1,411,244	31,123,639
-	7,031,980	20,901,692
120,029	586,173	10,361,447
-	34,222	13,118,303
-	630,000	630,000
-	524,712	528,206
-	95,826	5,754,757
<u>120,029</u>	<u>10,425,083</u>	<u>102,967,343</u>
<u>304,173</u>	<u>781,960</u>	<u>5,814,992</u>
-	1,754,563	9,557,981
-	(747,220)	(9,730,700)
-	-	12,479
-	1,007,343	(160,240)
304,173	1,789,303	5,654,752
<u>2,089,326</u>	<u>24,671,656</u>	<u>164,679,964</u>
<u>2,393,499</u>	<u>26,460,959</u>	<u>170,334,716</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, 2018

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

Net change in fund balances - total governmental funds (page 32)	\$ 5,654,752
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.	(6,780,447)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.	(67,165)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	265,223
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.	625,749
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.	1,191,634
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.	(553,984)
Change in net position of governmental activities (page 27)	\$ 335,762

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, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 63,220,500	63,220,500	64,594,799	1,374,299
Licenses and permits	6,706,300	6,846,300	7,098,983	252,683
Fines and forfeitures	334,500	334,500	334,031	(469)
Use of money and property	2,027,200	2,027,200	834,091	(1,193,109)
Charges for current services	6,596,000	6,596,000	6,518,798	(77,202)
Intergovernmental revenue	883,150	903,310	442,770	(460,540)
Other	514,750	1,252,750	3,943,421	2,690,671
Total revenues	<u>80,282,400</u>	<u>81,180,560</u>	<u>83,766,893</u>	<u>2,586,333</u>
Expenditures:				
Current:				
General government	19,471,829	23,393,668	20,438,373	2,955,295
Public safety	31,084,891	31,100,396	29,712,395	1,388,001
Transportation	12,241,159	12,783,300	10,441,154	2,342,146
Community development	9,957,837	10,653,692	9,655,245	998,447
Culture and leisure	2,181,601	6,567,697	5,711,116	856,581
Capital outlay	2,055,000	12,915,814	2,071,172	10,844,642
Total expenditures	<u>76,992,317</u>	<u>97,414,567</u>	<u>78,029,455</u>	<u>19,385,112</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,290,083</u>	<u>(16,234,007)</u>	<u>5,737,438</u>	<u>21,971,445</u>
Other financing sources (uses):				
Transfers in (note 6)	1,883,200	1,883,200	2,253,418	370,218
Transfers out (note 6)	(8,434,450)	(8,454,368)	(7,065,729)	1,388,639
Proceeds from sale of property	60,000	60,000	12,479	(47,521)
Total other financing sources (uses)	<u>(6,491,250)</u>	<u>(6,511,168)</u>	<u>(4,799,832)</u>	<u>1,711,336</u>
Net change in fund balance	(3,201,167)	(22,745,175)	937,606	23,682,781
Fund balance - beginning	<u>115,139,831</u>	<u>115,139,831</u>	<u>115,139,831</u>	<u>-</u>
Fund balance - ending	<u>\$ 111,938,664</u>	<u>92,394,656</u>	<u>116,077,437</u>	<u>23,682,781</u>

See accompanying notes to basic financial statements.

CITY OF THOUSAND OAKS
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Library Special Revenue Governmental Fund
Year ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 6,781,800	6,781,800	7,040,001	258,201
Fines and forfeitures	159,000	159,000	131,151	(27,849)
Use of money and property	14,501	14,501	14,376	(125)
Charges for current services	96,200	96,200	16,836	(79,364)
Intergovernmental revenue	-	12,000	-	(12,000)
Other	50,500	50,500	232,043	181,543
Total revenues	<u>7,102,001</u>	<u>7,114,001</u>	<u>7,434,407</u>	<u>320,406</u>
Expenditures:				
Current:				
Culture and leisure	8,112,353	8,202,506	7,372,965	829,541
Capital outlay	75,000	119,868	12,999	106,869
Total expenditures	<u>8,187,353</u>	<u>8,322,374</u>	<u>7,385,964</u>	<u>936,410</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,085,352)</u>	<u>(1,208,373)</u>	<u>48,443</u>	<u>1,256,816</u>
Other financing sources (uses):				
Transfers in (note 6)	1,085,352	1,085,352	-	(1,085,352)
Total other financing sources (uses)	<u>1,085,352</u>	<u>1,085,352</u>	<u>-</u>	<u>(1,085,352)</u>
Net change in fund balance	-	(123,021)	48,443	171,464
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>(123,021)</u>	<u>48,443</u>	<u>171,464</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, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Use of money and property	\$ 32,000	32,000	16,041	(15,959)
Intergovernmental revenue	5,120,600	8,239,744	3,859,951	(4,379,793)
Total revenues	<u>5,152,600</u>	<u>8,271,744</u>	<u>3,875,992</u>	<u>(4,395,752)</u>
Expenditures:				
Current:				
Transportation	3,305,600	7,724,731	2,822,286	4,902,445
Capital outlay	200,000	949,724	-	949,724
Total expenditures	<u>3,505,600</u>	<u>8,674,455</u>	<u>2,822,286</u>	<u>5,852,169</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,647,000</u>	<u>(402,711)</u>	<u>1,053,706</u>	<u>1,456,417</u>
Other financing sources (uses):				
Transfers out (note 6)	(1,027,000)	(1,027,000)	(978,593)	48,407
Total other financing sources (uses)	<u>(1,027,000)</u>	<u>(1,027,000)</u>	<u>(978,593)</u>	<u>48,407</u>
Net change in fund balance	620,000	(1,429,711)	75,113	1,504,824
Fund balance - beginning	<u>2,552,039</u>	<u>2,552,039</u>	<u>2,552,039</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,172,039</u>	<u>1,122,328</u>	<u>2,627,152</u>	<u>1,504,824</u>

See accompanying notes to basic financial statements.

CITY OF THOUSAND OAKS
Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Thousand Oaks Housing Successor Fund
Year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Use of money and property	\$ 124,000	124,000	408,482	284,482
Other	10,000	10,000	15,720	5,720
Total revenues	<u>134,000</u>	<u>134,000</u>	<u>424,202</u>	<u>290,202</u>
Expenditures:				
Current:				
Community development	253,726	270,866	120,029	150,837
Total expenditures	<u>253,726</u>	<u>270,866</u>	<u>120,029</u>	<u>150,837</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(119,726)</u>	<u>(136,866)</u>	<u>304,173</u>	<u>441,039</u>
Net change in fund balance	(119,726)	(136,866)	304,173	441,039
Fund balance - beginning, as restated (note 17)	<u>-</u>	<u>-</u>	<u>2,089,326</u>	<u>2,089,326</u>
Fund balance - ending	<u>\$ (119,726)</u>	<u>(136,866)</u>	<u>2,393,499</u>	<u>2,530,365</u>

See accompanying notes to basic financial statements.

Proprietary Fund Financial Statements



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CITY OF THOUSAND OAKS
Statement of Net Position
Proprietary Funds
June 30, 2018

Page 1 of 2

	Business-type Activities			
	Water Utility	Wastewater Utility	Golf Course	Transportation
Assets:				
Current assets:				
Cash and investments	\$ 43,759,949	49,642,854	405,994	6,838,406
Receivables:				
Accounts	4,474,181	2,745,483	15,122	421,114
Accrued interest	205,911	234,556	-	18,918
Intergovernmental	-	3,528	-	573,885
Notes/loans	-	450,000	-	-
Inventories - supplies	219,689	138,834	64,693	-
Prepaid items	-	-	146,174	-
Total current assets	<u>48,659,730</u>	<u>53,215,255</u>	<u>631,983</u>	<u>7,852,323</u>
Noncurrent assets:				
Restricted cash and investments	-	1,258,302	-	-
Capital assets:				
Land	2,406,628	1,463,180	1,217,610	-
Intangibles, non-depreciable	45,473	88,065	-	-
Buildings and improvements	63,358,252	214,328,751	12,838,959	2,875,027
Equipment	1,896,374	3,995,236	1,829,856	3,931,085
Intangibles, depreciable	490,418	-	-	30,906
Construction in progress	1,182,312	1,013,007	-	97,603
Less accumulated depreciation	<u>(33,889,313)</u>	<u>(100,721,251)</u>	<u>(7,427,676)</u>	<u>(2,983,380)</u>
Total noncurrent assets	<u>35,490,144</u>	<u>121,425,290</u>	<u>8,458,749</u>	<u>3,951,241</u>
Total assets	<u>\$ 84,149,874</u>	<u>174,640,545</u>	<u>9,090,732</u>	<u>11,803,564</u>
Deferred outflow of resources:				
Deferred pension items	1,768,786	3,031,823	-	213,982
Deferred OPEB items	191,041	322,232	-	27,531
Total deferred outflow of resources	<u>1,959,827</u>	<u>3,354,055</u>	<u>-</u>	<u>241,513</u>
Liabilities:				
Current liabilities:				
Accounts payable	\$ 2,088,656	779,936	214,028	713,827
Accrued interest	-	148,031	-	-
Claims payable	-	-	-	-
Due to other agencies	-	-	33,672	-
Interfund payables	-	-	1,755,000	-
Unearned revenue	-	-	646,475	6,897,757
Deposits	694,246	500	-	-
Compensated absences	213,306	358,913	-	34,761
Notes/loans payable	-	1,926,357	-	-
Revenue bonds payable	-	1,419,622	-	-
Capital lease payable	-	-	95,965	-
Total current liabilities	<u>2,996,208</u>	<u>4,633,359</u>	<u>2,745,140</u>	<u>7,646,345</u>
Noncurrent liabilities:				
Claims payable	-	-	-	-
Compensated absences	376,062	584,095	-	27,689
Notes/loans payable	-	7,619,364	-	-
Revenue bonds payable (net of unamortized premiums and deferred amounts)	-	1,419,363	-	-
Capital lease payable	-	-	249,597	-
Net pension liability	5,556,558	10,332,859	-	442,035
Net OPEB liability	602,506	1,064,400	-	59,265
Total noncurrent liabilities	<u>6,535,126</u>	<u>21,020,081</u>	<u>249,597</u>	<u>528,989</u>
Total liabilities	<u>\$ 9,531,334</u>	<u>25,653,440</u>	<u>2,994,737</u>	<u>8,175,334</u>
Deferred inflow of resources:				
Deferred pension items	324,329	627,126	-	4,748
Deferred OPEB items	33,356	56,263	-	4,807
Total deferred inflow of resources	<u>357,685</u>	<u>683,389</u>	<u>-</u>	<u>9,555</u>
Net position:				
Net investments in capital assets	35,490,144	107,782,282	8,113,187	3,951,241
Restricted for:				
Restricted for debt service	-	3,142,286	-	-
Unrestricted	40,730,538	40,733,203	(2,017,192)	(91,053)
Total net position (deficit)	<u>\$ 76,220,682</u>	<u>151,657,771</u>	<u>6,095,995</u>	<u>3,860,188</u>

See accompanying notes to basic financial statements.

Business-type Activities			Govt. Activities - Internal Service Funds
Solid Waste Management	Theatres	Total	
3,128,182	2,717,585	106,492,970	10,684,330
318,920	427,603	8,402,423	-
15,099	11,994	486,478	48,310
-	-	577,413	-
-	-	450,000	-
-	-	423,216	-
-	75,999	222,173	425
<u>3,462,201</u>	<u>3,233,181</u>	<u>117,054,673</u>	<u>10,733,065</u>
-	-	1,258,302	-
746,754	-	5,834,172	-
-	-	133,538	-
3,235,490	745,686	297,382,165	-
22,226	644,755	12,319,532	-
-	-	521,324	-
-	-	2,292,922	-
(338,601)	(871,011)	(146,231,232)	-
<u>3,665,869</u>	<u>519,430</u>	<u>173,510,723</u>	<u>-</u>
<u>7,128,070</u>	<u>3,752,611</u>	<u>290,565,396</u>	<u>10,733,065</u>
185,675	800,444	6,000,710	-
26,095	74,693	641,592	-
<u>211,770</u>	<u>875,137</u>	<u>6,642,302</u>	<u>-</u>
122,897	260,023	4,179,367	59,842
-	-	148,031	-
-	-	-	1,367,350
-	-	33,672	-
-	-	1,755,000	-
99,995	3,061,504	10,705,731	-
-	1,530	696,276	-
35,748	82,356	725,084	-
-	-	1,926,357	-
-	-	1,419,622	-
-	-	95,965	-
<u>258,640</u>	<u>3,405,413</u>	<u>21,685,105</u>	<u>1,427,192</u>
-	-	-	2,614,749
49,458	133,187	1,170,491	-
-	-	7,619,364	-
-	-	1,419,363	-
-	-	249,597	-
963,819	2,413,261	19,708,532	-
96,564	232,734	2,055,469	-
<u>1,109,841</u>	<u>2,779,182</u>	<u>32,222,816</u>	<u>2,614,749</u>
<u>1,368,481</u>	<u>6,184,595</u>	<u>53,907,921</u>	<u>4,041,941</u>
9,260	237,628	1,203,091	-
4,556	13,042	112,024	-
<u>13,816</u>	<u>250,670</u>	<u>1,315,115</u>	<u>-</u>
3,665,869	519,430	159,522,153	-
-	-	3,142,286	-
2,291,674	(2,326,947)	79,320,223	6,691,124
<u>5,957,543</u>	<u>(1,807,517)</u>	<u>241,984,662</u>	<u>6,691,124</u>
	(273,715)		
	<u>241,710,947</u>		

Adjustment to reflect accumulated internal services fund loss related to enterprise funds net position of business-type activities (page 25)

CITY OF THOUSAND OAKS
Statement of Revenues, Expenses, and Changes In Net Position
Proprietary Funds
Year ended June 30, 2018

Page 1 of 2

	Business-type Activities			
	Water Utility	Wastewater Utility	Golf Course	Transportation
Operating revenues:				
Sales of water and wastewater services	\$ 28,385,003	19,235,059	-	-
Theatre rentals and fees	-	-	-	-
Charges for services and supplies	-	-	-	-
Bus and subsidized taxi fares	-	-	-	363,577
Green fees, cart rentals and course memberships	-	-	5,382,362	-
Recycling fees	-	-	-	-
Fees for service	836,478	1,063,621	-	1,267,448
Other	103,941	91,037	-	168,785
Total operating revenues	29,325,422	20,389,717	5,382,362	1,799,810
Operating expenses:				
Salaries and employee benefits	3,740,721	6,435,900	-	542,356
Contract services	1,809,935	3,676,808	5,220,409	4,405,742
Utilities	452,491	1,065,697	-	40,361
Purchase of water	15,349,455	-	-	-
Materials and supplies	656,887	1,722,808	1,000	1,190,558
Claims expenses	-	-	-	-
Administrative expenses	294,515	153,102	710	217,070
Depreciation	2,130,146	5,966,140	576,494	584,405
Total operating expenses	24,434,150	19,020,455	5,798,613	6,980,492
Operating income (loss)	4,891,272	1,369,262	(416,251)	(5,180,682)
Nonoperating revenues (expenses):				
Interest income	173,361	229,271	(1,534)	76,579
Interest expense	-	(299,983)	(21,909)	-
Donations	-	-	-	-
Rental of facilities	30,361	63,600	-	44,903
Federal assistance	-	-	-	1,094,438
State assistance	-	-	-	3,441,722
Total nonoperating revenues (expenses)	203,722	(7,112)	(23,443)	4,657,642
Income (loss) before contributions and transfers	5,094,994	1,362,150	(439,694)	(523,040)
Capital contributions	15,760	22,405	-	-
Transfers in	-	-	-	268,926
Transfers out	-	-	-	(96,207)
Change in net position	5,110,754	1,384,555	(439,694)	(350,321)
Total net position - beginning, as restated (note 17)	71,109,928	150,273,216	6,535,689	4,210,509
Total net position - ending	\$ 76,220,682	151,657,771	6,095,995	3,860,188

See accompanying notes to basic financial statements.

Business-type Activities			Govt. Activities - Internal Service Funds
Solid Waste Management	Theatres	Total	
-	-	47,620,062	-
-	3,389,337	3,389,337	-
-	-	-	1,405,719
-	-	363,577	-
-	-	5,382,362	-
1,381,372	-	1,381,372	-
-	-	3,167,547	-
158,279	449,109	971,151	-
<u>1,539,651</u>	<u>3,838,446</u>	<u>62,275,408</u>	<u>1,405,719</u>
470,433	1,766,366	12,955,776	-
544,031	1,124,370	16,781,295	-
28,777	329,915	1,917,241	-
-	-	15,349,455	-
105,677	31,696	3,708,626	-
-	-	-	2,559,564
24,131	708,103	1,397,631	-
65,640	58,759	9,381,584	-
<u>1,238,689</u>	<u>4,019,209</u>	<u>61,491,608</u>	<u>2,559,564</u>
<u>300,962</u>	<u>(180,763)</u>	<u>783,800</u>	<u>(1,153,845)</u>
13,079	10,472	501,228	157,908
-	-	(321,892)	-
-	300,000	300,000	-
-	-	138,864	-
-	-	1,094,438	-
-	-	3,441,722	-
<u>13,079</u>	<u>310,472</u>	<u>5,154,360</u>	<u>157,908</u>
314,041	129,709	5,938,160	(995,937)
-	-	38,165	-
-	-	268,926	-
-	-	(96,207)	-
314,041	129,709	6,149,044	(995,937)
<u>5,643,502</u>	<u>(1,937,226)</u>		<u>7,687,061</u>
<u>5,957,543</u>	<u>(1,807,517)</u>		<u>6,691,124</u>
		<u>(441,954)</u>	
		<u>5,707,090</u>	

Adjustment to reflect internal service fund loss related to enterprise fund changes in net position of business-type activities (page 27)

CITY OF THOUSAND OAKS
Statement of Cash Flows - Proprietary Funds
Year ended June 30, 2018

Page 1 of 2

	Business-type Activities			
	Water Utility	Wastewater Utility	Golf Course	Transportation
Cash flows from operating activities:				
Cash received from customers	\$ 28,748,103	20,426,017	5,653,046	2,745,179
Cash payments for goods and services	(18,311,132)	(6,738,162)	(5,511,245)	(5,789,309)
Cash payments to employees	(3,711,601)	(6,418,949)	-	(525,107)
Net cash provided by (used for) operating activities	<u>6,725,370</u>	<u>7,268,906</u>	<u>141,801</u>	<u>(3,569,237)</u>
Cash flows from noncapital financing activities:				
Property taxes and state tax subventions received	-	-	-	3,441,722
Federal assistance	-	-	-	1,094,438
Donations	-	-	-	-
Transfers in	-	-	-	268,926
Transfers out	-	-	-	(96,207)
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,708,879</u>
Cash flows from capital and related financing activities:				
Payments for capital acquisitions	(1,111,172)	(1,458,943)	(307,105)	(276,951)
Principal repayments	-	(3,240,875)	-	-
Capital lease obligation repayments	-	-	248,669	-
Interest paid	-	(299,983)	(21,909)	-
Net cash used for capital and related financing activities	<u>(1,111,172)</u>	<u>(4,999,801)</u>	<u>(80,345)</u>	<u>(276,951)</u>
Cash flows from investing activities:				
Interest received (paid)	99,672	157,688	(629)	65,827
Rental payments received	30,361	63,600	-	44,903
Net cash provided by (used for) investing activities	<u>130,033</u>	<u>221,288</u>	<u>(629)</u>	<u>110,730</u>
Net increase (decrease) in cash and cash equivalents	5,744,231	2,490,393	60,827	973,421
Cash and cash equivalents, beginning of year (including \$1,256,025 for the Wastewater Utility fund reported in restricted accounts)	<u>38,015,718</u>	<u>48,410,763</u>	<u>345,167</u>	<u>5,864,985</u>
Cash and cash equivalents, end of year (including \$1,258,302 for the Wastewater Utility fund reported in restricted accounts)	<u>\$ 43,759,949</u>	<u>50,901,156</u>	<u>405,994</u>	<u>6,838,406</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	<u>\$ 4,891,272</u>	<u>1,369,262</u>	<u>(416,251)</u>	<u>(5,180,682)</u>
Adjustments to reconcile operating income/(loss) to net cash provided by (used for) operating activities:				
Depreciation expense	2,130,146	5,966,140	576,494	584,405
(Increase) decrease in accounts/notes receivable	(297,226)	39,828	143,545	(87,749)
(Increase) in due from other governments	-	(3,528)	-	(931)
Decrease in inventories	11,154	36,090	1,349	-
(Increase) in prepaid expenses	-	-	(42,268)	-
Increase (decrease) in accounts payables	399,695	156,332	(9,766)	96,544
(Decrease) in accrued liabilities	-	(39,415)	-	-
Increase in due to other agencies	-	-	16,559	-
(Decrease) in due to other funds	-	-	(255,000)	-
Increase (decrease) in compensated absences	29,120	16,951	-	17,249
(Decrease) in net pension liability	(31,793)	(68,635)	-	(8,148)
(Decrease) in net OPEB liability	(126,905)	(204,119)	-	(23,974)
Increase (decrease) in unearned revenue and deposits	(280,093)	-	127,139	1,034,049
Increase in claims payable	-	-	-	-
Total adjustments	<u>1,834,098</u>	<u>5,899,644</u>	<u>558,052</u>	<u>1,611,445</u>
Net cash provided by (used for) operating activities	<u>\$ 6,725,370</u>	<u>7,268,906</u>	<u>141,801</u>	<u>(3,569,237)</u>
Noncash investing, capital, and financing activities:				
Contributions of property, plant and equipment from developers and other funds	15,760	22,405	-	-

See accompanying notes to basic financial statements.

Business-type Activities			Govt. Activities
Solid Waste Management	Theatres	Total	Internal Service Funds
1,533,545	3,734,703	62,840,593	1,405,755
(694,402)	(2,261,553)	(39,305,803)	(1,655,124)
(476,994)	(1,746,169)	(12,878,820)	-
<u>362,149</u>	<u>(273,019)</u>	<u>10,655,970</u>	<u>(249,369)</u>
-	-	3,441,722	-
-	-	1,094,438	-
-	300,000	300,000	-
-	-	268,926	-
-	-	(96,207)	-
<u>-</u>	<u>300,000</u>	<u>5,008,879</u>	<u>-</u>
-	(195,265)	(3,349,436)	-
-	-	(3,240,875)	-
-	-	248,669	-
-	-	(321,892)	-
<u>-</u>	<u>(195,265)</u>	<u>(6,663,534)</u>	<u>-</u>
7,929	6,966	337,453	145,840
-	-	138,864	-
<u>7,929</u>	<u>6,966</u>	<u>476,317</u>	<u>145,840</u>
370,078	(161,318)	9,477,632	(103,529)
<u>2,758,104</u>	<u>2,878,903</u>	<u>98,273,640</u>	<u>10,787,859</u>
<u>3,128,182</u>	<u>2,717,585</u>	<u>107,751,272</u>	<u>10,684,330</u>
<u>300,962</u>	<u>(180,763)</u>	<u>783,800</u>	<u>(1,153,845)</u>
65,640	58,759	9,381,584	-
(15,409)	(130,914)	(347,925)	36
-	-	(4,459)	-
-	-	48,593	-
-	(4,044)	(46,312)	-
26,622	20,931	690,358	(208,559)
-	-	(39,415)	-
-	-	16,559	-
-	-	(255,000)	-
(6,561)	20,197	76,956	-
(4,016)	(34,154)	(146,746)	-
(14,392)	(50,202)	(419,592)	-
9,303	27,171	917,569	-
-	-	-	1,112,999
<u>61,187</u>	<u>(92,256)</u>	<u>9,872,170</u>	<u>904,476</u>
<u>362,149</u>	<u>(273,019)</u>	<u>10,655,970</u>	<u>(249,369)</u>
-	-	38,165	-

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An aerial photograph of a large, modern building complex, possibly a government or institutional facility, set in a landscaped environment. The building features a prominent curved facade and is surrounded by extensive parking lots filled with cars. The grounds are landscaped with trees and winding paths. The overall scene is captured from a high angle, providing a comprehensive view of the facility and its surroundings.

Fiduciary Fund Financial Statements

CITY OF THOUSAND OAKS
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2018

	Agency Funds	Thousand Oaks Redevelopment Successor Agency	Defined Benefits Trust Fund
Assets:			
Current assets:			
Cash and investments	\$ 7,704,732	3,586,450	-
Cash and cash equivalents	-	-	667,617
Investments:			
Fixed income	-	-	1,582,936
Stocks	-	-	1,676,436
Real estate	-	-	47,875
Receivables:			
Accounts	246,336	-	-
Accrued interest	9,924	-	-
Total current assets	<u>7,960,992</u>	<u>3,586,450</u>	<u>3,974,864</u>
Total assets	<u>\$ 7,960,992</u>	<u>3,586,450</u>	<u>3,974,864</u>
Liabilities:			
Current liabilities:			
Accounts payable	\$ 130,044	-	-
Accrued liabilities	-	217,931	577,115
Due to other agencies	2,129	-	-
Deposits	7,828,819	-	-
Notes/loans payable	-	6,319,000	-
Total current liabilities	<u>7,960,992</u>	<u>6,536,931</u>	<u>577,115</u>
Noncurrent liabilities:			
Notes/loans payable, less current portion	-	18,387,000	-
Total liabilities	<u>\$ 7,960,992</u>	<u>24,923,931</u>	<u>577,115</u>
Net position:			
Net pension restricted for pensions		-	3,397,749
Held in trust for other purposes		(21,337,481)	-
Total net position (deficit)		<u>\$ (21,337,481)</u>	<u>3,397,749</u>

See accompanying notes to basic financial statements.

CITY OF THOUSAND OAKS
Statement of Changes in Net Position - Fiduciary Funds
Year ended June 30, 2018

	Thousand Oaks Redevelopment Successor Agency	Defined Benefits Trust Fund
Additions:		
Property taxes	\$ 7,068,082	-
Contributions:		
Employer	-	400,000
Employee	-	75,279
Investment income:		
Investment earnings	7,828	-
Net increase in fair value of investments	-	181,698
Total Additions	<u>7,075,910</u>	<u>656,977</u>
Deductions:		
Program expenses	564,887	-
Service benefits	-	129,536
Refunds of member contributions	-	80,023
Administrative expenses	249,964	29,471
Fiscal agency expenses	2,744	-
Total Deductions	<u>817,595</u>	<u>239,030</u>
Changes in net position	6,258,315	417,947
Net position - beginning	<u>(27,595,796)</u>	<u>2,979,802</u>
Net position - ending	<u>\$ (21,337,481)</u>	<u>3,397,749</u>

A photograph of a campus walkway. In the foreground, there is a paved path leading towards a building. The path is flanked by lush green trees and bushes. A bench and a trash can are visible on the right side of the path. The building in the background has large windows and a modern architectural style. The overall scene is bright and sunny, suggesting a pleasant day on campus.

Notes to Basic Financial Statements

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

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, 2018

(b) Implementation of New Accounting Principles

Effective July 1, 2017, the City adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of GASB Statement No. 75 is to improve the information provided by state and local governmental employers about financial support for other postemployment benefits (OPEB) that is provided by other entities. GASB 75 requires the City to report a liability for their share of the net OPEB obligation, as well as recognize certain deferred outflows of resources, deferred inflows of resources, and expenses/expenditures associated with OPEB measurement. New note disclosures and required supplementary information for OPEB will increase decision-usefulness and transparency for financial statement users.

(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 or capital requirements of a particular function or segment. Taxes and other items not reported as program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major proprietary funds are reported as separate columns in the fund financial statements.

In accordance with GASB Statement No. 34, reconciliations of the differences between the fund and government-wide financial statements are provided on pages 30 and 33.

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

(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 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

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

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 related to housing agreements of the former Redevelopment Agency. Revenues are derived from residual receipts and are legally restricted to expenditures for housing functions performed by the City.

The City reports the following major enterprise funds:

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

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

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

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

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

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 44-45 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 44 and by fund in the combining statements on pages 137-143. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

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

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

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

(e) Net Position Reporting and Business Fund Type Definitions

As of June 30, 2018, 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:

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%.

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

Emergency Reserve is a self-imposed reservation 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 self-imposed reservation to provide working capital to support the operation, maintenance, and administration of the utility. Reserve amounts are targeted to be 25% of operating budget.

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

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

(f) Fund Balance Reporting and Governmental Fund Type Definitions

As of June 30, 2018, 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).

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

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 General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

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

(g) Cash and Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, the City's investments are stated at fair value. As of June 30, 2018, the aggregate unrealized loss for the City's entire investment portfolio across all funds was (\$4,905,223), with (\$3,012,128) 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 \$24,848,654 of funds on deposit with LAIF and the Ventura

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements *(Continued)*

June 30, 2018

County Treasury Pool). 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, 2018, was \$165,008.

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, 2018, the City did not have a liability due.

(i) Inventories and Prepaid Items

Inventories held by enterprise funds are stated at average cost, which approximates a first-in, first-out (FIFO) basis. Inventories in the enterprise funds include various accessories used for water and wastewater service repair and maintenance. Inventories held by governmental funds are accounted for utilizing the consumption method. Inventories in the General Fund consist principally of fuel, auto parts, and other miscellaneous materials and are stated at average cost. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The inventories and prepaid items recorded in the governmental funds do not reflect current appropriable resources and therefore, an equivalent portion of fund balance is nonspendable.

(j) Restricted Cash and Investments

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

CITY OF THOUSAND OAKS

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

June 30, 2018

(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 capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition 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.

(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.

CITY OF THOUSAND OAKS

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

June 30, 2018

Detail of compensated absences recorded in the government-wide statement of net position as of June 30, 2018, are as follows:

Fund Type	Fiscal Year 2017-18			Fiscal Year 2016-17
	Current Portion	Noncurrent Portion	Total	Total
Governmental Activities:				
General Fund	\$ 1,736,378	\$ 2,180,654	\$ 3,917,032	\$ 3,975,248
Library	218,018	386,907	604,925	623,795
ECTA	1,553	1,433	2,986	-
Landscape and Lighting Districts	54,626	67,174	121,800	112,254
Country Flood Control Benefit Assessment	26,701	21,904	48,605	58,997
Total Governmental Activities	\$ 2,037,276	\$ 2,658,072	\$ 4,695,348	\$ 4,770,294
Business-type Activities:				
Water	\$ 213,306	\$ 376,062	\$ 589,368	\$ 560,248
Wastewater	358,913	584,095	943,008	926,057
Solid Waste	35,748	49,458	85,206	91,767
Transportation	34,761	27,689	62,450	45,201
Theatres	82,356	133,187	215,543	195,346
Total Business-type Activities	\$ 725,084	\$ 1,170,491	\$ 1,895,575	\$ 1,818,619
Total Compensated Absences	\$ 2,762,360	\$ 3,828,563	\$ 6,590,923	\$ 6,588,913

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

In prior fiscal years, any net pension obligations and net other postemployment benefits were primarily liquidated by the General Fund.

(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 reported the following items related to deferred outflows:

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

- Deferred charges on refunding bonds are reported in the government-wide statement of net position and the proprietary statement of net position. Deferred charges on refunding results from the 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.
- Deferred outflows of resources related to pensions and other post employment benefits (OPEB) are reported in the government-wide statement of net position and the proprietary funds statement of net position. These amounts arise from contributions to the plan made after the actuarial measurement date, as well as changes in actuarial assumptions, differences between actual and projected experiences, and differences between actual and expected earnings on plan investments. These amounts are amortized and reported as a component in pension and OPEB expense in future fiscal years.

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 reports the following items related to deferred inflows:

- Unavailable revenue arises only under a modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds reported unavailable revenue 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.
- Deferred inflows of resources related to pension and OPEB are reported in the government-wide statement of net position and the proprietary funds statement of net position. These balances arise from changes in changes in actuarial assumptions, differences between actual and projected experiences, differences between actual and expected earnings on plan investments. These amounts are being amortized over a five year period on a straight line basis.

(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

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Valuation Date June 30, 2016 is the date the actuarial valuation was performed. The Measurement Date is June 30, 2017. This is the date the net pension liability was determined. The Measurement Period is June 30, 2016 to June 30, 2017.

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, 2018 is the date the actuarial valuation was performed. The Measurement Date is June 30, 2018. This is the date the net pension liability was determined. The Reporting Date is June 30, 2018, 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) Net Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the California Employer's Retiree Benefit Trust (CERBT) and additions to/deductions from CERBT's fiduciary net position have been determined on the same basis as they are reported by CERBT. For this purposes, CERBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Valuation Date June 30, 2017 is the date the actuarial valuation date was performed. The Measurement Date Is June 30, 2017. This is the date the net OPEB liability was determined. The Measurement Period is June 30, 2016 to June 30, 2017.

(r) 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

CITY OF THOUSAND OAKS

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

June 30, 2018

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 \$8,015,927 difference are as follows:

Prepaid insurance	\$ 2,327
Unavailable revenues	8,013,600
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 8,015,927

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 \$18,517,313 difference are as follows:

Beginning balance of deferred outflow of resources - pension items	\$ 13,918,069
Aggregate changes in assumption on pension plan	7,387,842
Aggregate difference between expected and actual experiences on pension plan	110,766
Aggregate difference between projected and actual earnings on pension plan	(6,036,168)
Aggregate pension contributions subsequent to measurement date	1,384,396
OPEB contributions subsequent to measurement date	1,752,408
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 18,517,313

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 (\$77,819,018) difference are as follows:

Lease revenue bond payable	\$ (12,004,805)
Deferred charges	144,307
Compensated absences	(4,695,348)
Net pension liability	(53,373,490)
Net OPEB liability	(7,847,531)
Interest payable	(42,151)
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (77,819,018)

CITY OF THOUSAND OAKS

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

June 30, 2018

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 (\$3,292,407) difference are as follows:

Beginning balance of deferred inflows of resources - pension items	\$(3,117,694)
Aggregate changes in assumption on pension plan	1,306,419
Aggregate difference between expected and actual experiences on pension plan	(1,175,156)
Aggregate difference between projected and actual earnings on OPEB plan	<u>(305,976)</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$(3,292,407)</u>

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 (\$6,780,447) difference are as follows:

Capital outlay	\$ 9,173,461
Depreciation expense	<u>(15,953,908)</u>
Net adjustment to decrease <i>net changes in fund balance - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (6,780,447)</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 (\$67,165) difference are as follows:

Land donations	\$ 10,015
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>(77,180)</u>
Net adjustment to decrease <i>net changes in fund balance - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (67,165)</u>

CITY OF THOUSAND OAKS

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

June 30, 2018

Another element of the reconciliation states that “revenues that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$265,223 difference are as follows:

Grant revenue	\$ 1,691
Sales tax revenue	(440,242)
Housing revenue	702,501
Other deferred inflows	<u>1,273</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>\$ 265,223</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 \$625,749 difference are as follows:

Lease revenue bonds principal payments	\$ 630,000
Amortization of loss on refunding	(10,309)
Amortization of premiums	<u>6,058</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>\$ 625,749</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 \$1,191,634 difference are as follows:

Compensated absences	\$ 74,946
Net change in accrued interest	1,575
Pension	431,220
OPEB	685,408
Net change in prepaid expenses:	
Prepaid insurance	<u>(1,515)</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>\$ 1,191,634</u>

CITY OF THOUSAND OAKS

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

June 30, 2018

(s) 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 Thousand Oaks Housing Successor. 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, County Flood Control Benefit Assessment, Housing Trust, East County Transit Alliance, and Capital Improvements funds. Historically, the City has not presented budgetary comparisons for capital project and debt service funds. No budget was adopted for, and no budgetary comparisons are presented for: Federal Asset Seizure, the Thousand Oaks Public Financing Authority debt service fund, Fixed Asset Replacement Fund, and Community Recreation and Open Space Endowment Fund.

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.

At June 30, 2018, the East County Transit Alliance Fund had a deficit balance of (\$7,040), which will be resolved when reimbursement revenues are received.

Budgetary data is presented in the basic financial statements, pages 34-37, and combining financial statements and schedules sections, pages 126-132.

(t) 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. These encumbrances are not separately classified in the financial statements and are summarized at June 30, 2018, as follows:

	<u>Amount</u>
General Fund	\$ 1,347,762
Other governmental funds	<u>12,872,083</u>
	<u><u>\$ 14,219,845</u></u>

CITY OF THOUSAND OAKS

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

June 30, 2018

(u) 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, 2018, are classified in the accompanying financial statements are as follows:

Statement of Net Position:	
Cash and investments	\$ 282,036,390
Restricted cash and investments	4,439,585
Fiduciary Funds:	
Agencies cash and investments	7,704,732
Successor agency cash and investments	3,586,450
Pension trust cash and investments	3,974,864
	\$ 301,742,021

Cash and investments as of June 30, 2018, consist of the following:

Cash on hand	\$ 343,898
Deposits with financial institutions	8,286,668
Investments held by City and bond trustee	289,710,894
Investments held by pension plan	3,400,561
Total cash and investments	\$ 301,742,021

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

The table on the following 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 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, and the investments in the Hourly/Part-time Defined Benefit Pension Plan which are governed by its trust agreement.

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

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	None
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%	5%
Commercial Paper*	270 days	25%	5%
Repurchase Agreements	30 days	25%	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	None	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
Repurchase Agreements	270 days	None	None
LAIF	N/A	None	N/A

(c) Disclosures relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City manages its

CITY OF THOUSAND OAKS

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

June 30, 2018

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.

Investment Type	Amount	Weighted Average Maturity (in years)
U.S. Agencies - Fixed Coupons	\$ 163,166,236	2.49
U.S. Agencies - Step-Up Coupons	2,000,920	4.95
Supranationals	23,555,780	2.23
Municipal Bonds	48,359,842	1.99
U.S. Treasuries	4,947,070	3.42
Commercial Paper	5,929,517	0.44
Ventura County Treasury Pool	5,124,664	0.40
LAIF	24,848,654	0.52
Held by Fiscal Agent:		
Money Market Funds	3,420,302	0.09
LAIF	8,357,909	0.52
	<u>\$ 289,710,894</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 following 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.

Investment Type	Amount	Minimum Legal Rating	AAA A1	AA	A
U.S. Agencies - Fixed Coupons	\$ 163,166,236	None	\$ -	\$ 163,166,236	\$ -
U.S. Agencies - Step-Up Coupons	2,000,920	None	-	2,000,920	-
Supranationals	23,555,780	AAA	23,555,780	-	-
Municipal Bonds	48,359,842	A	1,585,452	43,199,513	3,574,877
U.S. Treasuries	4,947,070	AA	-	4,947,070	-
Commercial Paper	5,929,517	A1	5,929,517	-	-
Ventura County Treasury Pool	5,124,664	None	5,124,664	-	-
LAIF	24,848,654	Unrated	-	-	-
Held by Fiscal Agent:					
Money Market Funds	3,420,302	AAA	3,420,302	-	-
LAIF	8,357,909	Unrated	-	-	-
Total	<u>\$ 289,710,894</u>				

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

(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, 2018, 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.

(f) Concentration of Credit Risk

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Farm Credit Bank	Coupon Securities	\$ 38,528,077
Federal Home Loan Bank	Coupon Securities	37,306,370
Federal Home Loan Mortgage Corporation	Coupon Securities	27,951,713
Federal National Mortgage Association	Coupon Securities	27,249,300

CITY OF THOUSAND OAKS

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

June 30, 2018

(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. Although the City's share of the County Pool had a fair value of \$5,124,664, the City's contractual withdrawal value was \$5,114,028 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.

(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, 2018, are as follows:

<u>Pension Plan Trust Fund Investments</u>	<u>Fair Value</u>	<u>Percent of Portfolio</u>
HighMark PLUS Moderate	\$ 3,400,561	100%

CITY OF THOUSAND OAKS

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

June 30, 2018

(j) Fair Value Measurement and Application

The City adopted GASB Statement No. 72, *Fair Value Measurement and Application*, as of July 1, 2015. GASB Statement No. 72 establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs consist of quotes prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date. Level 2 inputs consist of inputs other than quotes prices that are observable for an asset or liability, either directly or indirectly. Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability.

The City has the following fair value measurements for its investments as of June 30, 2018:

Investment by Fair Value	Amount	Level 1	Level 2	Level 3
U.S. Agencies - Fixed Coupons	\$ 163,166,236	\$ -	\$ 163,166,236	\$ -
U.S. Agencies - Step-Up Coupons	2,000,920	-	2,000,920	-
Supranationals	23,555,780	-	23,555,780	-
Municipal Bonds	48,359,842	-	48,359,842	-
U.S. Treasuries	4,947,070	4,947,070	-	-
Supranational Discount Notes	5,929,517	-	5,929,517	-
Total	\$ 247,959,365	\$ 4,947,070	\$ 243,012,295	\$ -

Investments Measured at Net Asset Value (NAV) or not subject to fair value hierarchy:

LAIIF	\$ 24,848,654
Ventura County Treasury Pool	5,124,664
Held by Fiscal Agent:	
Money Market Funds	3,420,302
LAIIF	8,357,909
	<u>\$ 41,751,529</u>

(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, 2018,

CITY OF THOUSAND OAKS

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

June 30, 2018

loans and notes receivable totaling \$36,468,592 consists of \$33,685,990 from the Thousand Oaks Housing Successor Fund, \$2,254,600 from other governmental funds, and \$528,002 from the General Fund are as follows:

Thousand Oaks Housing Successor Fund:	
Hillcrest Drive	\$ 7,056,500
Shadows Apartments	6,900,000
Schillo Gardens Apartments	5,970,957
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	174,765
Others	24,568
Total Thousand Oaks Housing Successor Fund	<u>\$ 33,685,990</u>
General Fund	
Due from TOPASS	\$ 500,000
Others	28,002
Total General Fund	<u>\$ 528,002</u>
Other Governmental Funds:	
Los Feliz Drive	\$ 1,000,000
Oak Creek Senior Villas	1,000,000
CDBG	254,600
Total Other Governmental Funds:	<u>\$ 2,254,600</u>
Total loans/notes receivable	<u><u>\$ 36,468,592</u></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.

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

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.

Schillo Gardens

During fiscal year 2015-16, the City entered into an agreement with Many Mansions to sell the City owned Schillo Gardens property for two notes receivable of \$3.9 and \$2.1, respectively, along with \$0.3 in cash. Both notes accrue interest at the "Applicable Federal Rate." Loan repayment shall be made from residual receipts and the loan and any accrued interest is due within 55 years from issuance. Payment on the loan is expected to begin in fiscal year 2023-24.

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 was paid on December 31, 2015.

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

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 \$1.3 million is due on March 21, 2045, and the third installment of \$1.2 million is due on December 18, 2057.

Proprietary Funds

Combined Heat and Power 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. As of June 30, 2018, \$1,050,000 was repaid with the remaining loan expected to be repaid in fiscal year 2018-19.

(5) CAPITAL ASSETS

(a) Governmental Activities:

Construction in progress additions of \$7.1 million resulted primarily from \$4.0 million in pavement overlay, \$1.0 million for Westlake Boulevard sidewalk upgrades, \$0.7 million for curb ramp construction, \$0.3 million for the Civic Arts Plaza energy savings upgrades, \$0.3 million for Willow Lane improvements, \$0.3 million for Newbury/Ventu Park Road improvements, \$0.2 million for Haigh Road drainage improvements, \$0.1 million for Rancho Road sidewalk and bike lanes, \$0.1 million for Thousand Oaks Boulevard streetscape improvements, and \$0.1 million for Avenida de los Arboles median.

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

Equipment additions of \$0.4 million resulted primarily from \$0.2 million for replacement of motor vehicles and \$0.1 million for electrical submeters. The remaining \$0.1 million resulted from various purchases including public access audio equipment and server upgrades.

Infrastructure additions of \$1.1 million resulted primarily from \$0.4 million for corrugated metal pipe (CMP) upgrades, \$0.4 million for 401 and 403 West Hillcrest accessibility upgrades, \$0.2 million for high-maintenance relief drainage improvements, and \$0.1 million for traffic signal modifications.

Building and Improvement additions of \$1.1 million resulted primarily from \$0.6 million for the Civic Arts Plaza parking structure improvements, \$0.2 million in fire alarm system upgrades for the Teen and Senior Centers, \$0.2 million for Library security system upgrades, and \$0.1 million for facility utilities efficiency improvements.

Capital assets governmental activity for the year ended June 30, 2018, are as follows:

	Balance at July 1, 2017	Additions	Disposals	Balance at June 30, 2018
Capital assets, not being depreciated:				
Land *	\$ 132,907,917	\$ 61,071	\$ 77,180	\$ 132,891,808
Intangibles	838,055	2,500	-	840,555
Construction in progress	2,052,341	7,108,673	549,019	8,611,995
Total	<u>135,798,313</u>	<u>7,172,244</u>	<u>626,199</u>	<u>142,344,358</u>
Capital assets, being depreciated:				
Buildings and improvements	162,489,354	1,055,995	10,624	163,534,725
Equipment	11,978,098	401,549	123,561	12,256,086
Intangibles	1,001,435	-	30,737	970,698
Infrastructure	469,039,189	1,102,706	-	470,141,895
Total	<u>644,508,076</u>	<u>2,560,250</u>	<u>164,922</u>	<u>646,903,404</u>
Less accumulated depreciation for:				
Buildings and improvements	57,420,354	3,904,967	10,624	61,314,697
Equipment	8,165,693	907,042	123,561	8,949,174
Intangibles	785,632	73,168	30,737	828,063
Infrastructure	245,119,396	11,068,731	-	256,188,127
Total	<u>311,491,075</u>	<u>15,953,908</u>	<u>164,922</u>	<u>327,280,061</u>
Total, net depreciation	<u>333,017,001</u>	<u>(13,393,658)</u>	<u>-</u>	<u>319,623,343</u>
Total net capital assets	<u>\$ 468,815,314</u>	<u>\$ (6,221,414)</u>	<u>\$ 626,199</u>	<u>\$ 461,967,701</u>

*Land was erroneously retired in a prior fiscal year and reinstated in fiscal year 2017-18 (note 17).

CITY OF THOUSAND OAKS

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

June 30, 2018

(b) Business-type Activities:

Water Fund construction in progress additions of \$0.7 million is primarily due to \$0.3 million for polybutylene replacement, \$0.2 million in pavement overlay and \$0.2 million for La Granada pump station.

Wastewater Fund construction in progress additions of \$1.0 million is primarily due to \$0.8 million for Citywide pipe relining and \$0.2 for various repairs and upgrades. Buildings and improvements additions of \$0.5 million is primarily due to \$0.2 million for the Lawrence Drive lift station expansion and \$0.3 million for various wastewater system repairs/upgrades. Equipment additions of \$0.2 million is primarily due to \$0.1 million in bioreactor ladders and \$0.1 million due to various meter and pump purchases.

Golf Course Fund equipment additions of \$0.3 million is primarily due to a new golf carts lease.

Transportation Fund buildings and improvements additions of \$0.2 million is primarily due to completion of the Fleet Shop metal canopy for the bus lift work station.

Theatres Fund equipment additions of \$0.2 million is primarily due to Kavli Theatre lighting upgrade.

Capital asset business-type activity for the year ended June 30, 2018, are on the following pages:

CITY OF THOUSAND OAKS

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

June 30, 2018

	Balance at July 1, 2017	Additions	Disposals	Balance at June 30, 2018
Water Utility Fund:				
Capital assets, not being depreciated:				
Land	\$ 2,378,022	\$ 28,606	\$ -	\$ 2,406,628
Intangibles	45,473	-	-	45,473
Construction in progress	440,855	741,457	-	1,182,312
Total	<u>2,864,350</u>	<u>770,063</u>	<u>-</u>	<u>3,634,413</u>
Capital assets, being depreciated:				
Buildings and improvements	63,294,949	421,631	358,328	63,358,252
Equipment	1,863,955	32,419	-	1,896,374
Intangibles	490,418	-	-	490,418
Total	<u>65,649,322</u>	<u>454,050</u>	<u>358,328</u>	<u>65,745,044</u>
Less accumulated depreciation for:				
Buildings and improvements	30,831,834	1,895,130	261,147	32,465,817
Equipment	773,049	185,974	-	959,023
Intangibles	415,431	49,042	-	464,473
Total	<u>32,020,314</u>	<u>2,130,146</u>	<u>261,147</u>	<u>33,889,313</u>
Total, net depreciation	33,629,008	(1,676,096)	97,181	31,855,731
Water Utility Fund net capital assets	<u>\$ 36,493,358</u>	<u>\$ (906,033)</u>	<u>\$ 97,181</u>	<u>\$ 35,490,144</u>
Wastewater Utility Fund:				
Capital assets, not being depreciated:				
Land	\$ 1,463,180	\$ -	\$ -	\$ 1,463,180
Intangibles	88,065	-	-	88,065
Construction in progress	219,271	977,280	183,544	1,013,007
Total	<u>1,770,516</u>	<u>977,280</u>	<u>183,544</u>	<u>2,564,252</u>
Capital assets, being depreciated:				
Buildings and improvements	214,009,716	468,011	148,976	214,328,751
Equipment	3,801,016	219,600	25,380	3,995,236
Total	<u>217,810,732</u>	<u>687,611</u>	<u>174,356</u>	<u>218,323,987</u>
Less accumulated depreciation for:				
Buildings and improvements	92,665,080	5,675,719	148,976	98,191,823
Equipment	2,264,387	290,421	25,380	2,529,428
Total	<u>94,929,467</u>	<u>5,966,140</u>	<u>174,356</u>	<u>100,721,251</u>
Total, net depreciation	122,881,265	(5,278,529)	-	117,602,736
Wastewater Utility Fund net capital assets	<u>\$ 124,651,781</u>	<u>\$ (4,301,249)</u>	<u>\$ 183,544</u>	<u>\$ 120,166,988</u>

CITY OF THOUSAND OAKS

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

June 30, 2018

	Balance at June 30, 2017	Additions	Disposals	Balance at June 30, 2018
<u>Golf Course Fund:</u>				
Capital assets, not being depreciated:				
Land	\$ 1,217,610	\$ -	\$ -	\$ 1,217,610
Construction in progress	-	-	-	-
Total	<u>1,217,610</u>	<u>-</u>	<u>-</u>	<u>1,217,610</u>
Capital assets, being depreciated:				
Buildings and improvements	12,847,377	-	8,418	12,838,959
Equipment	1,522,751	308,105	1,000	1,829,856
Total	<u>14,370,128</u>	<u>308,105</u>	<u>9,418</u>	<u>14,668,815</u>
Less accumulated depreciation for:				
Buildings and improvements	5,618,593	422,796	8,418	6,032,971
Equipment	1,241,007	153,698	-	1,394,705
Total	<u>6,859,600</u>	<u>576,494</u>	<u>8,418</u>	<u>7,427,676</u>
Total, net depreciation	<u>7,510,528</u>	<u>(268,389)</u>	<u>1,000</u>	<u>7,241,139</u>
Golf Course Fund net capital assets	<u>\$ 8,728,138</u>	<u>\$ (268,389)</u>	<u>\$ 1,000</u>	<u>\$ 8,458,749</u>
<u>Transportation Fund:</u>				
Capital assets, not being depreciated:				
Construction in progress	\$ 69,425	\$ 28,178	\$ -	\$ 97,603
Total	<u>69,425</u>	<u>28,178</u>	<u>-</u>	<u>97,603</u>
Capital assets, being depreciated:				
Buildings and improvements	2,651,711	223,316	-	2,875,027
Equipment	4,046,469	25,458	140,842	3,931,085
Intangibles	30,906	-	-	30,906
Total	<u>6,729,086</u>	<u>248,774</u>	<u>140,842</u>	<u>6,837,018</u>
Less accumulated depreciation for:				
Buildings and improvements	401,843	129,048	-	530,891
Equipment	2,131,277	452,267	140,842	2,442,702
Intangibles	6,697	3,090	-	9,787
Total	<u>2,539,817</u>	<u>584,405</u>	<u>140,842</u>	<u>2,983,380</u>
Total, net depreciation	<u>4,189,269</u>	<u>(335,631)</u>	<u>-</u>	<u>3,853,638</u>
Transportation Fund net capital assets	<u>\$ 4,258,694</u>	<u>\$ (307,453)</u>	<u>\$ -</u>	<u>\$ 3,951,241</u>

CITY OF THOUSAND OAKS

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

June 30, 2018

	Balance at June 30, 2017	Additions	Disposals	Balance at June 30, 2018
<u>Solid Waste Management Fund:</u>				
Capital assets, not being depreciated:				
Land	\$ 746,754	\$ -	\$ -	\$ 746,754
Total	746,754	-	-	746,754
Capital assets, being depreciated:				
Buildings and improvements	3,235,490	-	-	3,235,490
Equipment	22,226	-	-	22,226
Total	3,257,716	-	-	3,257,716
Less accumulated depreciation for:				
Buildings and improvements	256,263	64,748	-	321,011
Equipment	16,698	892	-	17,590
Total	272,961	65,640	-	338,601
Total, net depreciation	2,984,755	(65,640)	-	2,919,115
Solid Waste Fund net capital assets	\$ 3,731,509	\$ (65,640)	\$ -	\$ 3,665,869
<u>Theatres Fund:</u>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 745,686	\$ -	\$ -	\$ 745,686
Equipment	454,154	196,620	6,019	644,755
Total	1,199,840	196,620	6,019	1,390,441
Less accumulated depreciation for:				
Buildings and improvements	534,345	36,955	-	571,300
Equipment	282,572	21,804	4,665	299,711
Total	816,917	58,759	4,665	871,011
Total, net depreciation	382,923	137,861	1,354	519,430
Theatres Fund net capital assets	\$ 382,923	\$ 137,861	\$ 1,354	\$ 519,430
Total capital assets, net	\$ 178,246,403	\$ (5,710,903)	\$ 283,079	\$ 172,252,421

CITY OF THOUSAND OAKS

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

June 30, 2018

(c) Depreciation Expense

Depreciation expense charged to functions/programs of the primary government as of June 30, 2018, are as follows:

Governmental activities:		
General government		\$ 2,127,333
Public safety		363,082
Transportation		272,586
Community development		11,652,297
Culture and leisure		1,538,610
Total depreciation expense - governmental activities		<u>\$ 15,953,908</u>
Business-type activities:		
Water		\$ 2,130,146
Wastewater		5,966,140
Golf Course		576,494
Transportation		584,405
Solid Waste Management		65,640
Theatres		58,759
Total depreciation expense - business-type activities		<u>\$ 9,381,584</u>

(d) Construction and Significant Commitments

As of June 30, 2018, the City had ten material construction commitments evidenced by contractual commitments with contractors are as follows:

	<u>Funding Sources</u>	<u>Contractual Commitment</u>	<u>Amount spent through June 30, 2018</u>	<u>Commitment Balance</u>
Pavement overlay	General Fund, State Gas Tax, Wastewater	\$ 14,313,284	\$ 4,666,632	\$ 9,646,652
Transit Busses	Transportation	2,398,223	-	2,398,223
Haigh Road drainage channel	Developer fee revenue	1,092,550	-	1,092,550
Pavement slurry seal	State Gas Tax, Developer fee revenue	1,483,794	771,402	712,392
Westlake Boulevard sidewalk improvements	Federal Highway grant, State Gas Tax, Developer fee revenue	1,255,997	633,672	622,325
Willow Lane improvements	State Gas Tax, Developer fee revenue	538,669	231,046	307,623
		<u>\$ 21,082,517</u>	<u>\$ 6,302,752</u>	<u>\$ 14,779,765</u>

CITY OF THOUSAND OAKS

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

June 30, 2018

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

(a) Interfund Receivables and Payables

Total interfund receivables and payables as of June 30, 2018, are as follows:

Receivable Fund:	Payable Fund:	Purpose	Amount
General	Golf Course	Internal loan	\$ 1,755,000
	Other governmental funds	Advance payments	672,767
Total Interfund Receivables/Payables			<u>\$ 2,427,767</u>

Interfund receivable/payable of \$1,755,000 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, 2018, \$1,755,000 was outstanding.

(b) Advances

Total advances to and from other funds as of June 30, 2018, are as follows:

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

Advances to/from of \$1,166,952 between the Public Financing 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, 2018

(c) Interfund Transfers

The following interfund transfers are reflected in the fund financial statements governmental funds for the year ended June 30, 2018:

From Fund:	To Fund:	Purpose	Amount
General	Capital Improvement	Streets and roads improvements	\$ 5,550,000
General	Other governmental funds	COP debt service payment	1,140,665
		Flood control fund subsidy	275,064
		Open space transfer	100,000
State Gas Tax	General	Reimbursement for engineering expenditures	978,593
Capital Improvement	General	Reimbursement for engineering expenditures, Library facility transfer and Police facility transfer	569,509
Capital Improvement	Other governmental funds	Reimbursement for signal maintenance	142,627
Capital Improvement	Transportation	Transportation subsidy	227,022
Other governmental funds	General	Reimbursement for traffic enforcement expenditures and reimbursement of administrative costs	705,316
Other governmental funds	Transportation	Correction of ECTA expenses	41,904
Transportation	Other governmental funds	Correction of ECTA deposit	96,207
Total Interfund Transfers			<u>\$ 9,826,907</u>

CITY OF THOUSAND OAKS

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

June 30, 2018

(7) FUND BALANCES FOR GOVERNMENTAL FUNDS

Fund balances as of June 30, 2018, for the governmental funds were categorized as nonspendable, restricted, committed, assigned or unassigned for the following purposes:

	<u>Major Funds</u>					Total Other Governmental Funds	Total Governmental Funds
	General	Library	State Gas	Capital	TO Housing		
	Fund	Fund	Tax Fund	Improvements Fund	Successor Fund		
Fund Balances:							
Nonspendable:							
Inventories	\$ 574,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 574,296
Loans and notes receivable	528,002	-	-	-	-	-	528,002
Advances to other funds	1,166,952	-	-	-	-	-	1,166,952
Subtotal	<u>2,269,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,269,250</u>
Restricted for:							
Capital projects	-	-	2,627,152	13,859,040	-	355,917	16,842,109
Culture and leisure	-	48,443	-	-	-	-	48,443
Debt service	-	-	-	-	-	5,048	5,048
Housing & community dev.	-	-	-	-	2,393,499	3,123,036	5,516,535
Law enforcement	-	-	-	-	-	184,783	184,783
Transportation	-	-	-	-	-	7,967,228	7,967,228
Subtotal	<u>-</u>	<u>48,443</u>	<u>2,627,152</u>	<u>13,859,040</u>	<u>2,393,499</u>	<u>11,636,012</u>	<u>30,564,146</u>
Committed to:							
Capital projects	5,962,500	-	-	-	-	2,052,730	8,015,230
Grant endowments	8,000,000	-	-	-	-	-	8,000,000
Pavement Maintenance	5,215,000	-	-	-	-	-	5,215,000
Emergency reserve	5,391,465	-	-	-	-	-	5,391,465
Working capital reserve	16,174,394	-	-	-	-	-	16,174,394
Subtotal	<u>40,743,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,052,730</u>	<u>42,796,089</u>
Assigned to:							
Equipment replacement	-	-	-	-	-	12,779,257	12,779,257
Capital projects	-	-	-	8,868,186	-	-	8,868,186
Compensated absences	4,521,957	-	-	-	-	-	4,521,957
Continuing appropriations	12,735,527	-	-	-	-	-	12,735,527
General government	520,664	-	-	-	-	-	520,664
Public safety	21,250	-	-	-	-	-	21,250
Transportation	502,011	-	-	-	-	-	502,011
Community development	115,278	-	-	-	-	-	115,278
Culture and leisure	169,784	-	-	-	-	-	169,784
Legal contingency	2,500,000	-	-	-	-	-	2,500,000
Loans and notes receivable	2,427,767	-	-	-	-	-	2,427,767
Campus master plan project	6,103,449	-	-	-	-	-	6,103,449
Deferred pavement maintenance	8,757,141	-	-	-	-	-	8,757,141
Pension rate stabilization fund	17,185,000	-	-	-	-	-	17,185,000
Public building repairs/maint.	16,505,000	-	-	-	-	-	16,505,000
Subtotal	<u>72,064,828</u>	<u>-</u>	<u>-</u>	<u>8,868,186</u>	<u>-</u>	<u>12,779,257</u>	<u>93,712,271</u>
Unassigned:	1,000,000	-	-	-	-	(7,040)	992,960
Total fund balances	<u>\$ 116,077,437</u>	<u>\$ 48,443</u>	<u>\$ 2,627,152</u>	<u>\$ 22,727,226</u>	<u>\$ 2,393,499</u>	<u>\$ 26,460,959</u>	<u>\$ 170,334,716</u>

CITY OF THOUSAND OAKS

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

June 30, 2018

(8) LONG-TERM LIABILITIES

The following is a summary of changes in the City's long-term liabilities for the year ended June 30, 2018:

	Balance at June 30, 2017	Additions	Disposals	Balance at June 30, 2018	Due Within One Year
Governmental Activities					
Claims payable (1)	\$ 2,869,099	\$ 2,212,157	\$ 1,099,157	\$ 3,982,099	\$ 1,367,350
Compensated absences (1)	4,770,294	1,402,340	1,477,286	4,695,348	2,037,276
Lease revenue bonds (2)	12,640,863	-	636,058	12,004,805	656,057
Total	\$ 20,280,256	\$ 3,614,497	\$ 3,212,501	\$ 20,682,252	\$ 4,060,683
Business-type Activities:					
Water Utility Fund:					
Compensated absences (1)	\$ 560,248	\$ 603,114	\$ 573,994	\$ 589,368	\$ 213,306
Wastewater Utility Fund:					
Compensated absences (1)	926,057	351,078	334,127	943,008	358,913
1999 state loan	286,819	-	141,773	145,046	145,046
2000 state loan	11,135,156	-	1,734,481	9,400,675	1,781,312
Revenue refunding bonds (3)	4,203,606	-	1,364,621	2,838,985	1,419,622
Golf Course Fund:					
Capital lease payable	96,893	308,106	59,437	345,562	95,965
Transportation Fund:					
Compensated absences (1)	45,201	357,250	340,001	62,450	34,761
Solid Waste Management Fund:					
Compensated absences (1)	91,767	122,765	129,326	85,206	35,748
Theatres Fund:					
Compensated absences (1)	195,346	418,307	398,110	215,543	82,356
Total	\$ 17,541,093	\$ 2,160,620	\$ 5,075,870	\$ 14,625,843	\$ 4,167,029

(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 \$12,004,805 consist of par amount of \$16,405,000 and unamortized issue premiums of \$84,805, net of cumulative principal payments of \$4,485,000.

(3) Revenue refunding bonds of \$2,838,985 consist of par amount of \$11,690,000 and unamortized issue premium of \$133,985, net of cumulative principal payments of \$8,985,000.

CITY OF THOUSAND OAKS

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

June 30, 2018

(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, 2018, amounts outstanding with and without amortized premiums were \$12,004,805 and \$11,920,000, respectively.

Future Debt Payments – Refunding Lease Revenue Bonds

As of June 30, 2018, the total future debt payments for the 2010 Refunding Lease Revenue Bonds, including interest thereon, are as follows:

Year Ending June 30,	2010 Refunding Lease Revenue Bonds		
	Principal	Interest	Total
2019	\$ 650,000	505,813	\$ 1,155,813
2020	675,000	483,063	1,158,063
2021	700,000	456,063	1,156,063
2022	725,000	428,063	1,153,063
2023	755,000	399,063	1,154,063
2024-2028	4,275,000	1,506,737	5,781,737
2029-2032	4,140,000	485,825	4,625,825
Total	<u>\$ 11,920,000</u>	<u>\$ 4,264,627</u>	<u>\$ 16,184,627</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, 2018, \$145,046 was outstanding.

CITY OF THOUSAND OAKS

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

June 30, 2018

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, 2018, \$9,400,675 was outstanding.

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

As of June 30, 2018, the total future debt payments for the SWRCB loan payable, including interest thereon, are as follows:

Year Ending June 30,	1999 SWRCB Loan			2000 SWRCB Loan		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 145,046	\$ 3,481	\$ 148,527	\$ 1,781,312	\$ 253,818	\$ 2,035,130
2020	-	-	-	1,829,407	205,723	2,035,130
2021	-	-	-	1,878,801	156,329	2,035,130
2022	-	-	-	1,929,529	105,601	2,035,130
2023	-	-	-	1,981,626	53,504	2,035,130
Total	<u>\$ 145,046</u>	<u>\$ 3,481</u>	<u>\$ 148,527</u>	<u>\$ 9,400,675</u>	<u>\$ 774,975</u>	<u>\$ 10,175,650</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, 2018, amounts outstanding with and without amortized premiums were \$2,838,895 and \$2,705,000, respectively.

CITY OF THOUSAND OAKS

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

June 30, 2018

Future Debt Payments – 2010 Wastewater Revenue Refunding Bonds

As of June 30, 2018, the total future debt payments for the 2010 Wastewater Revenue Refunding Bonds, including interest thereon, are as follows:

Year Ending June 30,	2010 Wastewater Revenue Refunding Bonds		
	Principal	Interest	Total
2019	\$ 1,335,000	\$ 62,794	\$ 1,397,794
2020	1,370,000	20,550	1,390,550
Total	<u>\$ 2,705,000</u>	<u>\$ 83,344</u>	<u>\$ 2,788,344</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, 2018, lease agreements covering LP Yamaha 95 YDRE carts, LP Yamaha YT2A beverage cart, Luber Bros Jacobsen equipment package, a Luber Bros Smithco 3180 Sprayer, Toro mowers, and Yamaha DR2E golf carts totaled \$914,152. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the lease inception date.

The assets acquired through capital leases are as follows:

Year Ending June 30, 2018	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
Toro mowers	111,999
Yamaha DR2E golf carts	308,105
Less: Accumulated depreciation	(555,465)
Total	<u>\$ 358,687</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, are as follows:

Year Ending June 30,	Golf Course
2019	\$ 108,792
2020	108,792
2021	92,194
2022	62,922
Total minimum lease payments	372,700
Less: Interest	(27,138)
Present value of minimum lease payments	<u>\$ 345,562</u>

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements *(Continued)*

June 30, 2018

The \$13,125 difference between the \$358,687 net book value of the assets and the \$345,562 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 were 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 \$20,331,000 at June 30, 2018, 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 \$4,743,030 at June 30, 2018, are not considered obligations of the City and are not reflected in the accompanying basic financial statements.

(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, 2018, were \$1,684,999 for general liability and \$2,297,100 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.

CITY OF THOUSAND OAKS

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

June 30, 2018

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, 2018, 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 2017-18 and 2016-17 are presented as follows:

2017-18	Claims Payable Balance July 1, 2017	Claims and Changes in Estimates	Claims Payments	Claims Payable Balance June 30, 2018
General Liability	\$ 1,060,699	\$ 1,338,519	\$ (714,219)	\$ 1,684,999
Workers' Compensation	1,808,400	873,638	(384,938)	2,297,100
Total	\$ 2,869,099	\$ 2,212,157	\$ (1,099,157)	\$ 3,982,099

2016-17	Claims Payable Balance July 1, 2016	Claims and Changes in Estimates	Claims Payments	Claims Payable Balance June 30, 2017
General Liability	\$ 846,700	\$ 1,034,351	\$ (820,352)	\$ 1,060,699
Workers' Compensation	1,919,900	595,947	(707,447)	1,808,400
Total	\$ 2,766,600	\$ 1,630,298	\$ (1,527,799)	\$ 2,869,099

(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.

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

Financial information for COSCA for the year ended June 30, 2018, are as follows:

	<u>Joint Venture</u>	<u>City Portion</u>
Total assets	\$ 76,374,295	\$ 38,187,147
Total liabilities	35,172	17,586
Net position:		
Net investment in capital assets	74,774,731	37,387,365
Restricted net position	<u>1,564,392</u>	<u>782,196</u>
Total net position, June 30, 2018	<u>\$ 76,339,123</u>	<u>\$ 38,169,561</u>
Total revenues	1,730,240	865,120
Total expenses	<u>(1,566,888)</u>	<u>(783,444)</u>
Change in net position	<u>\$ 163,352</u>	<u>\$ 81,676</u>

Financial information for COSCA can be found at <http://www.toaks.org/departments/finance/financial-information/financial-reports>.

(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>.

(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 erprovide 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.cscda.org.

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

(d) Clean Power Alliance (CPA)

The City is a member of the CPA of Southern California which is joint powers authority with unincorporated Los Angeles County, Rolling Hills Estates, and South Pasadena as founding members that has grown to a coalition of 310 agencies across Los Angeles and Ventura County. The CPA was established to provide “cost competitive electric services, reduce electric sector greenhouse gas emissions, stimulate renewable energy development, implement distributed energy resources, promote energy efficiency and demand reduction programs, and sustain long-term rate stability for residents and businesses through local control.”

Financial information for CPA can be found at www.cleanpoweralliance.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.

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.

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements *(Continued)*

June 30, 2018

Plan membership – As of June 30, 2017, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	462
Active plan members	347
Total	<u>809</u>

Contribution – Classic employees are required to contribute 7 percent of their annual covered salary as established by state statute. PEPPRA employees are required to contribute half of the normal cost of the plan, which was 6.25 percent in fiscal year 2016-17. 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, 2016 to June 30, 2017, was 20.239 percent. During fiscal year 2016-17 the City contributed \$7,245,291.

Net Pension Liability

The total pension liability determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Measurement Period	June 30, 2016 to June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
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	Based on 2014 CalPERS Experience Study for the Period from 1997 to 2011. Pre-Retirement and Post-Retirement Mortality Rates Include 20 Years of Projected Mortality Improvements Using Scale BB Published by the Society of Actuaries.

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter
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All other actuarial assumptions used in the June 30, 2016 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 7.15 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 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 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.

Change of Assumptions

The discount rate for the measurement date of June 30, 2017, decreased from 7.65 percent to 7.15 percent from the June 30, 2016, measurement date. Prior year amounts reflect an adjustment of the discount rate from 7.50 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense) for the June 30, 2014 and June 30, 2015 measurement dates, respectively. There were no changes in assumptions for the June 30, 2016, measurement date.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15 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 7.30 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.

On December 19, 2017, CalPERS adopted new actuarial assumptions based on the recommendations in the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for Public Agencies. The updated assumptions are included in the City's current actuarial valuation, and will impact the required contribution for fiscal year 2019-20.

CITY OF THOUSAND OAKS

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

June 30, 2018

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 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.

Asset Class	Market Value (\$ Billion)	Policy Target Allocation	Allocation at 6/30/2017
Global Equity	\$ 156.2	50.00%	48.25%
Global Fixed Income	62.9	28.00%	19.43%
Inflation Sensitive	25.3	0.00%	7.82%
Private Equity	25.9	8.00%	8.00%
Real Estate	36.3	13.00%	11.21%
Other	1.6	0.00%	0.49%
Liquidity	15.5	1.00%	4.79%
	<u>\$ 323.7</u>	<u>100.00%</u>	<u>100.00%</u>

CITY OF THOUSAND OAKS

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

June 30, 2018

Changes in the Net Pension Liability

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

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Balance at: 6/30/2016	\$ 268,049,209	\$ 198,968,007	\$ 69,081,202
Changes Recognized for the Measurement Period			
Service Cost	4,671,388	-	4,671,388
Interest on the Total Pension Liability	19,648,350	-	19,648,350
Changes of Assumptions	15,449,297	-	15,449,297
Differences between Expected and Actual Experience	(4,430,696)	-	(4,430,696)
Contributions from the Employer	-	7,245,291	(7,245,291)
Contributions from Employees	-	2,161,542	(2,161,542)
Net Investment Income	-	22,442,527	(22,442,527)
Benefit Payment, including Refund of Employee Contributions	(13,202,806)	(13,202,806)	-
Administrative Expense	-	(293,763)	293,763
Net Changes during 2016-17	<u>22,135,533</u>	<u>18,352,791</u>	<u>3,782,742</u>
Balance at: 6/30/2017	<u>\$ 290,184,742</u>	<u>\$ 217,320,798</u>	<u>\$ 72,863,944</u>

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 7.15 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 (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	<u>1% Decrease 6.15%</u>	<u>Current Discount Rate 7.15%</u>	<u>1% Increase 8.15%</u>
Net pension liability	\$ 109,695,630	\$ 72,863,944	\$ 42,089,826

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

Pension expense – For the measurement period ending June 30, 2017, the City incurred a pension expense of \$8,998,076 for the Plan.

CITY OF THOUSAND OAKS

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

June 30, 2018

Deferred outflows and deferred inflows – As of June 30, 2017, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 9,816,035	\$ -
Changes of Assumptions	10,109,583	-
Differences between Expected and Actual Experiences	-	(4,189,522)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,609,337	-
Total	<u>\$ 22,534,955</u>	<u>\$ (4,189,522)</u>

\$9,816,035 reported as deferred outflows of resources related to pension contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2018	\$ 1,835,677
2019	6,529,431
2020	1,844,663
2021	(1,680,373)
2022	-
Thereafter	-

(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.

CITY OF THOUSAND OAKS

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

June 30, 2018

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, 2018, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	146
Active plan members	<u>230</u>
Total	<u><u>376</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 2017-18 the City contributed \$400,000.

Net Pension Liability

Actuarial assumptions – The total pension liability determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Timing	Actuarially determined contribution rates are calculated as of January 1, and payable for the current and subsequent plan years ending December 31.
Actuarial Cost Method	Projected Unit Credit
Amortization Method	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 1/1/2018	2 years
Amortization growth rate	0.00%
Asset Valuation Method	
Smoothing period	None
Recognition method	None
Corridor	None

CITY OF THOUSAND OAKS

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

June 30, 2018

Inflation 2.55%

Salary Increases 3.00%

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: Consistent with the Non-Industrial rates used to value the Miscellaneous Agency CalPERS Pension Plans.

Mortality Pre-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous Agency CalPERS Pension Plans.

Post-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous Agency CalPERS Pension Plans.

Retirement Hourly/Part-time Employee rates as follows:

<u>Attained Age</u>	<u>Probability of Termination</u>
Under age 65	0.0
65-74	0.5
75 and older	1.0

Full-time employees: Retirement rates are based on CalPERS rates for 20 years of service for Miscellaneous Agency "2% at 55" plans.

Form of Payment 90% of terminating employees are assumed to take an immediate lump sum. The remaining 10% will take a lump sum at age 65.

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

The non-economic actuarial assumptions that determined the total pension liability as of June 30, 2018 were in part based on the results of an actuarial experience study of the California Public Employees' Retirement System for the period 1997-2015. The assumption for the number of terminations and retirements for hourly active employees is based on City experience and directives.

Valuation Date	January 1, 2018
Measurement Date	June 30, 2018
Inflation	2.50%
Salary Increases Including Inflation	3.00%
Mortality	Pre-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous Agency CalPERS Pension Plans. Post-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous Agency CalPERS Pension Plans.

Discount rate – The discount rate used to measure the total pension liability was 6.00 percent. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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, 2018.

CITY OF THOUSAND OAKS

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

June 30, 2018

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Cash	2.66%	0.31%	0.31%
US Core Fixed Income	46.59%	2.14%	2.02%
US Equity Market	37.19%	4.59%	3.32%
Foreign Developed Equity	8.58%	5.52%	3.91%
Emerging Market Equity	3.57%	7.82%	4.59%
Private Real Estate Property	1.41%	5.04%	3.27%
Assumed Inflation - Mean		2.32%	2.30%
Assumed Inflation - Standard Deviation		1.85%	1.85%
Portfolio Real Mean Return		3.54%	3.15%
Portfolio Nominal Mean Return		5.85%	5.52%
Portfolio Standard Deviation			8.57%
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.

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Balance at: 6/30/2017	\$ 3,275,537	\$ 2,979,802	\$ 295,735
Changes for the year:			
Service Cost	85,460		85,460
Interest on the Total Pension Liability	210,686		210,686
Effect of Economic/Demographic Gains or Losses	225,777		225,777
Effect of Assumptions Changes or Inputs	27,926		27,926
Contributions from the Employer		400,000	(400,000)
Contributions from Employees		75,279	(75,279)
Net Investment Income		181,698	(181,698)
Administrative expenses		(29,471)	29,471
Benefit Payment	(209,559)	(209,559)	-
Net Changes during 2017-18	<u>340,290</u>	<u>417,947</u>	<u>(77,657)</u>
Balance at: 6/30/2018	<u>\$ 3,615,827</u>	<u>\$ 3,397,749</u>	<u>\$ 218,078</u>

CITY OF THOUSAND OAKS

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

June 30, 2018

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	\$ 3,704,978	\$ 3,615,827	\$ 3,539,373
Fiduciary net position	3,397,749	3,397,749	3,397,749
Net pension liability	<u>\$ 307,229</u>	<u>\$ 218,078</u>	<u>\$ 141,624</u>

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

Pension expense – For the measurement period ending June 30, 2018, the City incurred a pension expense of \$175,754 for the Plan.

Deferred outflows and deferred inflows – As of June 30, 2018, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 23,436	\$ -
Differences between Expected and Actual Experiences	203,538	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,686	-
Total	<u>\$ 230,660</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
2019	\$ 111,188
2020	68,658
2021	37,917
2022	12,897
2023	-
Thereafter	-

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

(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, 2018, deferred compensation assets were \$66,988,873 and have been excluded from the City's financial statements. Employee contributions to the 401(a) plan totaled \$85,025, employee contributions to the 457 plan totaled \$2,109,425, and employer contributions to the 401(a) plan totaled \$684,020 for the fiscal year ended June 30, 2018.

(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, 2018, the

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

PEMHCA minimum was \$133 per month. As of June 30, 2018, there were 274 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.

(b) Employees Covered by Benefit Terms

At the OPEB liability measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Active employees	353
Inactive employees or beneficiaries currently receiving benefits	274
Inactive employees or beneficiaries entitled, but not currently receiving benefits	<u>64</u>
Total	<u>691</u>

(c) Contributions

The contribution requirements of plan members and the City are established by Memorandum of Understanding 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 5.5 percent of annual covered payroll (annual payroll of active employees covered by the plan).

(d) Actuarial Methods and Assumptions

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

As of the most recent actuarial valuation date of June 30, 2017, the entry age normal actuarial cost method was used. The actuarial assumptions included:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	June 30, 2016 to June 30, 2017
Actuarial Cost Method	Entry Age Normal

CITY OF THOUSAND OAKS

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

June 30, 2018

Actuarial Assumptions:

Discount Rate	6.75%
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	6.75%
Mortality Rate Table	MP-2017
Pre-Retirement Turnover Healthcare Trend Rate	6.5 to 7.5 percent for 2017 and between 5.9 to 7.5 percent for 2018 and later years

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, not of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below:

<u>Asset Class</u>	<u>Policy Target Allocation</u>	<u>Long-term expected real rate of return</u>
Inflation Assets	5.00%	2.25%
Global Debt Securities	27.00%	2.40%
Global Equities	57.00%	5.71%
REITs	8.00%	7.88%
Commodities	3.00%	4.95%
	<u>100.00%</u>	

(e) Discount Rate

The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF THOUSAND OAKS

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

June 30, 2018

(f) Changes in Net OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position (i.e. Fair value of Plan assets), and the net OPEB liability during the measurement period ending on June 30, 2017:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability/(Asset)</u>
Balance at: 6/30/2016	\$ 24,199,000	\$ 12,820,000	\$ 11,379,000
Changes for the year:			
Service Cost	632,000		632,000
Interest on the Total Pension Liability	1,622,000		1,622,000
Effect of Plan Experience Differences			-
Effect of Assumptions Changes or Inputs			-
Contributions from the Employer		2,347,000	(2,347,000)
Net Investment Income		1,390,000	(1,390,000)
Administrative expenses		(7,000)	7,000
Benefit Payment	(1,627,000)	(1,627,000)	-
Net Changes during 2016-17	<u>627,000</u>	<u>2,103,000</u>	<u>(1,476,000)</u>
Balance at: 6/30/2017	<u>\$ 24,826,000</u>	<u>\$ 14,923,000</u>	<u>\$ 9,903,000</u>

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage point higher (7.75 percent) than the current discount rate:

	<u>1% Decrease 5.75%</u>	<u>Current Discount Rate 6.75%</u>	<u>1% Increase 7.75%</u>
Net OPEB liability	<u>\$ 12,489,000</u>	<u>\$ 9,903,000</u>	<u>\$ 7,710,000</u>

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate - The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a Healthcare Cost Trend rate that is 1-percentage-point lower or 1-percentage point higher than the current Healthcare Cost Trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB liability	<u>\$ 9,140,000</u>	<u>\$ 9,903,000</u>	<u>\$ 11,099,000</u>

CITY OF THOUSAND OAKS

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

June 30, 2018

(g) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$1,289,000. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or method. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
OPEB Contributions subsequent to measurement date	\$ 2,394,000	\$ -
Changes of Assumptions	-	-
Differences between Expected and Actual Experiences	-	-
Net Difference between Projected and Actual Earnings on OPEB Investments	-	(418,000)
Total	<u>\$ 2,394,000</u>	<u>\$ (418,000)</u>

\$2,394,000 reported as deferred outflows of resources related to OPEB contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2019	\$ (105,000)
2020	(105,000)
2021	(105,000)
2022	(103,000)
2023	-
Thereafter	-

(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.

CITY OF THOUSAND OAKS

Notes to Basic Financial Statements (Continued)

June 30, 2018

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.

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, 2018, the Successor Agency had a deficit net position of \$21,337,481 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.

CITY OF THOUSAND OAKS

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

June 30, 2018

(a) Cash and Investments

Cash and investments as of June 30, 2018, are classified in the accompanying financial statements as follows:

Cash and investments pooled with the City	\$	180,929
Cash and investments with fiscal agent		<u>3,405,521</u>
	\$	<u><u>3,586,450</u></u>

(b) 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, 2018, are as follows:

	Balance at June 30, 2017	Additions	Disposals	Balance at June 30, 2018	Due Within One Year
2015 Tax allocation refunding bonds	\$ 30,901,000	\$ -	\$ 6,195,000	\$ 24,706,000	\$ 6,319,000

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, 2018, total principal and interest remaining on the debt was \$26,216,956 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 \$7,068,802 and the debt service obligation on the bonds was \$6,811,978. Description for each tax allocation bond is as follows:

2015 Tax Allocation Refunding Bonds

On December 16, 2015, the Successor Agency to the Redevelopment Agency of the City of Thousand Oaks issued tax allocation refunding bond in the amount of \$39,990,000. Proceeds of the bond were used to solely refinance the 2002 and 2005 Tax Allocation Bonds (Bonds). The bond proceeds, together with other funds deposited from reserves, redeemed the 2002 Tax Allocation Bond outstanding principal of \$3,170,000, the 2005 Housing Tax Allocation Bond outstanding principal of \$10,390,000, and the 2005 Tax Allocation Refunding Bond outstanding principal of \$26,325,000.

CITY OF THOUSAND OAKS

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

June 30, 2018

The bond is a special obligation of the Agency and does not constitute a debt or liability of the City of Thousand Oaks. Commencing on February 1, 2016, the bonds mature bi-annually in amounts ranging from \$3,018,000 to \$3,340,000 between 2016 and 2021, decreasing to approximately \$100,000 between 2022 and 2032. Interest on the bonds is payable on February 1 and August 1 of each year, with interest rates fixed at 1.51 percent for tax-exempt series from 2016 to 2021 and 3.09 percent for taxable series from 2022 to 2032. As of June 30, 2018, the outstanding principal on this bond was \$24,706,000.

Future Debt Payments – Tax Allocation Refunding Bonds

As of June 30, 2018, the total future debt payments for the tax allocation bonds, including interest thereon, are as follows.

Year Ending June 30,	Tax Allocation Bonds		
	Principal	Interest	Total
2019	\$ 6,319,000	\$ 491,247	\$ 6,810,247
2020	6,448,000	362,641	6,810,641
2021	6,580,000	231,060	6,811,060
2022	3,422,000	96,428	3,518,428
2023	168,000	58,571	226,571
2024-2028	922,000	211,032	1,133,032
2029-2032	847,000	59,977	906,977
Total	<u>\$ 24,706,000</u>	<u>\$ 1,510,956</u>	<u>\$ 26,216,956</u>

(c) 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.

CITY OF THOUSAND OAKS

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

June 30, 2018

(17) RESTATEMENT OF PRIOR YEAR BALANCES

Governmental Activities

Prior period adjustments reflected on the Statement of Activities on pages 26-27 include adjustments totalling \$15,652,979 to the Governmental Activities beginning net position. The \$12,674,771 adjustment is the result of the implementation of GASB Statement No. 75. The \$5,970,957 adjustment is the result of the reclassification of prior year revenues to unearned revenues. The \$2,992,749 adjustment is the reinstatement of a land balance that was erroneously retired in a prior year.

	<u>Governmental Activities</u>
Governmental Activities	
Net Position - beginning	\$ 600,006,287
Adjustment:	
Implementation of GASB 75	(12,674,771)
Reclass prior year Successor Agency revenue to unearned revenue	(5,970,957)
Reinstate land	<u>2,992,749</u>
Net Position - beginning, as restated	<u><u>\$ 584,353,308</u></u>

Governmental Funds

Prior period adjustments reflected on the Statement of Revenues, Expenditures, and Changes in Fund Balances on pages 31-32 show a \$5,970,957 decrease to the Thousand Oaks Housing Successor Agency Fund beginning fund balance. The \$5,970,957 adjustment is the result of the reclassification of prior year revenues to unearned revenue.

	<u>Thousand Oaks Housing Successor</u>
Governmental Funds	
Fund balance - beginning	\$ 8,060,283
Adjustment:	
Reclass prior year revenue to unearned revenue.	\$ (5,970,957)
Fund balance - beginning, as restated	<u><u>\$ 2,089,326</u></u>

Business-type Activities

Prior period adjustments reflected on the Statement of Revenues, Expenses, and Changes in Net Position on pages 26-27 show decreases of \$979,418 in the Water Fund, \$1,773,432 in the Wastewater Fund, \$78,092 in the Transportation Fund, \$151,654 in the Solid Waste Fund Management, and \$377,400 in the Theatres Funds beginning net position. This adjustment was the result of the implementation of GASB Statement No. 75 and the recognition of the net OPEB liability for the City's OPEB plan.

CITY OF THOUSAND OAKS

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

June 30, 2018

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Transportation Fund</u>
Business-type Activities			
Net Position - beginning	\$ 72,089,346	\$ 152,046,648	\$ 4,288,601
Adjustment:			
Implementation of GASB 75	(979,418)	(1,773,432)	(78,092)
Net Position - beginning, as restated	<u>\$ 71,109,928</u>	<u>\$ 150,273,216</u>	<u>\$ 4,210,509</u>

	<u>Solid Waste Management Fund</u>	<u>Theatres Fund</u>
Business-type Activities		
Net Position - beginning	\$ 5,795,156	\$ (1,559,826)
Adjustment:		
Implementation of GASB 75	(151,654)	(377,400)
Net Position - beginning, as restated	<u>\$ 5,643,502</u>	<u>\$ (1,937,226)</u>

(18) SUBSEQUENT EVENTS

Call Option for the 2010 Wastewater Revenue Refunding Bonds

On October 1, 2018, the City called the final maturity on the 2010 Wastewater Revenue Refunding Bonds originally issued on January 28, 2010 for \$11,690,000. The bonds had an original maturity date of October 1, 2019, however, the bond indenture provided for an optional prepayment of the 2019 bonds on or after October 1, 2018. Repaying the debt a year early provided savings of \$41,100 in interest payments.

Funding Policy for Pension Rate Stabilization Trust Fund

On July 10, 2018 the City approved a funding policy for a Pension Rate Stabilization Trust Fund (PRSTF) to achieve long-term pension sustainability for the City. The PRSTF is a section 115 irrevocable trust fund designed for agencies to responsibly manage pension costs and address pension liabilities. Assets placed in the PRSTF can be accessed to offset rate increases to stabilize rates, can be used as a rainy-day fund when revenues are impaired, and can be used to make additional payments.

In accordance with the funding policy, the City will place \$22.5 million into the PRSTF starting in Fiscal Year 2018-19. The table on the following page shows the impact of the funding for fiscal year 2018-19 by fund:

CITY OF THOUSAND OAKS

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

June 30, 2018

	<u>PRSTF Funding</u>
General Fund	\$ 17,185,000
Wastewater Fund	3,010,000
Water Fund	1,795,000
Transportation Fund	260,000
Solid Waste Fund	250,000
Total	<u><u>\$ 22,500,000</u></u>

CalPERS Fifteen Year Fresh Start Program

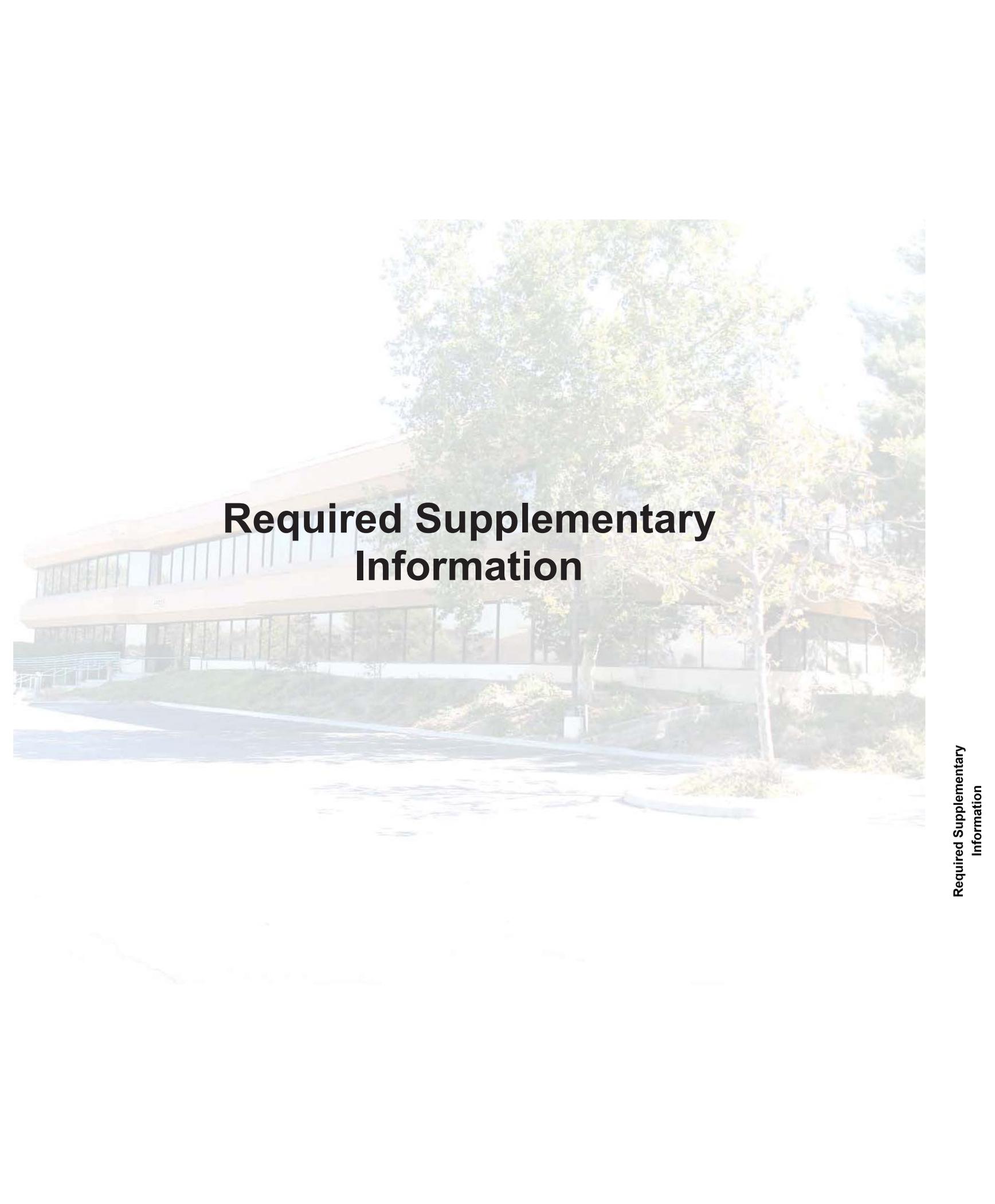
In addition to approving the PRSTF, considering best practices, the City's current strong financial situation, and the interest savings gained by switching to a 15-year amortization schedule, City Council adopted the CalPERS Fresh Start Program on July 10, 2018. Based on the CalPERS actuarial as of June 30, 2016 the City is projected to save \$30.9 million by moving from a 30-year amortization schedule to a 15-year amortization schedule. However, the annual pension costs will increase approximately \$2.0 million over the next fifteen years. Staff has been taking steps to achieve the goal of sustainability over the past several years, including one-time additional payments towards the unfunded liability as salaries and benefits savings have been realized. The change was incorporated in the City's June 30, 2017 CalPERS actuarial for the fiscal year 2019-20 operating budget. Budget for the average \$1.5 million increase in annual unfunded liability payments over the next fifteen years will be included in future budget cycles.

Hill and Woosley Fires

The City of Thousand Oaks was affected by the Hill and Woosley fires between the incident period of November 8, 2018 to November 25, 2018. The City sustained structure damage to one commercial and 31 residential properties. No City facilities were damaged during the fire, however smoke and ash remediation was necessary at the Civic Arts Plaza, Grant R. Brimhall and Newbury Park libraries, Adult and Teen Centers, Hill Canyon Treatment Plant, and the Municipal Service Center. All costs associated with the City's emergency operations and remediation will be submitted to FEMA and insurance for reimbursement.

The fires had a financial impact on two City operations during the incident period. The Los Robles Greens Golf Course estimates lost revenue of approximately \$0.1 million due to non-played rounds of golf, as well as event cancellations. The Civic Arts Plaza Theatres had to reschedule or cancel shows as a result of the fire. The impact on lost revenue for the Theatres Fund is still being determined due to ongoing discussions with production companies.

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Required Supplementary Information

CITY OF THOUSAND OAKS

**Required Supplementary Information
(Unaudited)**

June 30, 2018

The following Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Employer Contributions 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 Years**

	Measurement Period 6/30/2014	Measurement Period 6/30/2015	Measurement Period 6/30/2016	Measurement Period 6/30/2017
Total Pension Liability				
Service cost	\$ 4,251,555	\$ 4,182,907	\$ 4,129,221	\$ 4,671,388
Interest on total pension liability	17,983,431	18,652,284	19,333,120	19,648,350
Changes of assumptions	-	(4,350,381)	-	15,449,297
Difference between expected and actual experience	-	(2,726,667)	(2,088,224)	(4,430,696)
Benefit payments, including refunds of employee contributions	(10,661,411)	(11,502,551)	(12,138,087)	(13,202,806)
Net change in total pension liability	11,573,575	4,255,592	9,236,030	22,135,533
Total pension liability, beginning	242,984,012	254,557,587	258,813,179	268,049,209
Total pension liability, ending (a)	<u>\$ 254,557,587</u>	<u>\$ 258,813,179</u>	<u>\$ 268,049,209</u>	<u>\$ 290,184,742</u>
Fiduciary Net Position				
Contributions - employer	\$ 4,870,194	\$ 6,517,328	\$ 6,879,405	\$ 7,245,291
Contributions - employee	2,194,930	1,966,037	2,080,044	2,161,542
Net investment income	29,926,107	4,521,600	1,043,288	22,442,527
Benefit payments, including refunds of employee contributions	(10,661,411)	(11,502,551)	(12,138,087)	(13,202,806)
Administrative expense	-	(226,555)	(122,637)	(293,763)
Net change in plan fiduciary net position	26,329,820	1,275,859	(2,257,987)	18,352,791
Fiduciary net position, beginning	173,620,315	199,950,135	201,225,994	198,968,007
Fiduciary net position, ending (b)	<u>\$ 199,950,135</u>	<u>\$ 201,225,994</u>	<u>\$ 198,968,007</u>	<u>\$ 217,320,798</u>
Net pension liability/(asset), ending (a) - (b)	<u>\$ 54,607,452</u>	<u>\$ 57,587,185</u>	<u>\$ 69,081,202</u>	<u>\$ 72,863,944</u>
Plan fiduciary net position as a percentage of the total pension liability	78.55%	77.75%	74.23%	74.89%
Covered-employee payroll	\$ 28,759,756	\$ 29,161,370	\$ 28,993,269	\$ 29,262,017
Plan net pension liability/(asset) as a percentage of covered-employee payroll	189.87%	197.48%	238.27%	249.01%

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 current GASB standards, they should not be reported.

Notes to Schedule

The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2017. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions

The discount rate was changed from 7.50 percent (net of administrative expense) to 7.15 percent for the measurement period ended June 30, 2017.

CITY OF THOUSAND OAKS

**Required Supplementary Information
(Unaudited)**

June 30, 2018

**Schedule of Employer Contributions
Last Ten Fiscal Years**

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18
Actuarially determined contribution	\$ 4,870,194	\$ 5,232,384	\$ 5,426,216	\$ 5,745,291
Contributions in relation to the actuarially determined contribution	(4,870,194)	(6,517,328)	(6,879,405)	(7,245,291)
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ (1,284,944)</u>	<u>\$ (1,453,189)</u>	<u>\$ (1,500,000)</u>
Covered-employee payroll	\$ 29,161,370	\$ 28,993,269	\$ 29,262,017	\$ 30,758,959
Contribution as a percentage of covered-employee payroll	16.70%	22.48%	23.51%	23.56%

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 2017-18 were from the June 30, 2015 public agency valuations

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2015 Funding Valuation Report
Asset Valuation Method	Market Value of Assets.
Inflation	2.75%, compounded annually
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%, compounded annually
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 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. 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, 2018

The following Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Employer Contributions, 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 Years**

	Measurement Period 6/30/2015	Measurement Period 6/30/2016	Measurement Period 6/30/2017	Measurement Period 6/30/2018
Total Pension Liability				
Service cost	\$ 93,325	\$ 120,698	\$ 122,413	\$ 85,460
Interest on total pension liability	172,414	177,638	190,641	210,686
Changes of assumptions	-	8,045	-	27,926
Difference between expected and actual experience	-	117,476	-	225,777
Benefit payments, including refunds of employee contributions	(178,233)	(234,680)	(182,256)	(209,559)
Net change in total pension liability	87,506	189,177	130,798	340,290
Total pension liability, beginning	2,868,056	2,955,562	3,144,739	3,275,537
Total pension liability, ending (a)	<u>\$ 2,955,562</u>	<u>\$ 3,144,739</u>	<u>\$ 3,275,537</u>	<u>\$ 3,615,827</u>
Fiduciary Net Position				
Contributions - employer	\$ 396,456	\$ 400,000	\$ 385,000	\$ 400,000
Contributions - employee	80,484	81,605	77,561	75,279
Net investment income	48,241	2,428	271,468	181,698
Benefit payments, including refunds of employee contributions	(178,233)	(234,680)	(182,256)	(209,559)
Administrative expenses	(23,951)	(28,323)	(32,473)	(29,471)
Net change in plan fiduciary net position	322,997	221,030	519,300	417,947
Fiduciary net position, beginning	1,916,475	2,239,472	2,460,502	2,979,802
Fiduciary net position, ending (b)	<u>\$ 2,239,472</u>	<u>\$ 2,460,502</u>	<u>\$ 2,979,802</u>	<u>\$ 3,397,749</u>
Net pension liability/(asset), ending (a) - (b)	<u>\$ 716,090</u>	<u>\$ 684,237</u>	<u>\$ 295,735</u>	<u>\$ 218,078</u>
Fiduciary net position as a percent of total pension liability	75.77%	78.24%	90.97%	93.97%
Covered-employee payroll	\$ 1,956,638	\$ 2,155,045	\$ 2,219,696	\$ 1,809,263
Plan net pension liability/(asset) as a percentage of covered-employee payroll	36.60%	31.75%	13.32%	12.05%

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.

Changes in Assumptions

The pre and post-retirement mortality assumption was updated to be consistent with those recommended for CalPERS actuarial valuations of Miscellaneous Public Agency Pension Plans. These new demographic assumptions are described in the November 2017 experience study of the California Public Employees Retirement System. This study used data from 1997 to 2015.

In addition, the assumption for inflation was lowered from 2.75 percent to 2.50 percent to be consistent with CalPERS assumptions.

CITY OF THOUSAND OAKS

Required Supplementary Information (Continued)

June 30, 2018

Schedule of Employer Contributions Last Ten Fiscal Years

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18
Actuarially determined contribution	\$ 196,456	\$ 199,162	\$ 201,343	\$ 169,002
Actual employer contribution	396,456	400,000	385,000	400,000
Contribution deficiency (excess)	(200,000)	(200,838)	(183,657)	(230,998)
Covered payroll	\$ 1,956,638	\$ 2,155,045	\$ 2,219,696	\$ 1,809,263
Contribution as a percentage of covered payroll	20.26%	18.56%	17.34%	22.11%

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

Entry Age Normal

Amortization Method

Level percent or level dollar Level dollar
 Closed, open, or layered periods Closed
 Amortization period at 1/1/2018 2 years
 Amortization growth rate 0.00%

Asset Valuation Method

Smoothing period None
 Recognition method None
 Corridor None

Inflation 2.50%

Salary Increases 3.00%

Investment Rate of Return 6.00%

Cost of Living Adjustments None

Withdrawal

Hourly/Part-time Employee rates are as follows:

Attained Age	Probability of
Under age 20	0.8
20-24	0.4
25-65	0.2

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

CITY OF THOUSAND OAKS

**Required Supplementary Information
(Continued)**

June 30, 2018

The following Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Employer Contribution are related an agent multiple-employer plan for other postemployment benefits.

**Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Years**

	Measurement Period 6/30/2017
Total OPEB Liability	
Service cost	\$ 632,000
Interest on total OPEB liability	1,622,000
Actual and expected experience difference	-
Changes in assumptions	-
Changes in benefit terms	-
Benefit payments	<u>(1,627,000)</u>
Net change in total OPEB liability	627,000
Total OPEB liability, beginning	<u>24,199,000</u>
Total OPEB liability, ending (a)	<u><u>\$ 24,826,000</u></u>
 Fiduciary Net Position	
Employer contributions	\$ 2,347,000
Investment income net of investment expenses	1,390,000
Benefit payment	(1,627,000)
Administrative expenses	<u>(7,000)</u>
Net change in plan fiduciary net position	2,103,000
Fiduciary net position, beginning	<u>12,820,000</u>
Fiduciary net position, ending (b)	<u><u>\$ 14,923,000</u></u>
 Net OPEB liability, ending (a) - (b)	\$ 9,903,000
 Fiduciary net position as a percent of total OPEB liability	60.1%
 Covered payroll	\$ 29,555,000
 Net OPEB liability as a percent of covered payroll	33.5%

Notes to Schedule

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Changes of Assumptions

The discount rate was changed from 7.25 percent (net of administrative expense) to 6.75 percent for the measurement period ended June 30, 2017.

CITY OF THOUSAND OAKS

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

June 30, 2018

**Schedule of Employer Contributions
Last Ten Fiscal Years**

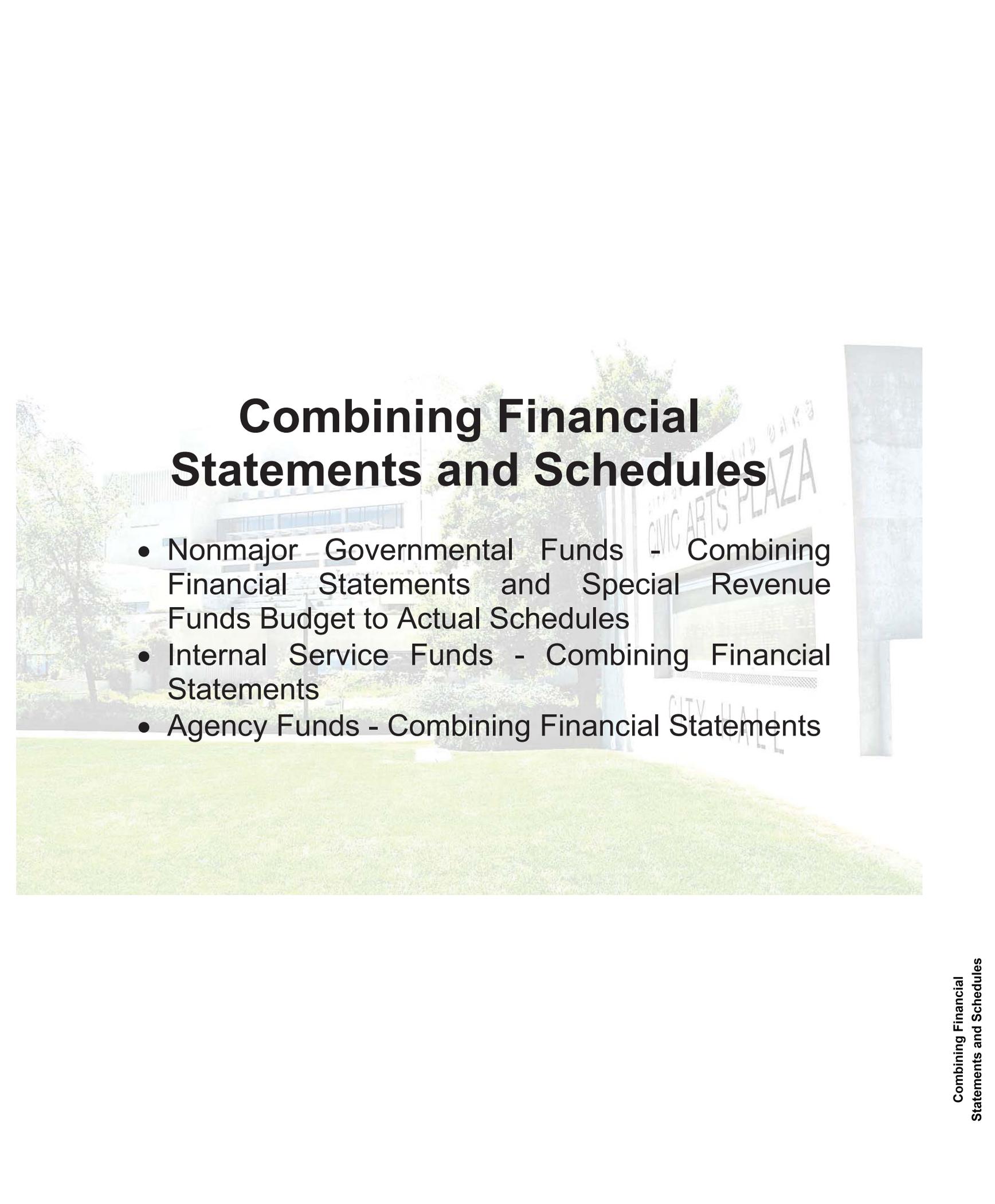
	<u>Fiscal Year</u> <u>2017-18</u>
Actuarially determined contribution	\$ 1,618,000
Actual employer contribution	<u>2,347,000</u>
Contribution deficiency (excess)	<u>(729,000)</u>
Covered payroll	\$ 29,898,000
Contribution as a percentage of covered payroll	7.9%

Notes to Schedule

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Valuation Timing	Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2017-18 were from the June 30, 2017 actuarial valuation.		
Actuarial Cost Method	Entry Age Normal		
Amortization Method	Level Percent		
Amortization Period	19-year fixed period for the 2017/18 ADC		
Asset Valuation Method	Market Value		
Inflation	2.75%		
Payroll Growth	3.00%		
Investment Rate of Return	6.75%		
Healthcare cost-trend rates	<u>Calendar Year</u>	<u>Non-Medicare</u>	<u>Medicare</u>
	2019	7.50%	6.50%
	2020	7.50%	6.50%
	2021	7.25%	6.30%
	2022	7.00%	6.10%
	2023	6.75%	5.90%
Retirement Age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.		
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.		

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The background of the slide is a faded photograph of a modern building. A large sign on the building reads 'CIVIC ARTS PLAZA'. Below it, another sign partially reads 'CITY HALL'. The building has large windows and is surrounded by greenery. The overall image is semi-transparent to allow text to be overlaid.

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

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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

Special Revenue Funds (continued)

East County Transit Alliance Fund - This fund was established to account for the fiscal activities of the East County Transit Alliance, formed by the cities of Thousand Oaks, Camarillo, Moorpark, and Simi Valley, and the County of Ventura to improve delivery of transit services in the East County.

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.

CITY OF THOUSAND OAKS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

Special Revenue Funds					
	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	\$ 8,287,960	529,551	1,800,405	310,528	91,698
Receivables:					
Accounts	88,863	-	-	-	109
Accrued interest	40,386	2,537	6,983	1,675	391,133
Intergovernmental	152,097	167,668	-	-	197,098
Notes/loans	-	-	-	-	1,254,600
Restricted cash and investments	-	-	2,014,329	-	-
Total assets	\$ 8,569,306	699,756	3,821,717	312,203	1,934,638

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

Liabilities:

Accounts payable	\$ 602,078	176,172	3,821,717	825	183,587
Due to other agencies	-	-	-	-	254,600
Interfund payables	-	167,667	-	-	13,621
Unearned revenue	-	-	-	126,595	1,000,000
Advances from other funds	-	-	-	-	-
Total liabilities	602,078	343,839	3,821,717	127,420	1,451,808
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	391,133
Total deferred inflows of resources	-	-	-	-	391,133
Fund balances:					
Restricted	7,967,228	355,917	-	184,783	91,697
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	7,967,228	355,917	-	184,783	91,697
Total liabilities, deferred inflows of resources and fund balances	\$ 8,569,306	699,756	3,821,717	312,203	1,934,638

See accompanying independent auditors' report.

				Debt Service Funds
County Flood Control Benefit Assessment	Housing Trust	East County Transit Alliance	Total	Thousand Oaks Public Financing Authority
-	3,017,322	10,677	14,048,141	5,046
338,998	-	74,093	502,063	-
(2,698)	160,167	(467)	599,716	-
176,438	-	-	693,301	-
-	1,000,000	-	2,254,600	-
-	-	-	2,014,329	1,166,954
<u>512,738</u>	<u>4,177,489</u>	<u>84,303</u>	<u>20,112,150</u>	<u>1,172,000</u>
21,259	-	84,303	4,889,941	-
-	-	-	254,600	-
491,479	-	-	672,767	-
-	1,000,000	7,040	2,133,635	-
-	-	-	-	1,166,952
<u>512,738</u>	<u>1,000,000</u>	<u>91,343</u>	<u>7,950,943</u>	<u>1,166,952</u>
-	146,150	-	537,283	-
-	146,150	-	537,283	-
-	3,031,339	-	11,630,964	5,048
-	-	-	-	-
-	-	-	-	-
-	-	(7,040)	(7,040)	-
-	3,031,339	(7,040)	11,623,924	5,048
<u>512,738</u>	<u>4,177,489</u>	<u>84,303</u>	<u>20,112,150</u>	<u>1,172,000</u>

CITY OF THOUSAND OAKS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

Page 3 of 3

Capital Projects Funds				
	Fixed Asset Replacement	Community Recreation and Open Space Endowment Fund	Total	Total Nonmajor Governmental Funds

Assets

Assets:				
Cash and investments	\$ 12,789,488	2,046,150	14,835,638	28,888,825
Receivables:				
Accounts	-	-	-	502,063
Accrued interest	-	8,820	8,820	608,536
Intergovernmental	-	-	-	693,301
Notes/loans	-	-	-	2,254,600
Restricted cash and investments	-	-	-	3,181,283
Total assets	\$ 12,789,488	2,054,970	14,844,458	36,128,608

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

Liabilities:				
Accounts payable	\$ 10,231	2,240	12,471	4,902,412
Due to other agencies	-	-	-	254,600
Interfund payables	-	-	-	672,767
Unearned revenue	-	-	-	2,133,635
Advances from other funds	-	-	-	1,166,952
Total liabilities	10,231	2,240	12,471	9,130,366
Deferred inflows of resources:				
Unavailable revenue	-	-	-	537,283
Total deferred inflows of resources	-	-	-	537,283
Fund balances:				
Restricted	-	-	-	11,636,012
Committed	-	2,052,730	2,052,730	2,052,730
Assigned	12,779,257	-	12,779,257	12,779,257
Unassigned	-	-	-	(7,040)
Total fund balances	12,779,257	2,052,730	14,831,987	26,460,959
Total liabilities, deferred inflows of resources and fund balances	\$ 12,789,488	2,054,970	14,844,458	36,128,608

See accompanying independent auditors' report.

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CITY OF THOUSAND OAKS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2018

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
Revenues:					
Taxes	\$ 2,370,230	-	-	-	-
Fines and forfeitures	-	761,522	-	-	-
Use of money and property	126,673	3,502	-	5,839	32,339
Charges for current services	4,608,963	-	-	-	-
Intergovernmental revenue	-	258,295	-	79,907	510,309
Other	107,752	-	-	-	-
Total revenues	<u>7,213,618</u>	<u>1,023,319</u>	<u>-</u>	<u>85,746</u>	<u>542,648</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	1,142,781	-	-	167,657	-
Transportation	5,169,414	305,155	-	-	-
Community development	52,274	-	-	-	510,309
Culture and leisure	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>6,364,469</u>	<u>305,155</u>	<u>-</u>	<u>167,657</u>	<u>510,309</u>
Excess (deficiency) of revenues over (under) expenditures	<u>849,149</u>	<u>718,164</u>	<u>-</u>	<u>(81,911)</u>	<u>32,339</u>
Other financing sources (uses):					
Transfers in (note 6)	142,627	-	-	-	-
Transfers out (note 6)	-	(705,316)	-	-	-
Total other financing sources (uses)	<u>142,627</u>	<u>(705,316)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	991,776	12,848	-	(81,911)	32,339
Fund balance - beginning	<u>6,975,452</u>	<u>343,069</u>	<u>-</u>	<u>266,694</u>	<u>59,358</u>
Fund balance - ending	<u>\$ 7,967,228</u>	<u>355,917</u>	<u>-</u>	<u>184,783</u>	<u>91,697</u>

See accompanying independent auditors' report.

				Debt Service Funds
County Flood Control Benefit Assessment	Housing Trust	East County Transit Alliance	Total	Thousand Oaks Public Financing Authority
-	-	-	2,370,230	-
-	-	-	761,522	-
-	(5,613)	-	162,740	14,595
501,825	-	82,485	5,193,273	-
-	-	598,133	1,446,644	-
2,781	-	(4,404)	106,129	-
<u>504,606</u>	<u>(5,613)</u>	<u>676,214</u>	<u>10,040,538</u>	<u>14,595</u>
-	-	-	-	-
-	-	-	1,310,438	-
779,670	-	683,254	6,937,493	-
-	-	-	562,583	-
-	-	-	-	-
-	-	-	-	630,000
-	-	-	-	524,712
<u>779,670</u>	<u>-</u>	<u>683,254</u>	<u>8,810,514</u>	<u>1,154,712</u>
<u>(275,064)</u>	<u>(5,613)</u>	<u>(7,040)</u>	<u>1,230,024</u>	<u>(1,140,117)</u>
275,064	-	96,207	513,898	1,140,665
-	-	(41,904)	(747,220)	-
<u>275,064</u>	<u>-</u>	<u>54,303</u>	<u>(233,322)</u>	<u>1,140,665</u>
-	(5,613)	47,263	996,702	548
-	3,036,952	(54,303)	10,627,222	4,500
<u>-</u>	<u>3,031,339</u>	<u>(7,040)</u>	<u>11,623,924</u>	<u>5,048</u>

CITY OF THOUSAND OAKS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2018

Page 3 of 3

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Fixed Asset Replacement	Community Recreation and Open Space Endowment Fund	Total	
Revenues:				
Taxes	\$ -	9,000	9,000	2,379,230
Fines and forfeitures	-	-	-	761,522
Use of money and property	-	29,934	29,934	207,269
Charges for current services	-	-	-	5,193,273
Intergovernmental revenue	-	-	-	1,446,644
Other	1,112,377	599	1,112,976	1,219,105
Total revenues	1,112,377	39,533	1,151,910	11,207,043
Expenditures:				
Current:				
General government	110,926	-	110,926	110,926
Public safety	100,806	-	100,806	1,411,244
Transportation	94,487	-	94,487	7,031,980
Community development	-	23,590	23,590	586,173
Culture and leisure	34,222	-	34,222	34,222
Debt service:				
Principal	-	-	-	630,000
Interest	-	-	-	524,712
Capital outlay	-	95,826	95,826	95,826
Total expenditures	340,441	119,416	459,857	10,425,083
Excess (deficiency) of revenues over (under) expenditures	771,936	(79,883)	692,053	781,960
Other financing sources (uses):				
Transfers in (note 6)	-	100,000	100,000	1,754,563
Transfers out (note 6)	-	-	-	(747,220)
Total other financing sources (uses)	-	100,000	100,000	1,007,343
Net change in fund balance	771,936	20,117	792,053	1,789,303
Fund balance - beginning	12,007,321	2,032,613	14,039,934	24,671,656
Fund balance - ending	\$ 12,779,257	2,052,730	14,831,987	26,460,959

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, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 2,193,400	2,193,400	2,370,230	176,830
Use of money and property	45,300	45,300	126,673	81,373
Charges for current services	4,247,350	4,247,350	4,608,963	361,613
Other	55,000	96,600	107,752	11,152
Total revenues	<u>6,541,050</u>	<u>6,582,650</u>	<u>7,213,618</u>	<u>630,968</u>
Expenditures:				
Current:				
Public safety	1,219,765	1,231,819	1,142,781	89,038
Transportation	6,651,396	6,778,754	5,169,414	1,609,340
Community development	15,342	15,342	52,274	(36,932)
Capital outlay	145,000	145,000	-	145,000
Total expenditures	<u>8,031,503</u>	<u>8,170,915</u>	<u>6,364,469</u>	<u>1,806,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,490,453)</u>	<u>(1,588,265)</u>	<u>849,149</u>	<u>2,437,414</u>
Other financing sources (uses):				
Transfers in (note 6)	180,000	180,000	142,627	(37,373)
Total other financing sources (uses)	<u>180,000</u>	<u>180,000</u>	<u>142,627</u>	<u>(37,373)</u>
Net change in fund balance	(1,310,453)	(1,408,265)	991,776	2,400,041
Fund balance - beginning	<u>6,975,452</u>	<u>6,975,452</u>	<u>6,975,452</u>	<u>-</u>
Fund balance - ending	<u>\$ 5,664,999</u>	<u>5,567,187</u>	<u>7,967,228</u>	<u>2,400,041</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, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and forfeitures	\$ 625,000	625,000	761,522	136,522
Use of money and property	5,000	5,000	3,502	(1,498)
Intergovernmental revenue	55,000	307,500	258,295	(49,205)
Total revenues	<u>685,000</u>	<u>937,500</u>	<u>1,023,319</u>	<u>85,819</u>
Expenditures:				
Current:				
Transportation	81,365	648,711	305,155	343,556
Total expenditures	<u>81,365</u>	<u>648,711</u>	<u>305,155</u>	<u>343,556</u>
Excess of revenues over expenditures	<u>603,635</u>	<u>288,789</u>	<u>718,164</u>	<u>429,375</u>
Other financing sources (uses):				
Transfers out (note 6)	(571,000)	(571,000)	(705,316)	(134,316)
Total other financing sources (uses)	<u>(571,000)</u>	<u>(571,000)</u>	<u>(705,316)</u>	<u>(134,316)</u>
Net change in fund balance	32,635	(282,211)	12,848	295,059
Fund balance - beginning	<u>343,069</u>	<u>343,069</u>	<u>343,069</u>	<u>-</u>
Fund balance - ending	<u>\$ 375,704</u>	<u>60,858</u>	<u>355,917</u>	<u>295,059</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, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Use of money and property	\$ -	-	32,339	32,339
Intergovernmental revenue	600,000	600,000	510,309	(89,691)
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>542,648</u>	<u>(57,352)</u>
Expenditures:				
Current:				
Community development	600,000	801,944	510,309	291,635
Total expenditures	<u>600,000</u>	<u>801,944</u>	<u>510,309</u>	<u>291,635</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(201,944)</u>	<u>32,339</u>	<u>234,283</u>
Net change in fund balance	-	(201,944)	32,339	234,283
Fund balance - beginning	<u>59,358</u>	<u>59,358</u>	<u>59,358</u>	<u>-</u>
Fund balance - ending	<u>\$ 59,358</u>	<u>(142,586)</u>	<u>91,697</u>	<u>234,283</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, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for current services	\$ 460,000	460,000	501,825	41,825
Other	4,000	4,000	2,781	(1,219)
Total revenues	<u>464,000</u>	<u>464,000</u>	<u>504,606</u>	<u>40,606</u>
Expenditures:				
Current:				
Transportation	1,012,298	1,051,940	779,670	272,270
Total expenditures	<u>1,012,298</u>	<u>1,051,940</u>	<u>779,670</u>	<u>272,270</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(548,298)</u>	<u>(587,940)</u>	<u>(275,064)</u>	<u>312,876</u>
Other financing sources (uses):				
Transfers in (note 6)	548,298	548,298	275,064	(273,234)
Total other financing sources (uses)	<u>548,298</u>	<u>548,298</u>	<u>275,064</u>	<u>(273,234)</u>
Net change in fund balance	-	(39,642)	-	39,642
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>(39,642)</u>	<u>-</u>	<u>39,642</u>

See accompanying independent auditors' report.

CITY OF THOUSAND OAKS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing Trust Special Revenue Governmental Fund
Year ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Use of money and property	\$ 25,000	25,000	(5,613)	(30,613)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>(5,613)</u>	<u>(30,613)</u>
Expenditures:				
Current:				
Community development	12,000	12,000	-	12,000
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,000</u>	<u>13,000</u>	<u>(5,613)</u>	<u>(18,613)</u>
Net change in fund balance	13,000	13,000	(5,613)	(18,613)
Fund balance - beginning	<u>3,036,952</u>	<u>3,036,952</u>	<u>3,036,952</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,049,952</u>	<u>3,049,952</u>	<u>3,031,339</u>	<u>(18,613)</u>

See accompanying notes to basic financial statements.

CITY OF THOUSAND OAKS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
East County Transit Alliance Governmental Fund
Year ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Use of money and property	\$ 250	250	-	(250)
Charges for current services	23,000	23,000	82,485	59,485
Intergovernmental revenue	680,000	680,000	598,133	(81,867)
Other	-	-	(4,404)	(4,404)
Total revenues	<u>703,250</u>	<u>703,250</u>	<u>676,214</u>	<u>(27,036)</u>
Expenditures:				
Current:				
Transportation	579,900	617,076	683,254	(66,178)
Proprietary funds	22,998	-	-	-
Capital outlay	-	40,000	-	40,000
Total expenditures	<u>602,898</u>	<u>657,076</u>	<u>683,254</u>	<u>(26,178)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,352</u>	<u>46,174</u>	<u>(7,040)</u>	<u>(53,214)</u>
Other financing sources (uses):				
Transfers in (note 6)	-	-	96,207	96,207
Transfers out (note 6)	-	-	(41,904)	(41,904)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>54,303</u>	<u>54,303</u>
Net change in fund balance	100,352	46,174	47,263	1,089
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>(54,303)</u>	<u>(54,303)</u>
Fund balance - ending	<u>\$ 100,352</u>	<u>46,174</u>	<u>(7,040)</u>	<u>(53,214)</u>

See accompanying notes to basic financial statements.

CITY OF THOUSAND OAKS
Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Improvements Fund
Year ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Use of money and property	\$ 235,000	235,000	328,525	93,525
Charges for current services	456,000	456,000	1,659,871	1,203,871
Other	-	-	85,402	85,402
Total revenues	<u>691,000</u>	<u>691,000</u>	<u>2,073,798</u>	<u>1,382,798</u>
Expenditures:				
Current:				
Public safety	-	3,206,403	-	3,206,403
Transportation	400,000	755,031	606,272	148,759
Community development	-	1,227,555	-	1,227,555
Debt service:				
Interest	-	-	3,494	(3,494)
Capital outlay	7,241,335	13,818,323	3,574,760	10,243,563
Total expenditures	<u>7,641,335</u>	<u>19,007,312</u>	<u>4,184,526</u>	<u>14,822,786</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,950,335)</u>	<u>(18,316,312)</u>	<u>(2,110,728)</u>	<u>16,205,584</u>
Other financing sources (uses):				
Transfers in (note 6)	5,550,000	5,550,000	5,550,000	-
Transfers out (note 6)	(465,200)	(909,400)	(939,158)	(29,758)
Total other financing sources (uses)	<u>5,084,800</u>	<u>4,640,600</u>	<u>4,610,842</u>	<u>(29,758)</u>
Net change in fund balance	(1,865,535)	(13,675,712)	2,500,114	16,175,826
Fund balance - beginning	<u>20,227,112</u>	<u>20,227,112</u>	<u>20,227,112</u>	<u>-</u>
Fund balance - ending	<u>\$ 18,361,577</u>	<u>6,551,400</u>	<u>22,727,226</u>	<u>16,175,826</u>

See accompanying notes to basic financial statements.

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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, 2018

	Liability Insurance	Workers' Compensation Insurance	Vision Insurance	Total
Assets:				
Current assets:				
Cash and investments	\$ 4,315,092	6,304,158	65,080	10,684,330
Receivables:				
Accrued interest	19,488	28,521	301	48,310
Prepaid items	425	-	-	425
Total current assets	<u>4,335,005</u>	<u>6,332,679</u>	<u>65,381</u>	<u>10,733,065</u>
Total assets	<u>\$ 4,335,005</u>	<u>6,332,679</u>	<u>65,381</u>	<u>10,733,065</u>
Liabilities:				
Current liabilities:				
Accounts payable	\$ 10,143	46,745	2,954	59,842
Noncurrent liabilities:				
Claims payable	1,684,999	2,297,100	-	3,982,099
Total liabilities	<u>\$ 1,695,142</u>	<u>2,343,845</u>	<u>2,954</u>	<u>4,041,941</u>
Net position:				
Unrestricted	2,639,863	3,988,834	62,427	6,691,124
Total net position (deficit)	<u>\$ 2,639,863</u>	<u>3,988,834</u>	<u>62,427</u>	<u>6,691,124</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, 2018

	Liability Insurance	Workers' Compensation Insurance	Vision Insurance	Total
Operating revenues:				
Charges for services and supplies	\$ 971,514	386,272	47,933	1,405,719
Total operating revenues	<u>971,514</u>	<u>386,272</u>	<u>47,933</u>	<u>1,405,719</u>
Operating expenses:				
Claims expenses	1,637,508	873,638	48,418	2,559,564
Total operating expenses	<u>1,637,508</u>	<u>873,638</u>	<u>48,418</u>	<u>2,559,564</u>
Operating income (loss)	<u>(665,994)</u>	<u>(487,366)</u>	<u>(485)</u>	<u>(1,153,845)</u>
Nonoperating revenues (expenses):				
Interest income	61,907	94,987	1,014	157,908
Total nonoperating revenues	<u>61,907</u>	<u>94,987</u>	<u>1,014</u>	<u>157,908</u>
Income (loss) before contributions and transfers	<u>(604,087)</u>	<u>(392,379)</u>	<u>529</u>	<u>(995,937)</u>
Change in net position	(604,087)	(392,379)	529	(995,937)
Total net position - beginning	<u>3,243,950</u>	<u>4,381,213</u>	<u>61,898</u>	<u>7,687,061</u>
Total net position - ending	<u>\$ 2,639,863</u>	<u>3,988,834</u>	<u>62,427</u>	<u>6,691,124</u>

See accompanying independent auditors' report.

CITY OF THOUSAND OAKS
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2018

	Liability Insurance	Workers' Compensation Insurance	Vision Insurance	Total
Cash flows from operating activities:				
Cash received from customers	\$ 971,514	386,272	47,969	1,405,755
Cash payments for goods and services	(1,207,955)	(397,844)	(49,325)	(1,655,124)
Net cash used for operating activities	<u>(236,441)</u>	<u>(11,572)</u>	<u>(1,356)</u>	<u>(249,369)</u>
Cash flows from investing activities:				
Interest received	57,080	87,838	922	145,840
Net cash provided by investing activities	<u>57,080</u>	<u>87,838</u>	<u>922</u>	<u>145,840</u>
Net increase (decrease) in cash and cash equivalents	(179,361)	76,266	(434)	(103,529)
Cash and cash equivalents, beginning of year	4,494,453	6,227,892	65,514	10,787,859
Cash and cash equivalents, end of year	<u>\$ 4,315,092</u>	<u>6,304,158</u>	<u>65,080</u>	<u>10,684,330</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating loss	\$ (665,994)	(487,366)	(485)	(1,153,845)
Adjustments to reconcile operating income/(loss) to net cash provided by (used for) operating activities:				
Decrease in accounts/notes receivable	-	-	36	36
(Decrease) in accounts payables	(194,746)	(12,906)	(907)	(208,559)
Increase in claims payable	624,299	488,700	-	1,112,999
Total adjustments	<u>429,553</u>	<u>475,794</u>	<u>(871)</u>	<u>904,476</u>
Net cash used for operating activities	<u>\$ (236,441)</u>	<u>(11,572)</u>	<u>(1,356)</u>	<u>(249,369)</u>

See accompanying independent auditors' report.

AGENCY FUNDS

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

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

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

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

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

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

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

Law Enforcement Fund - This fund was established to account for donations and state drug seizure funds.

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, 2018

Page 1 of 2

	Strong Motion Instrumentation	County Flood Zone	Environment Impact Reports	Planning Security Deposits	Public Works Deposits
Assets:					
Cash and investments	\$ 7,267	41,104	16,777	1,054,980	2,089,188
Accounts receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
Total assets	\$ <u>7,267</u>	<u>41,104</u>	<u>16,777</u>	<u>1,054,980</u>	<u>2,089,188</u>
Liabilities:					
Accounts payable	\$ 7,267	41,104	-	15,288	46,567
Due to other agencies	-	-	-	2,129	-
Deposits	-	-	16,777	1,037,563	2,042,621
Total liabilities	\$ <u>7,267</u>	<u>41,104</u>	<u>16,777</u>	<u>1,054,980</u>	<u>2,089,188</u>

See accompanying independent auditors' report.

Public Access Television	Law Enforcement	COSCA	Misc. Flow Through	Total
2,295,877	177,955	1,591,806	429,778	7,704,732
245,756	-	580	-	246,336
-	822	7,178	1,924	9,924
<u>2,541,633</u>	<u>178,777</u>	<u>1,599,564</u>	<u>431,702</u>	<u>7,960,992</u>
-	14,996	-	4,822	130,044
-	-	-	-	2,129
<u>2,541,633</u>	<u>163,781</u>	<u>1,599,564</u>	<u>426,880</u>	<u>7,828,819</u>
<u>2,541,633</u>	<u>178,777</u>	<u>1,599,564</u>	<u>431,702</u>	<u>7,960,992</u>

CITY OF THOUSAND OAKS
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Year ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>Strong Motion Instrumentation</u>				
Assets:				
Cash and investments	\$ 14,877	23,355	30,965	7,267
Total assets	<u>\$ 14,877</u>	<u>23,355</u>	<u>30,965</u>	<u>7,267</u>
Liabilities:				
Accounts payable	\$ 14,877	29,439	37,049	7,267
Due to other agencies	-	30,624	30,624	-
Total liabilities	<u>\$ 14,877</u>	<u>60,063</u>	<u>67,673</u>	<u>7,267</u>
<u>County Flood Zone</u>				
Assets:				
Cash and investments	\$ 60,597	47,259	66,752	41,104
Total assets	<u>\$ 60,597</u>	<u>47,259</u>	<u>66,752</u>	<u>41,104</u>
Liabilities:				
Accounts payable	\$ 60,597	47,260	66,753	41,104
Due to other agencies	-	47,259	47,259	-
Total liabilities	<u>\$ 60,597</u>	<u>94,519</u>	<u>114,012</u>	<u>41,104</u>
<u>Environment Impact Reports</u>				
Assets:				
Cash and investments	\$ 16,777	-	-	16,777
Total assets	<u>\$ 16,777</u>	<u>-</u>	<u>-</u>	<u>16,777</u>
Liabilities:				
Deposits	\$ 16,777	-	-	16,777
Total liabilities	<u>\$ 16,777</u>	<u>-</u>	<u>-</u>	<u>16,777</u>

(Continued ...)

CITY OF THOUSAND OAKS
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Year ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
(Continued ...)				
<u>Planning Security Deposits</u>				
Assets:				
Cash and investments	\$ 1,051,032	430,109	426,161	1,054,980
Total assets	<u>\$ 1,051,032</u>	<u>430,109</u>	<u>426,161</u>	<u>1,054,980</u>
Liabilities:				
Accounts payable	\$ 17,822	224,231	226,765	15,288
Deposits	1,033,210	473,825	467,343	1,039,692
Total liabilities	<u>\$ 1,051,032</u>	<u>698,056</u>	<u>694,108</u>	<u>1,054,980</u>
<u>Public Works Deposits</u>				
Assets:				
Cash and investments	\$ 1,759,176	740,515	410,503	2,089,188
Total assets	<u>\$ 1,759,176</u>	<u>740,515</u>	<u>410,503</u>	<u>2,089,188</u>
Liabilities:				
Accounts payable	\$ -	448,991	402,424	46,567
Deposits	1,759,176	743,315	459,870	2,042,621
Total liabilities	<u>\$ 1,759,176</u>	<u>1,192,306</u>	<u>862,294</u>	<u>2,089,188</u>
<u>Public Access Television</u>				
Assets:				
Cash and investments	\$ 2,189,211	348,530	241,864	2,295,877
Accounts receivable	-	245,756	-	245,756
Total assets	<u>\$ 2,189,211</u>	<u>594,286</u>	<u>241,864</u>	<u>2,541,633</u>
Liabilities:				
Deposits	\$ 2,189,211	594,286	241,864	2,541,633
Total liabilities	<u>\$ 2,189,211</u>	<u>594,286</u>	<u>241,864</u>	<u>2,541,633</u>
(Continued ...)				

CITY OF THOUSAND OAKS
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Year ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
(Continued ...)				
<u>Law Enforcement</u>				
Assets:				
Cash and investments	\$ 209,587	47,256	78,888	177,955
Accrued interest receivable	713	2,372	2,263	822
Total assets	\$ 210,300	49,628	81,151	178,777
Liabilities:				
Accounts payable	\$ 2,301	94,568	81,873	14,996
Deposits	207,999	132,494	176,712	163,781
Total liabilities	\$ 210,300	227,062	258,585	178,777
<u>COSCA</u>				
Assets:				
Cash and investments	\$ 1,404,984	189,522	2,700	1,591,806
Accounts receivable	-	88,130	87,550	580
Accrued interest receivable	4,762	18,465	16,049	7,178
Total assets	\$ 1,409,746	296,117	106,299	1,599,564
Liabilities:				
Accounts payable	\$ -	5,000	5,000	-
Deposits	1,409,746	193,568	3,750	1,599,564
Total liabilities	\$ 1,409,746	198,568	8,750	1,599,564
(Continued ...)				

CITY OF THOUSAND OAKS
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Year ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
(Continued ...)				
<u>Misc. Flow Through</u>				
Assets:				
Cash and investments	\$ 430,007	48,299	48,528	429,778
Accrued interest receivable	1,426	5,170	4,672	1,924
Total assets	<u>\$ 431,433</u>	<u>53,469</u>	<u>53,200</u>	<u>431,702</u>
Liabilities:				
Accounts payable	\$ 7,618	35,896	38,692	4,822
Deposits	423,815	42,058	38,993	426,880
Total liabilities	<u>\$ 431,433</u>	<u>77,954</u>	<u>77,685</u>	<u>431,702</u>
<u>Total Agency Funds</u>				
Assets:				
Cash and investments	\$ 7,136,248	1,874,845	1,306,361	7,704,732
Accounts receivable	-	333,886	87,550	246,336
Accrued interest receivable	6,901	26,007	22,984	9,924
Total assets	<u>\$ 7,143,149</u>	<u>2,234,738</u>	<u>1,416,895</u>	<u>7,960,992</u>
Liabilities:				
Accounts payable	\$ 103,215	885,385	858,556	130,044
Due to other agencies	-	77,883	77,883	-
Deposits	7,039,934	2,179,546	1,388,532	7,830,948
Total liabilities	<u>\$ 7,143,149</u>	<u>3,142,814</u>	<u>2,324,971</u>	<u>7,960,992</u>

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STATISTICAL SECTION

City of Thousand Oaks
Year Ended June 30, 2018

STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends 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.	145-154
Revenue Capacity These tables contain information regarding the City's largest own-source revenue, property tax and sales tax.	155-160
Debt Capacity These tables present information regarding the City's current debt requirements and the City's financial ability to issue additional debt in the future.	161-168
Demographic and Economic Information 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.	169-170
Operating Information 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.	171-174

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Table 1

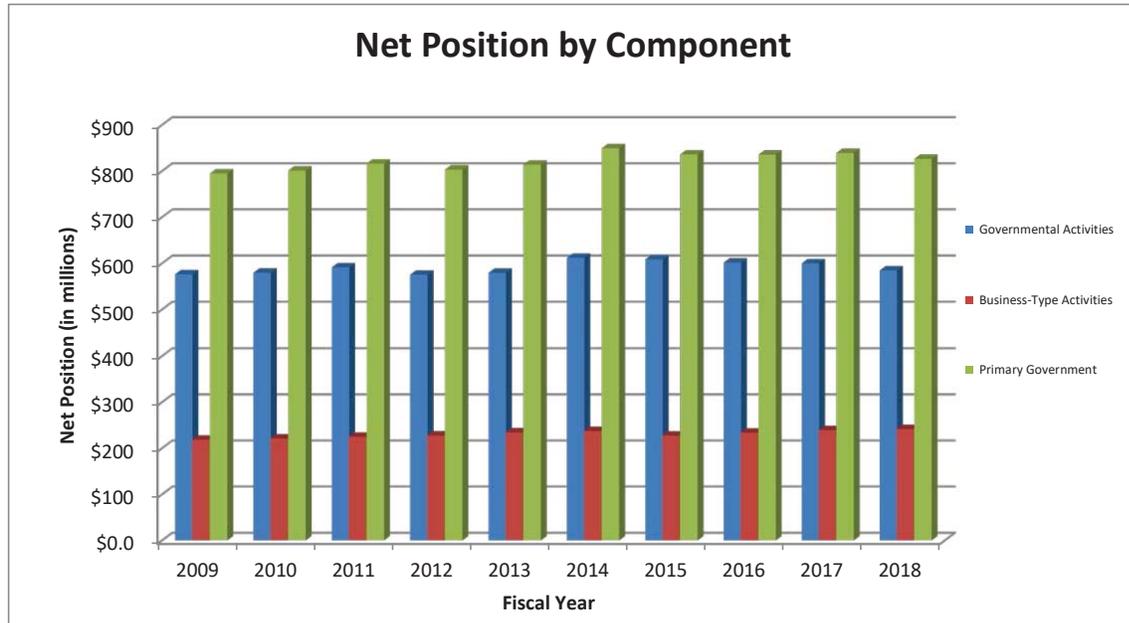
CITY OF THOUSAND OAKS

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

Page 1 of 2

	2009	2010	2011	2012
Governmental activities				
Net investments in capital assets	\$ 436,277,657	\$ 434,777,106	\$ 436,968,437	\$ 424,876,492
Restricted	37,727,131	38,654,458	46,508,324	38,380,982
Unrestricted	102,182,201	106,323,825	107,815,418	112,216,327
Total governmental activities net position	<u>\$ 576,186,989</u>	<u>\$ 579,755,389</u>	<u>\$ 591,292,179</u>	<u>\$ 575,473,801</u>
Business-type activities				
Net investments in capital assets	\$ 148,313,106	\$ 151,530,649	\$ 153,821,273	\$ 153,889,583
Restricted	2,734,026	2,018,609	2,196,556	2,093,726
Unrestricted	67,572,396	67,811,296	68,823,038	71,729,967
Total business-type activities net position	<u>\$ 218,619,528</u>	<u>\$ 221,360,554</u>	<u>\$ 224,840,867</u>	<u>\$ 227,713,276</u>
Primary government				
Net investments in capital assets	\$ 584,590,763	\$ 586,307,755	\$ 590,789,710	\$ 578,766,075
Restricted	40,461,157	40,673,067	48,704,880	40,474,708
Unrestricted	169,754,597	174,135,121	176,638,456	183,946,294
Total primary government net position	<u>\$ 794,806,517</u>	<u>\$ 801,115,943</u>	<u>\$ 816,133,046</u>	<u>\$ 803,187,077</u>

Source: City of Thousand Oaks



2013	2014	2015	2016	2017	2018
\$ 429,496,970	\$ 441,224,834	\$ 482,441,504	\$ 463,170,097	\$ 453,336,316	\$ 450,107,203
36,275,259	52,304,427	35,825,757	40,171,977	35,187,559	30,564,146
115,680,931	118,451,059	90,346,428	98,320,690	111,482,413	104,017,721
<u>\$ 581,453,160</u>	<u>\$ 611,980,320</u>	<u>\$ 608,613,689</u>	<u>\$ 601,662,764</u>	<u>\$ 600,006,288</u>	<u>\$ 584,689,070</u>
\$ 160,080,104	\$ 163,352,049	\$ 168,079,871	\$ 166,146,712	\$ 162,523,929	159,522,153
28,017,654	29,970,531	31,397,274	34,008,294	3,224,630	3,142,286
46,312,992	44,171,611	27,892,382	33,752,786	73,615,294	79,046,508
<u>\$ 234,410,750</u>	<u>\$ 237,494,191</u>	<u>\$ 227,369,527</u>	<u>\$ 233,907,792</u>	<u>\$ 239,363,853</u>	<u>\$ 241,710,947</u>
\$ 589,577,074	\$ 604,576,883	\$ 650,521,375	\$ 629,316,809	\$ 615,860,245	\$ 609,629,356
64,292,913	82,274,958	67,223,031	74,180,271	38,412,189	33,706,432
161,993,923	162,622,670	118,238,810	132,073,476	185,097,707	183,064,229
<u>\$ 815,863,910</u>	<u>\$ 849,474,511</u>	<u>\$ 835,983,216</u>	<u>\$ 835,570,556</u>	<u>\$ 839,370,141</u>	<u>\$ 826,400,017</u>

Table 2

CITY OF THOUSAND OAKS

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

Page 1 of 4

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses			
Governmental activities:			
General government	\$ 19,274,242	\$ 16,318,024	\$ 15,818,365
Public safety	26,737,000	26,917,106	27,165,601
Transportation	24,812,778	24,205,410	27,308,063
Community development	23,525,974	31,472,631	26,004,932
Culture and leisure	11,657,026	11,438,101	10,880,231
Interest on long-term debt	4,426,267	4,002,329	3,672,066
Total governmental activities expenses	<u>110,433,287</u>	<u>114,353,601</u>	<u>110,849,258</u>
Business-type activities:			
Water	17,578,603	18,690,402	19,430,010
Wastewater	18,033,389	18,795,351	18,565,664
Golf Course	5,002,620	5,099,519	4,923,681
Transportation	2,928,854	3,447,324	3,764,116
Solid Waste Management	1,250,469	1,332,067	1,424,288
Theatres	4,152,677	3,915,498	3,716,595
Total business-type activities expenses	<u>48,946,612</u>	<u>51,280,161</u>	<u>51,824,354</u>
Total primary government expenses	<u>\$159,379,899</u>	<u>\$165,633,762</u>	<u>\$ 162,673,612</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	\$ 5,569,675	\$ 6,584,710	\$ 5,620,394
Public safety	473,720	643,054	518,740
Transportation	4,231,897	4,693,392	4,271,158
Community development	4,462,726	4,352,037	4,764,843
Culture and leisure	256,812	316,762	260,421
Operating grants and contributions	11,360,407	11,453,153	13,906,945
Capital grants and contributions	2,792,857	1,622,157	1,652,089
Total governmental activities program revenues	<u>29,148,094</u>	<u>29,665,265</u>	<u>30,994,590</u>
Business-type activities:			
Charges for services:			
Water	18,436,321	18,896,852	21,283,333
Wastewater	21,871,495	20,657,404	20,028,254
Golf Course	5,570,050	5,307,892	4,874,576
Transportation	285,926	396,405	301,075
Solid Waste Management	1,574,351	1,602,364	1,388,587
Theatres	3,569,127	3,191,463	3,142,176
Operating grants and contributions	2,845,062	3,620,080	3,989,932
Capital grants and contributions	236,070	225,179	175,441
Total business-type activities program revenues	<u>54,388,402</u>	<u>53,897,639</u>	<u>55,183,374</u>
Total primary government program revenues	<u>\$ 83,536,496</u>	<u>\$ 83,562,904</u>	<u>\$ 86,177,964</u>
Net (expense)/revenue			
Governmental activities	\$ (81,285,193)	\$ (84,688,336)	\$ (79,854,668)
Business-type activities	5,441,790	2,617,478	3,359,020
Total Primary government net expense	<u>\$ (75,843,403)</u>	<u>\$ (82,070,858)</u>	<u>\$ (76,495,648)</u>

2012	2013	2014	2015	2016	2017	2018
\$ 14,996,258	\$ 15,544,721	\$ 17,001,257	\$ 16,633,833	\$ 17,205,376	\$ 18,559,779	\$ 22,009,003
27,853,732	27,487,842	28,180,467	28,679,593	28,895,575	33,414,773	31,261,436
25,844,691	26,109,347	26,964,212	33,160,508	33,722,007	31,862,406	28,946,935
19,757,842	11,162,235	12,303,689	9,427,305	13,902,102	9,531,142	10,422,774
10,435,600	9,719,771	10,139,607	10,560,758	11,312,504	10,697,550	14,440,330
1,845,302	636,012	619,929	655,102	595,822	556,540	526,631
<u>100,733,425</u>	<u>90,659,928</u>	<u>95,209,161</u>	<u>99,117,099</u>	<u>105,633,386</u>	<u>104,622,190</u>	<u>107,607,109</u>
20,779,897	22,133,144	24,058,407	21,843,944	20,465,622	21,774,730	24,554,703
19,022,278	18,988,040	19,156,409	18,709,803	18,408,978	18,875,727	19,570,996
4,918,517	4,729,238	5,001,182	5,225,508	6,993,159	5,477,483	5,820,522
4,097,237	4,655,099	5,092,147	6,038,124	6,779,428	6,813,792	6,983,544
1,571,469	1,899,126	1,633,529	1,608,741	1,244,484	1,264,791	1,241,419
4,101,536	4,083,872	4,006,613	3,727,264	3,684,483	4,026,388	4,084,270
<u>54,490,934</u>	<u>56,488,519</u>	<u>58,948,287</u>	<u>57,153,384</u>	<u>57,576,154</u>	<u>58,232,911</u>	<u>62,255,454</u>
<u>\$155,224,359</u>	<u>\$147,148,447</u>	<u>\$154,157,448</u>	<u>\$156,270,483</u>	<u>\$163,209,540</u>	<u>\$162,855,101</u>	<u>\$169,862,563</u>
\$ 6,606,146	\$ 6,281,280	\$ 7,220,202	\$ 6,618,463	\$ 6,555,307	\$ 7,816,273	\$ 10,307,660
849,732	847,579	832,949	887,976	1,131,555	892,756	974,423
5,949,669	5,460,232	5,448,265	5,844,243	5,725,586	5,188,260	5,776,193
4,694,052	3,962,106	4,753,171	5,038,087	5,968,502	5,570,226	5,694,880
343,042	244,486	288,179	255,755	241,480	304,051	369,675
13,194,721	11,561,006	8,872,310	5,351,236	6,801,627	5,914,541	6,696,406
483,744	5,570,206	11,467,954	4,148,837	2,129,634	3,412,100	2,449,510
<u>32,121,106</u>	<u>33,926,895</u>	<u>38,883,030</u>	<u>28,144,597</u>	<u>28,553,691</u>	<u>29,098,207</u>	<u>32,268,747</u>
22,828,323	25,548,666	27,570,065	25,903,528	23,526,238	25,502,093	29,529,144
19,091,002	19,347,142	19,300,050	20,959,096	22,768,316	21,385,939	20,682,588
5,074,016	4,646,379	4,609,795	4,665,559	6,058,246	4,905,388	5,380,828
457,938	998,709	1,288,342	1,991,701	2,316,515	2,078,215	1,921,292
1,484,372	1,621,874	1,486,259	1,454,871	1,440,914	1,434,211	1,552,730
3,155,208	3,278,415	3,223,057	3,313,109	3,399,431	3,747,826	3,848,918
4,057,467	4,393,103	300,000	500,000	300,000	300,000	4,836,160
1,068,810	2,748,298	4,254,160	5,781,443	4,304,759	4,346,733	38,165
<u>57,217,136</u>	<u>62,582,586</u>	<u>62,031,728</u>	<u>64,569,307</u>	<u>64,114,419</u>	<u>63,700,405</u>	<u>67,789,825</u>
<u>\$ 89,338,242</u>	<u>\$ 96,509,481</u>	<u>\$100,914,758</u>	<u>\$ 92,713,904</u>	<u>\$ 92,668,110</u>	<u>\$ 92,798,612</u>	<u>\$100,058,572</u>
\$ (68,612,319)	\$ (56,733,033)	\$ (56,326,131)	\$ (70,972,502)	\$ (77,079,695)	\$ (75,523,983)	\$ (75,338,362)
<u>2,726,202</u>	<u>6,094,067</u>	<u>3,083,441</u>	<u>7,415,923</u>	<u>6,538,265</u>	<u>5,467,494</u>	<u>5,534,371</u>
<u>\$ (65,886,117)</u>	<u>\$ (50,638,966)</u>	<u>\$ (53,242,690)</u>	<u>\$ (63,556,579)</u>	<u>\$ (70,541,430)</u>	<u>\$ (70,056,489)</u>	<u>\$ (69,803,991)</u>

Table 2

CITY OF THOUSAND OAKS

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

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General Revenue and Other Changes in Net Position	2009	2010	2011
Governmental activities:			
Taxes			
Property tax	\$ 37,321,236	\$ 36,833,910	\$ 34,355,639
Property tax in-lieu of VLF	9,783,399	9,803,594	9,644,764
Sales tax	24,132,888	23,873,911	22,123,406
Transient occupancy tax	2,493,840	2,281,581	2,702,879
Franchise tax	5,282,424	5,200,169	5,790,082
Business tax	1,782,198	1,673,282	1,708,860
Property transfer tax	525,900	573,839	588,295
Other taxes			
Unrestricted intergovernmental revenue	441,670	382,584	657,519
Proceeds from the sale of property	1,668,014	6,161,617	1,535,345
Miscellaneous Revenue	-	-	-
Unrestricted investment/interest earnings	2,686,701	1,595,797	931,529
Extraordinary item - RDA dissolution (1)	-	-	-
Extraordinary item - Asset transfer from Successor Agency (2)	-	-	-
Transfers	(41,220)	(123,548)	(121,293)
Total governmental activities	<u>86,077,050</u>	<u>88,256,736</u>	<u>79,917,025</u>
Business-type activities:			
Transfers	41,220	123,548	121,293
Total business-type activities	<u>41,220</u>	<u>123,548</u>	<u>121,293</u>
Total primary government	<u>\$ 86,118,270</u>	<u>\$ 88,380,284</u>	<u>\$ 80,038,318</u>
Change in Net Position			
Governmental activities	\$ 4,791,857	\$ 3,568,400	\$ 62,357
Business-type activities	5,483,010	2,741,026	3,480,313
Total primary government	<u>\$ 10,274,867</u>	<u>\$ 6,309,426</u>	<u>\$ 3,542,670</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.

Source: City of Thousand Oaks

2012	2013	2014	2015	2016	2017	2018
\$ 25,278,294	\$ 14,829,441	\$ 15,568,174	\$ 16,142,673	\$ 16,952,325	\$ 17,874,024	\$ 18,724,121
9,707,468	9,772,778	10,090,869	10,641,639	11,139,579	11,606,510	12,168,229
25,957,903	25,197,744	27,497,621	29,664,075	25,721,479	29,136,957	30,230,035
2,977,691	3,162,291	3,528,776	3,921,765	4,671,343	4,538,143	4,750,931
5,984,921	6,204,829	6,649,679	6,936,019	6,689,427	6,473,304	6,600,816
1,705,654	1,840,690	1,793,854	1,940,876	2,009,687	2,000,963	2,053,459
634,332	734,488	850,572	988,600	1,194,435	1,075,442	1,060,355
-	17,298	28,832	29,306	26,998	30,302	30,302
-	121,989	-	53,361	54,339	59,298	69,197
3,989,070	1,378,420	378,435	-	-	-	12,479
500,000	-	135,240	178,120	59,877	1,142,403	10,015
1,342,253	91,728	1,318,781	1,189,635	1,606,973	(77,968)	136,904
(25,137,438)	-	-	-	-	-	-
-	-	4,611,540	43,428,316	-	-	-
(146,207)	60,108	14,338,221	-	-	11,433	(172,719)
52,793,941	63,394,506	86,779,060	115,113,911	70,128,770	73,867,507	75,674,124
146,207	(60,108)	-	-	-	(11,433)	172,719
146,207	(60,108)	-	-	-	(11,433)	172,719
\$ 52,940,148	\$ 63,334,398	\$ 86,779,060	\$ 115,113,911	\$ 70,128,770	\$ 73,856,074	\$ 75,846,843
\$ (15,818,378)	\$ 6,661,473	\$ 30,452,929	\$ 44,141,409	\$ (6,950,925)	\$ (1,656,476)	\$ 335,762
2,872,409	6,033,959	3,083,441	7,415,923	6,538,265	5,456,061	5,707,090
\$ (12,945,969)	\$ 12,695,432	\$ 33,536,370	\$ 51,557,332	\$ (412,660)	\$ 3,799,585	\$ 6,042,852

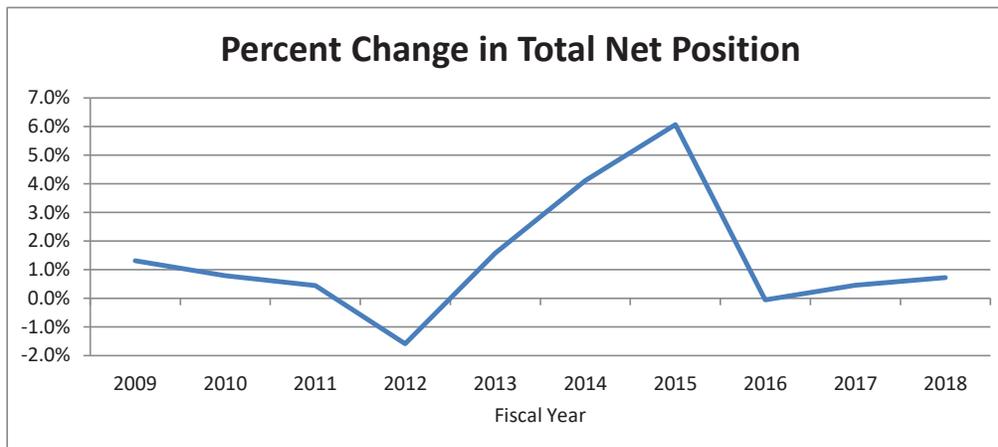


Table 3

CITY OF THOUSAND OAKS

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

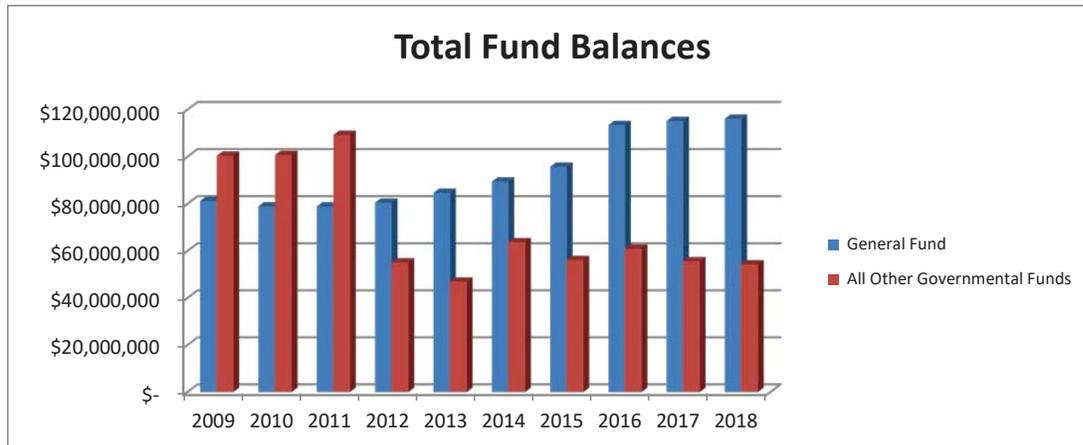
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	2009	2010	2011	2012
General Fund				
Reserved	\$ 7,346,454	\$ 7,452,277	\$ -	\$ -
Unreserved	73,848,723	71,441,836	-	-
Nonspendable	-	-	386,487	458,467
Restricted	-	-	-	-
Committed	-	-	30,382,360	29,133,665
Assigned	-	-	47,971,223	49,836,670
Unassigned	-	-	75,762	1,018,694
Total General Fund	<u>\$ 81,195,177</u>	<u>\$ 78,894,113</u>	<u>\$ 78,815,832</u>	<u>\$ 80,447,496</u>
All other governmental funds				
Reserved	\$ 28,675,993	\$ 35,259,948	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	21,464,035	18,554,270	-	-
Capital projects funds	50,226,170	46,906,091	-	-
Nonspendable	-	-	9,454,786	671,083
Restricted	-	-	65,811,852	33,496,970
Committed	-	-	16,273,358	1,484,061
Assigned	-	-	18,085,550	19,800,800
Unassigned	-	-	(383,659)	(404,032)
Total all other governmental funds	<u>\$ 100,366,198</u>	<u>\$ 100,720,309</u>	<u>\$ 109,241,887</u>	<u>\$ 55,048,882</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



2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
444,070	3,925,151	3,945,620	3,911,863	2,236,692	2,269,250
-	-	-	-	-	-
32,150,306	30,679,785	41,296,049	36,627,164	49,360,297	40,743,359
50,970,528	53,756,465	48,584,436	62,654,198	61,225,142	72,064,828
1,096,184	1,033,728	1,878,673	2,399,689	2,317,700	1,000,000
<u>\$ 84,661,088</u>	<u>\$ 89,395,129</u>	<u>\$ 95,704,778</u>	<u>\$ 105,592,914</u>	<u>\$ 115,139,831</u>	<u>\$ 116,077,437</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
671,083	671,084	671,083	-	-	-
25,270,524	42,377,963	35,825,757	40,171,977	35,187,559	30,564,146
1,643,144	1,692,486	1,802,421	1,940,009	2,032,613	2,052,730
19,345,705	18,895,556	17,808,062	18,791,815	18,345,221	21,647,443
(38,159)	-	-	(26,699)	(54,303)	(7,040)
<u>\$ 46,892,297</u>	<u>\$ 63,637,089</u>	<u>\$ 56,107,323</u>	<u>\$ 60,877,102</u>	<u>\$ 55,511,090</u>	<u>\$ 54,257,279</u>

Table 4

CITY OF THOUSAND OAKS

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

Page 1 of 2

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues				
Taxes	\$81,773,373	\$76,920,440	\$78,791,255	\$69,974,247
Licenses and permits	5,206,207	4,319,610	4,829,204	5,044,995
Fines and forfeitures	1,565,993	1,356,890	1,245,879	1,252,050
Use of money and property	6,467,079	4,505,561	3,273,362	3,051,485
Charges for current services	10,030,782	9,876,944	9,660,891	10,758,658
Intergovernmental revenue	11,077,630	7,687,314	11,584,850	10,945,123
Reimbursements	1,759,091	-	-	-
Other	190,291	3,271,990	2,325,759	3,719,494
Total revenues	<u>118,070,446</u>	<u>107,938,749</u>	<u>111,711,200</u>	<u>104,746,052</u>
Expenditures				
Current:				
General government	17,306,010	14,530,618	14,170,542	14,679,175
Public safety	26,599,446	26,684,654	26,999,458	27,622,423
Transportation	22,524,959	15,762,955	22,727,687	29,403,527
Community development	23,404,601	31,093,436	26,085,166	19,555,500
Culture and leisure	10,035,034	9,718,996	9,351,390	9,013,448
Debt service:				
Principal	4,380,000	4,560,000	4,875,000	4,910,000
Interest	4,240,684	4,034,636	3,585,683	2,090,329
Issuance cost	-	253,368	-	-
Payment to refunded bond escrow agent - prior	-	1,214,341	-	-
Capital outlay	4,998,150	3,416,204	6,846,658	14,535,378
Total expenditures	<u>113,488,884</u>	<u>111,269,208</u>	<u>114,641,584</u>	<u>121,809,780</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,581,562</u>	<u>(3,330,459)</u>	<u>(2,930,384)</u>	<u>(17,063,728)</u>
Other financing sources (uses)				
Extraordinary item (1)	-	-	-	(35,366,016)
Transfers in	9,252,559	8,428,849	7,159,053	8,167,067
Transfers out	(9,293,779)	(8,552,397)	(7,280,346)	(8,313,274)
Refunding bonds issued	-	16,405,000	-	-
Premium on refunding bonds issued	-	133,266	-	-
Discount on refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent - current	-	(15,107,427)	-	-
Proceeds from sale of property (2)	28,980	76,215	20,542	14,610
Special Item	-	-	-	-
Total other financing sources (uses)	<u>(12,240)</u>	<u>1,383,506</u>	<u>(100,751)</u>	<u>(35,497,613)</u>
Net change in fund balances	<u>\$ 4,569,322</u>	<u>\$ (1,946,953)</u>	<u>\$ (3,031,135)</u>	<u>\$ (52,561,341)</u>
Debt service as a percentage of noncapital expenditures	8.5%	8.1%	8.3%	7.5%

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 2015-16, the City entered into an agreement with Many Mansions to sell the City owned Schillo Gardens property for two notes receivable of \$3,875,000 and \$2,095,957, respectively, along with \$279,043 in cash.

Source: City of Thousand Oaks

2013	2014	2015	2016	2017	2018
\$ 61,184,148	\$ 65,652,130	\$ 66,697,613	\$ 70,964,086	\$ 70,353,513	\$ 74,014,030
5,101,683	5,858,997	6,424,536	7,189,317	6,766,102	7,098,983
1,170,876	1,201,226	1,138,646	1,047,754	1,070,992	1,226,704
1,835,698	3,664,767	3,084,840	4,405,485	1,362,034	1,808,784
11,047,312	11,051,746	11,411,961	11,943,215	13,522,017	13,388,778
11,193,429	16,588,309	8,685,090	8,291,953	5,520,776	5,749,365
-	-	-	-	-	-
1,970,848	3,003,278	2,204,224	2,120,846	2,590,830	5,495,691
93,503,994	107,020,453	99,646,910	105,962,656	101,186,264	108,782,335
14,564,358	15,237,607	17,193,554	17,734,964	17,984,450	20,549,299
27,336,083	28,007,014	28,629,008	28,756,519	33,281,120	31,123,639
28,459,116	26,492,614	30,645,163	25,023,202	23,217,710	20,901,692
10,496,554	11,704,339	9,588,092	12,868,799	9,824,408	10,361,447
8,451,440	8,704,663	9,321,044	9,891,599	9,896,139	13,118,303
520,000	535,000	560,000	580,000	600,000	630,000
637,312	621,712	656,969	597,755	559,040	528,206
-	-	-	-	-	-
-	-	-	-	-	-
7,081,193	9,098,366	4,385,257	2,143,483	1,740,264	5,754,757
97,546,056	100,401,315	100,979,087	97,596,321	97,103,131	102,967,343
(4,042,062)	6,619,138	(1,332,177)	8,366,335	4,083,133	5,814,992
-	-	-	-	-	-
5,271,869	19,536,789	4,915,154	4,403,268	5,729,836	9,557,981
(5,211,761)	(5,198,568)	(4,915,154)	(4,403,268)	(5,718,403)	(9,730,700)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
38,961	447,243	112,061	6,291,579	86,339	12,479
-	-	-	-	-	-
99,069	14,785,464	112,061	6,291,579	97,772	(160,240)
\$ (3,942,993)	\$ 21,404,602	\$ (1,220,116)	\$ 14,657,914	\$ 4,180,905	\$ 5,654,752
1.5%	1.4%	1.4%	1.3%	1.3%	1.2%

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	
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	-
2016	26,121,693,208	571,824,100	26,693,517,308	2,343,704,083	208,179,143	2,551,883,226	-
2017	27,235,355,088	582,728,213	27,818,083,301	2,544,403,443	215,429,196	2,759,832,639	-
2018	28,610,970,248	553,669,446	29,164,639,694	2,709,724,562	214,155,260	2,923,879,822	-

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

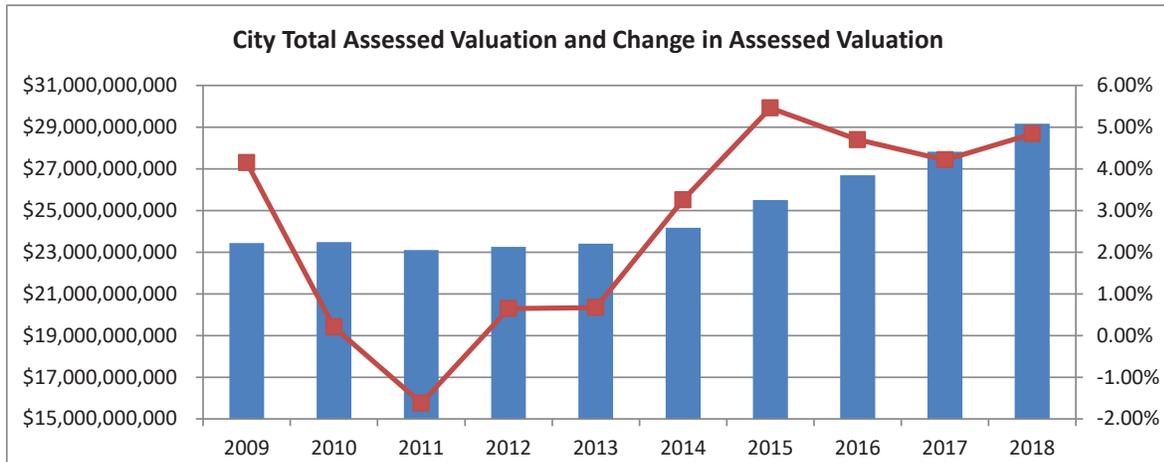


Table 6

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)	
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
2016	-	1.000000	0.031800	0.013000	0.003500	1.048300
2017	-	1.000000	0.032000	0.015500	0.003500	1.051000
2018	-	1.000000	0.021300	0.015100	0.003500	1.039900

Notes:

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

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

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

Source: Ventura County Auditor-Controller

Table 7

CITY OF THOUSAND OAKS

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

<u>Taxpayer</u>	2018		2009	
	<u>Taxable Assessed Value (1)</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
AMGEN INC.	\$ 1,242,205,574	4.26%	\$ 1,206,522,344	5.15%
MACERICH OAKS LLC	356,303,642	1.22%	238,644,136	1.02%
BAXTER HEALTHCARE CORP.	346,354,856	1.19%	164,211,523	0.70%
LOS ROBLES HOSPITAL	210,820,346	0.72%	159,818,500	0.68%
UNIVERSITY VILLAGE TO CCRC LLC	163,695,907	0.56%	-	0.00%
IMT CAPITAL WESTLAKE LLC	136,864,964	0.47%	-	0.00%
DUESENBERG INVESTMENT CO.	121,605,309	0.42%	110,169,270	0.47%
KNOLLS APARTMENTS LLC	109,923,302	0.38%	-	0.00%
WESTLAKE PARK PLACE INC	101,578,275	0.35%	-	0.00%
REGENCY CENTERS LP	80,751,193	0.28%	68,842,279	0.29%
CONTINUING LIFE COMM TO LLC	-	0.00%	166,196,557	0.71%
ONE BAXTER WAY LP	-	0.00%	94,350,000	0.40%
SHAPELL INDUSTRIES INC.	-	0.00%	67,517,701	0.29%
SKYWORKS SOLUTIONS INC	-	0.00%	67,284,552	0.29%
TOTAL	<u>\$ 2,870,103,368</u>	<u>9.85%</u>	<u>\$ 2,343,556,862</u>	<u>10.00%</u>

Notes:

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

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

Table 8

CITY OF THOUSAND OAKS

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 37,438,880	\$ 36,880,898	98.5%	\$ 167,318	\$ 37,048,215	99.0%
2010	37,320,750	36,942,155	99.0%	79,569	37,021,725	99.2%
2011	35,517,611	35,219,996	99.2%	84,605	35,304,601	99.4%
2012	36,020,486	35,770,741	99.3%	82,010	35,852,752	99.5%
2013	35,541,638	35,311,933	99.4%	104,912	35,416,846	99.6%
2014	37,900,282	37,727,071	99.5%	169,885	37,896,956	100.0%
2015	39,875,934	39,710,082	99.6%	144,265	39,854,347	99.9%
2016	42,346,389	42,089,830	99.4%	27,770	42,117,600	99.5%
2017	45,148,364	44,555,401	98.7%	22,754	44,578,155	98.7%
2018	47,714,787	47,549,779	99.7%	N/A	47,549,779	99.7%

Source: Ventura County Auditor-Controller

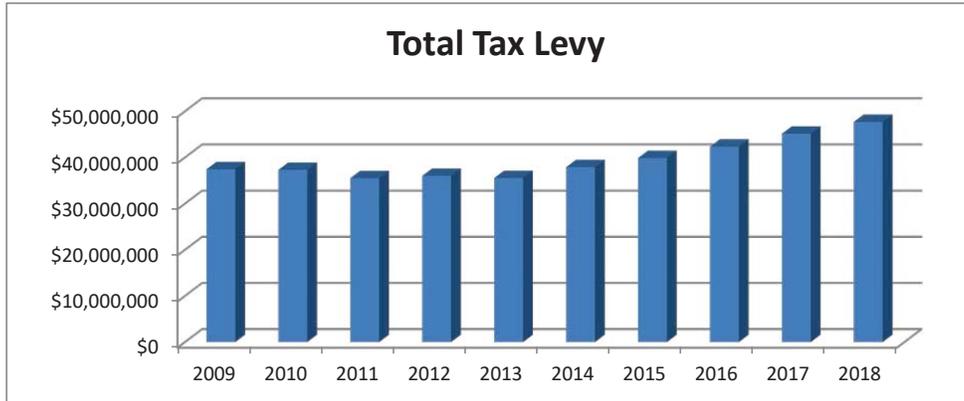


Table 9

CITY OF THOUSAND OAKS

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

<u>Fiscal Year</u>	<u>City Direct Rate (1)</u>	<u>Ventura County</u>	<u>State of California</u>
2009	-	1.00%	7.25%
2010	-	1.00%	7.25%
2011	-	1.00%	7.25%
2012	-	1.00%	6.25%
2013	-	1.00%	6.50%
2014	-	1.00%	6.50%
2015	-	1.00%	6.50%
2016	-	1.25%	6.25%
2017	-	1.25%	6.00%
2018	-	1.25%	6.00%

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)
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	-
2015	135,982	169,373	114,524	320,872	122,371	849,511	176,828	473,856	608,621	2,971,938	-
2016	132,964	167,774	112,185	327,105	121,795	860,780	156,534	452,835	634,675	2,966,647	-
2017	128,446	158,167	112,678	348,863	130,985	943,173	171,817	459,238	680,111	3,133,478	-

(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 2018 not available.

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

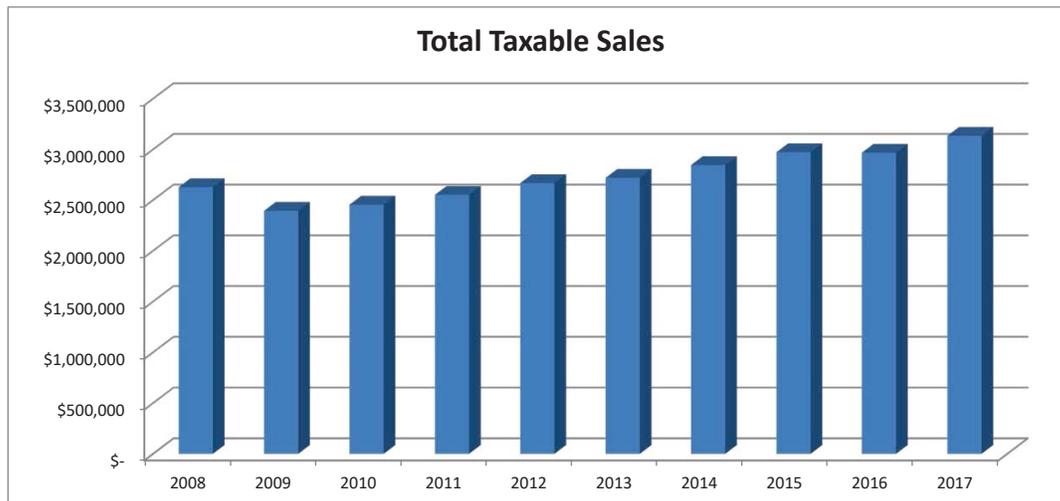


Table 11

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)
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
2016	-	-	-	13,246,920
2017	-	-	-	12,640,863
2018	-	-	-	12,004,805

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. 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, 2018, amounts outstanding with and without amortized premiums were \$2,838,985 and \$2,705,000, respectively.
- (7) See Table 16 for personal income and population data

Source: City of Thousand Oaks

Business-type Activities

Wastewater	Capital Lease (4)	Certificates of Participation (5)	Revenue Refunding Bonds (6)	Total Primary Government	Percentage of Personal Income (7)	Debt Per Capita (7)
\$ 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	233,009	-	6,752,849	35,847,830	0.6%	277.14
13,249,307	225,717	-	5,508,228	32,230,172	0.5%	243.49
11,421,975	96,893	-	4,203,606	28,363,337	0.4%	215.76
9,545,721	358,687	-	2,838,985	24,748,198	0.3%	190.08

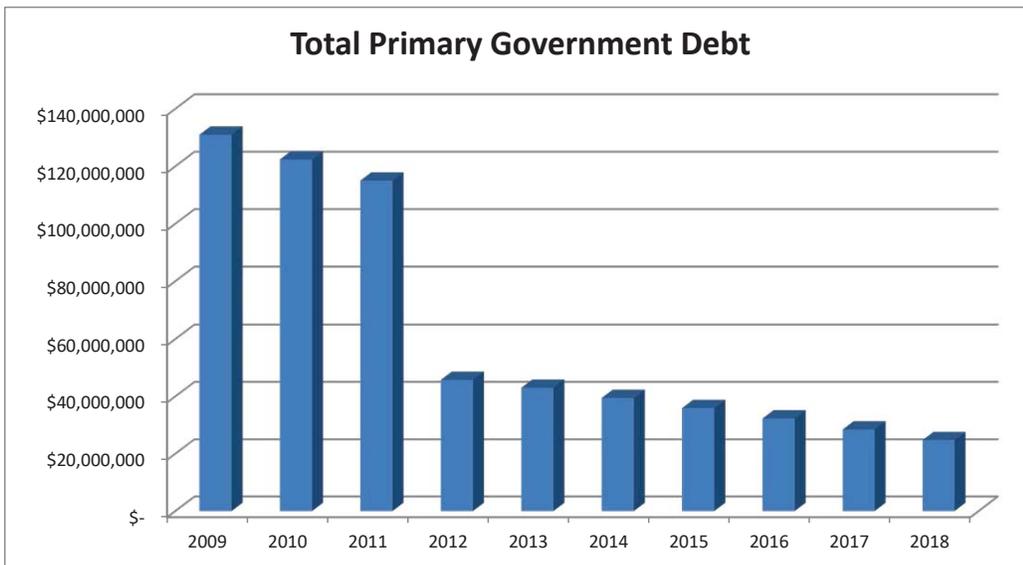


Table 12

CITY OF THOUSAND OAKS

Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt (1)	Less: Debt Payable from Redevelopment Revenues (2)	Net Bonded Debt	Percentage of Actual Taxable Value of Property (3)	Debt Per Capita (4)
2009	\$ 89,315,000	\$ 72,795,000	\$ 16,520,000	0.07%	128.62
2010	84,971,498	68,660,000	16,311,498	0.07%	128.79
2011	80,100,748	64,340,000	15,760,748	0.07%	123.84
2012	15,259,998	-	15,259,998	0.07%	119.19
2013	14,940,093	-	14,940,093	0.06%	116.59
2014	14,399,035	-	14,399,035	0.06%	111.59
2015	13,832,978	-	13,832,978	0.05%	106.94
2016	13,246,920	-	13,246,920	0.05%	100.08
2017	12,640,863	-	12,640,863	0.05%	96.16
2018	12,004,805	-	12,004,805	0.04%	92.21

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 amounts.
- (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, 2018

Jurisdiction	Net General Obligation Debt Outstanding	Percentage Applicable to City of Thousand Oaks (1)	Amount Applicable to City of Thousand Oaks June 30, 2018
<u>Overlapping Tax and Assessment Debt:</u>			
Metropolitan Water District	\$ 60,600,000	1.064 %	\$ 644,784
Ventura County Community College District	283,365,436	22.576 %	63,972,581
Conejo Valley Unified School District	101,689,279	90.336 %	91,862,027
City of Thousand Oaks Community Facilities Districts	20,331,000	100.000 %	20,331,000
<u>Overlapping General Fund Debt:</u>			
Ventura County General Fund Obligations	336,025,000	22.569 %	75,837,482
Ventura County Superintendent of Schools Certificates	9,635,000	22.569 %	2,174,523
Triunfo County Sanitation District Certificates of Participation	11,095,462	49.120 %	5,450,091
Subtotal overlapping and assessment debt			\$ 260,272,488
<u>City Direct Debt:</u>			
City of Thousand Oaks Revenue Lease Refunding Bonds	12,004,805	100.000 %	12,004,805
Subtotal direct debt			12,004,805
Total Direct and Overlapping Debt (2)			<u>\$ 272,277,293</u>

Notes:

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

Source: California Municipal Statistics, Inc.

Table 14

City of Thousand Oaks

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

Page 1 of 2

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 880,798,372	\$ 866,528,344	\$ 872,161,962	\$ 872,161,962
Total net debt applicable to limit	<u>16,520,000</u>	<u>16,405,000</u>	<u>15,850,000</u>	<u>15,345,000</u>
Legal debt margin	<u>\$ 864,278,372</u>	<u>\$ 850,123,344</u>	<u>\$ 856,311,962</u>	<u>\$ 856,816,962</u>
Total net debt applicable to the limit as percentage of debt limit	1.88%	1.89%	1.82%	1.76%

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

2013	2014	2015	2016	2017	2018
\$ 878,029,725	\$ 906,608,419	\$ 956,092,008	\$ 1,001,006,889	\$ 1,043,178,124	\$ 1,093,673,989
14,825,000	14,290,000	13,730,000	13,150,000	12,550,000	11,920,000
<u>\$ 863,204,725</u>	<u>\$ 892,318,419</u>	<u>\$ 942,362,008</u>	<u>\$ 987,856,889</u>	<u>\$ 1,030,628,124</u>	<u>\$ 1,081,753,989</u>
1.69%	1.58%	1.44%	1.31%	1.20%	1.09%

Legal Debt Margin Calculation for Fiscal Year 2017-18

Assessed value	<u>\$ 29,164,639,694</u>
Debt limit (3.75% of total assessed value) (1)	1,093,673,989
Less net amount of debt applicable to debt limit	<u>11,920,000</u>
Legal debt margin	<u>\$ 1,081,753,989</u>

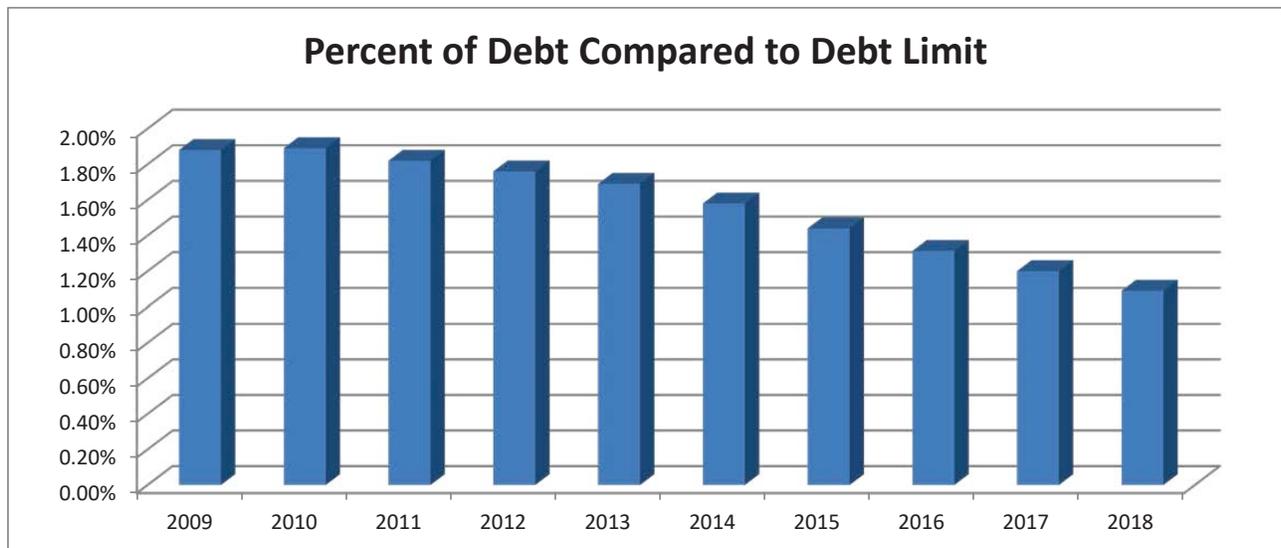


Table 15

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	
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
2016	22,768,316	12,599,440	10,168,876	1,160,000	238,488	7.27
2017	21,385,939	12,654,443	8,731,496	1,220,000	178,988	6.24
2018	20,682,588	13,054,313	7,628,275	1,280,000	116,488	5.46

Notes:

- (1) Gross revenue includes operating revenues, non-operating revenues, and operating transfers in.
- (2) 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

Tax Allocation Bonds (5)

Property Tax Increment	Debt Service		Coverage (3)
	Principal (4)	Interest (4)	
\$ 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**

Calendar Year	Population (1)	Personal Income	Per Capita Personal Income	School Enrollment (1)	Unemployment Rate (2)
2009	128,443	\$ 5,570,444,467	\$ 43,369	21,732	8.0%
2010	126,655	5,708,720,815	45,073	21,202	8.3%
2011	127,264	5,421,319,136	42,599	21,111	8.0%
2012	127,431	5,379,754,527	42,217	20,686	7.1%
2013	128,252	6,015,660,060	46,905	20,533	5.7%
2014	128,942	5,729,795,654	44,437	20,066	4.8%
2015	129,349	5,720,500,917	44,225	19,706	5.1%
2016	132,365	6,703,086,699	50,641	19,293	5.3%
2017	131,457	6,510,013,554	49,522	19,008	4.3%
2018	130,196	7,512,103,490	57,698	18,722	3.6%

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

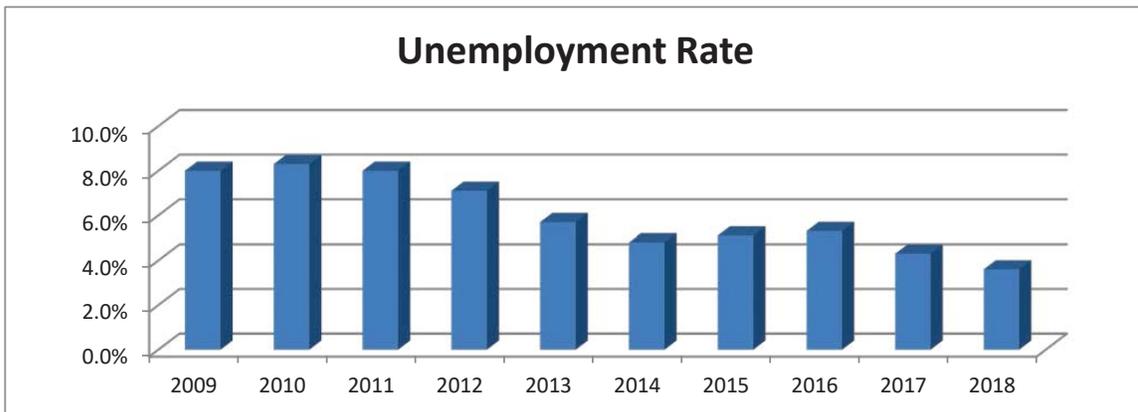


Table 17

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

	2018		2009	
	Employees	Percent of Total City Employment	Employees	Percent of Total City Employment
Amgen Inc.	5,000	7.6%	6,600	9.3%
Conejo Valley Unified School District	2,780	4.2%	1,823	2.6%
Los Robles Regional Medical Center	1,612	2.4%	1,469	2.1%
Anthem Inc. (2)	1,278	1.9%	3,620	5.1%
California Lutheran University	1,166	1.8%	472	0.7%
Shire (1)	730	1.1%	950	1.3%
Skyworks Solutions Inc.	692	1.1%	500	0.7%
PennyMac	674	1.0%	-	0.0%
City of Thousand Oaks	540	0.8%	643	0.9%
Silver Star Automotive Group	527	0.8%	-	0.0%
Verizon	-	0.0%	717	1.0%
Sage Publications	-	0.0%	420	0.6%
Total	14,999	22.3%	17,214	24.2%

Notes:

(1) Formally Baxter BioScience and Baxalta

(2) Formally Anthem Blue Cross

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

Table 18

CITY OF THOUSAND OAKS

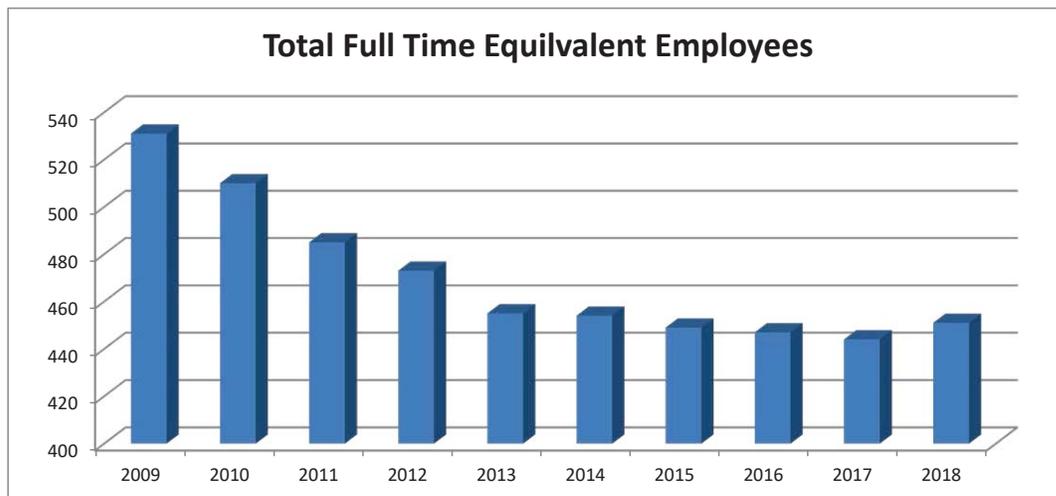
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Central Administration	29	27	25	24	22	22	23	24	23	27
Finance	51	49	48	46	44	48	51	51	50	52
Legal	5	6	5	5	5	5	5	5	4	5
Police (1)	114	112	111	109	108	108	108	108	108	108
Community Development										
Building & Safety	30	29	27	20	18	17	18	19	20	16
Planning	32	32	27	32	27	26	23	25	25	25
Redevelopment (2)	6	5	5	0	0	0	0	0	0	0
Public Works										
Central Administration	84	81	80	83	78	74	72	73	75	74
Landscape	29	27	24	25	25	25	25	24	24	23
Streets & Highways	30	29	27	25	25	26	26	27	24	25
Wastewater	40	39	39	40	40	39	38	34	33	34
Water	13	10	13	12	12	12	13	12	16	17
Library	48	45	38	37	36	38	34	32	30	31
Cultural Affairs (3)	20	19	16	15	15	14	13	13	12	14
Total (4)	531	510	485	473	455	454	449	447	444	451

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 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



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Table 19

CITY OF THOUSAND OAKS

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

Page 1 of 2

Function	2009	2010	2011
General Government			
Business licenses	11,605	11,031	11,089
Building permits issued	1,790	1,777	2,017
Library			
Total volumes in collection	450,537	455,833	460,737
Police			
Physical arrests	3,646	3,034	2,852
Parking violations	6,335	5,186	4,176
Traffic violations	13,603	12,522	12,153
Highways and streets			
Potholes repaired (1)	1,339	1,282	942
Streets repaved (miles) (2)	0.00	6.03	29.10
Water			
Services	16,886	16,907	16,924
Average daily consumption (gallons per household)	504.00	452.29	417.70
Gallons per day purchased from Calleguas Municipal Water District	12,265,940	10,601,420	9,804,111
Wastewater			
Services	37,799	37,873	37,921
Average daily sewage treatment (millions of gallons)	10.65	9.82	9.77

Notes:

- (1) In fiscal year 2008-09, pothole repair increased due to the State Route 23 expansion project.
- (2) Street overlay only. No streets were repaved in fiscal years 2008-09, 2013-14, and 2015-16.

Source: City of Thousand Oaks

2012	2013	2014	2015	2016	2017	2018
10,951	11,746	11,685	11,784	12,226	11,772	12,264
2,216	2,373	2,941	3,040	3,197	2,865	2,717
458,677	461,448	466,965	452,307	432,615	408,598	402,010
2,829	2,753	3,129	2,733	2,962	2,939	3,134
5,487	5,325	4,469	3,811	3,716	3,559	3,733
10,753	10,576	9,613	9,127	10,617	8,361	10,182
1,172	623	1,312	606	317	248	342
10.10	8.99	0.00	7.35	0.00	24.36	51.40
16,974	16,995	17,020	17,054	17,088	17,180	17,191
438.66	454.00	479.00	412.00	332.00	336.00	381.80
10,397,607	10,876,296	11,419,977	9,616,188	8,006,750	8,287,315	9,269,388
38,053	38,130	38,165	38,194	38,241	38,352	38,365
9.47	9.17	8.93	8.47	7.61	8.29	7.94

Table 20

CITY OF THOUSAND OAKS

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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)	387	377	377	377	377	377	377	377	377	377
Streetlights	7,833	7,841	7,829	7,836	7,846	7,845	7,861	7,886	7,936	7,954
Traffic signals (2)	135	137	137	140	144	154	154	154	154	154
Water:										
Water mains (miles) (3)	317	317	320	349	351	351	332	332	334	334
Fire hydrants (4)	1,964	1,964	1,964	1,965	1,970	1,967	1,982	1,984	1,976	2,006
Wastewater:										
Sanitary sewers (miles) (5)	559	560	563	409	409	413	415	415	415	409

Notes:

- (1) Fiscal year 2009-10 decrease is a result of an updated Pavement Management Study which revealed that 10 miles of local streets previously listed as City streets were actually private.
- (2) Includes pedestrian signals.
- (3) Fiscal year 2014-15 decrease due to deactivated water meters.
- (4) Includes privately owned hydrants representing less than 1.5% of hydrants citywide. Fiscal year 2016-17 decrease due to data corrections.
- (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. Fiscal year 2017-18 decrease is a result of gravity mains that were previously identified as city-owned and reclassified as private.

Source: City of Thousand Oaks