



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019



THOUSAND OAKS

**CITY OF THOUSAND OAKS, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2019**



**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, 2019**

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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 10, 2019

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, 2019. 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, 2019. 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 129,557, as of January 1, 2019.

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 (CRPD) 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, 2019, 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.

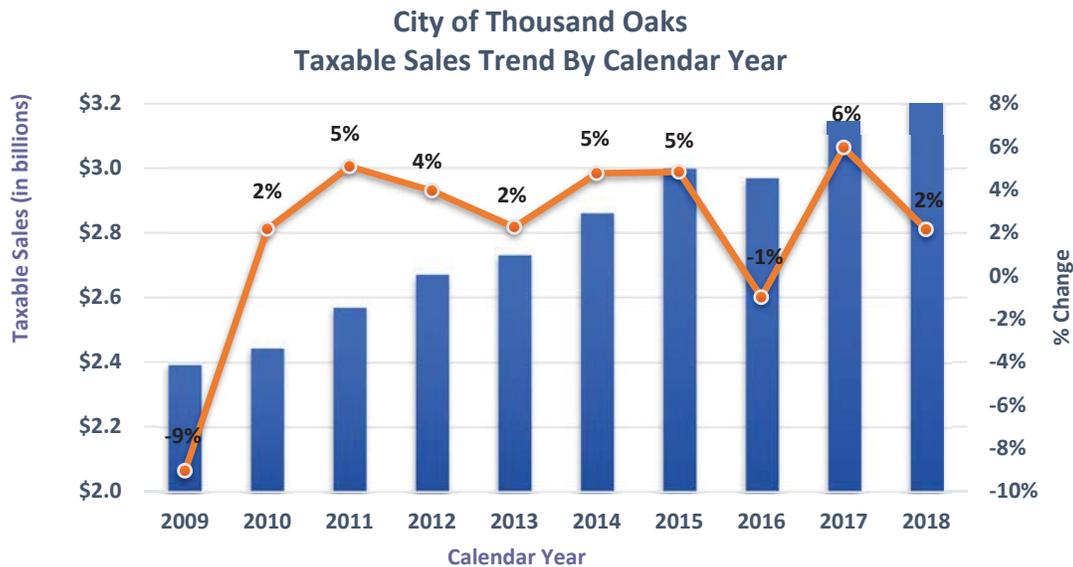
Primary responsibility for financial administration of the City rests with the Finance Director/Treasurer. He/she is appointed by the City Manager and is responsible for establishing and maintaining the accounting and management information systems, as well as the receipt, investment, and disbursement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



## FISCAL/ECONOMIC CONDITIONS AND OUTLOOK

The City of Thousand Oaks incorporated without a general municipal property tax<sup>1</sup>; however, the City now receives a small portion of the local property tax revenue. Due to this, the City relies on a strong mix of General Fund revenue sources including sales tax, property tax in-lieu of vehicle license fees, transient occupancy tax, business license tax, and building/engineering permit fees. The Water, Wastewater, Golf Course, Transportation, Solid Waste, and Theatres enterprises are supported through user fee charges.

Sales tax revenue remains the primary General Fund revenue source, providing 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 stable, with taxable sales increasing by a moderate 2 percent in 2018 over 2017, as shown in the chart below.



While taxable sales remain stable, the number of business licenses issued in fiscal year 2018-19 decreased by 5.0 percent compared to 2017-18. Retail and industrial vacancy rates increased from 5.0 to 6.1 percent and from 1.7 to 5.7 percent, respectively. Office vacancy rates decreased from 13.3 to 9.5 percent. Despite the decline in business licenses and the increase in retail and industrial vacancy rates, Business License Program revenue still increased by 0.8 percent over the prior fiscal year.

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



The City has welcomed the addition of a variety of new businesses over the past year into the community, including:



- |                               |                       |
|-------------------------------|-----------------------|
| Amerihome Mortgage            | Oak & Iron            |
| Cogent Valuation              | Pizza Cookery         |
| Cotton On                     | Shake Shack           |
| Dave & Buster's               | Social Monk           |
| Made in Italy                 | Shade Store           |
| Mercury Insurance Call Center | Westlake Bio Partners |
| MythPoint Bistro              | Williams Lea Tag      |



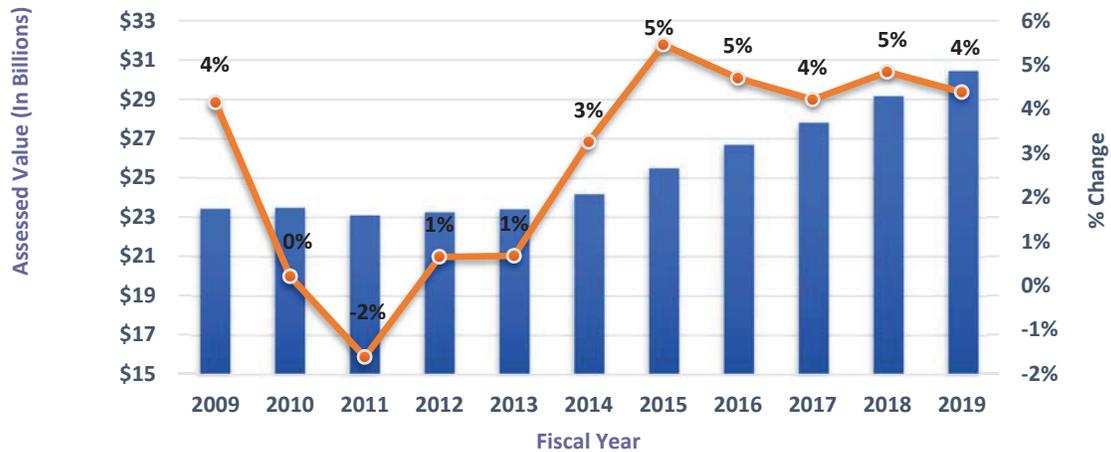
The unemployment rate within the City decreased from 3.6 percent in the prior year to 2.3 percent. The recession high for unemployment was over 8.0 percent while pre-recession, the City's unemployment rate hovered around 4.0 percent. Over the past year, employers within the City added approximately 900 jobs to the job base.



The housing market for the City and Ventura County continues to perform well. The City's net taxable assessed value increased 4.4 percent in fiscal year 2018-19, which mirrored the countywide increase of 4.4 percent. Signs of a continued strengthening housing market are reflected in the fiscal year 2019-20 County Property Tax Assessment Roll released in July 2019, in which the county experienced its eighth consecutive annual increase in total assessment roll value.



### City of Thousand Oaks Assessed Property Value Trend



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.

With these attractions, the City, along with the Greater Conejo Valley Chamber of Commerce and Agoura Hills, formed the Conejo Valley Tourism Improvement District (CVTID) in fiscal year 2012-13 to market and promote the Conejo Valley as a great tourist destination. The City relies on transient occupancy tax as a General Fund revenue source, with revenue slightly increasing from \$4.8 million in fiscal year 2017-18 to \$5.0 million in fiscal year 2018-19.



As part of the City’s commitment to maintain its economic vitality through business activity in the various retail, manufacturing, and technology fields, the emphasis on economic development will continue in four areas: business retention, protection of the community’s local retail base, increase in the local job base - with an emphasis on jobs being filled by local residents - and provision of specific business assistance services through the Economic Development Collaborative-Ventura County.

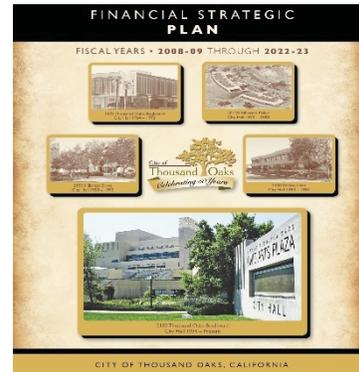


In February 2019, City Council approved the embarkment of a comprehensive update of the Thousand Oaks General Plan, now referred to as *Thousand Oaks 2045: Rooted in Community*. This community-driven project will create a new guiding vision for the city and will result in a new long-range citywide General Plan that preserves the wonderful and unique characteristics of the City – its suburban character, verdant hillsides, amazing schools, and a strong sense of community – while creating a more prosperous, unique, and sustainable Thousand Oaks.



## 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 were various options that City Council could consider to address these challenges. The City will be conducting an updated Financial Strategic Plan beginning in January 2020 to incorporate updated fiscal data and new City Council goals into its long term financial plans.



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, 2019, the City's General Fund total fund balance was \$127.2 million. In compliance with the City's Governmental Fund Balance Policy for the General Fund, the City designated 20 percent, or \$20.9 million, towards reserves, meeting the City's policy objectives.



## 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 is dedicated to providing 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. Reaffirming its dedication to these efforts, City Council established the goal to *Promote environmental sustainability efforts through Sustainability Strategic Plan* as one of its fiscal year 2019-20 Top Ten Priorities.



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 2018-19 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.



## SIGNIFICANT EVENTS

On November 7, 2018, the City experienced a tragic shooting at a local business, the Borderline Bar and Grill. The shooting resulted in the death of 12 people and changed forever the lives of 248 survivors, first responders, family members, and the community at-large.

Support from around the world began almost immediately. In an effort to centralize donations and to ensure that all funds received would be properly distributed to the Borderline victims and their families, the City partnered with the Ventura County



Community Foundation (VCCF) to establish the Conejo Valley Victims Fund. Established in 1987, VCCF builds philanthropy in the region through the careful management of charitable

donations and is a 501(c)(3) charitable organization. Specializing in connecting philanthropic resources with the needs of the community, VCCF was able to establish the victims fund the day after the Borderline shooting and donations immediately began flowing in. Thousands of people from across the country and world hosted fundraisers for the victims or donated directly to the foundation. Thanks to their generosity, VCCF distributed \$3.6 million to help the 200 people affected by the violence of that November 7<sup>th</sup> evening.

Within hours of the Borderline tragedy, two wildfires ignited in and around Thousand Oaks. Between the Woolsey Fire and Hill Fire, over 100,000 acres were burned in Ventura and Los Angeles Counties, with 5,740 acres burned within the Thousand Oaks Planning Area. The fires caused the destruction of 36 residences and two commercial buildings, along with 12 additional properties that suffered various levels of fire damage.

The dual tragedies of November 2018 left an indelible mark on the City of Thousand Oaks. While the lives lost at Borderline will never be forgotten, neither will the sense of community, support, and perseverance that these events inspired.



## **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 Public Works Department was recognized for various achievements, including receiving the 2019 Project of the Year from the American Public Works Association (APWA) for the Westlake Sidewalk and Bike Lanes Project, the 2019 Construction Management Association of America's Southern California Project Achievement Award, and the 2019 California Urban Forestry Award for Best Urban Forestry Program. The City's Fleet Services Division also received recognition from Green Fleet as one of the top 100 best fleets in North America for sustainability and effective planning. In addition, the Public Works Department received re-accreditation from the APWA, a national designation that formally recognizes the City and the Department for following model procedures and best management practices. As part of the accreditation, the Department received recognition for three model programs: Public Works Strategic Planning, Landscape Master Plan, and Sustainability Plan.

For the 21<sup>st</sup> consecutive year, the City was recognized by the Arbor Day Foundation as a Tree City USA. This program is a nationwide movement that provides the framework necessary for communities to manage and expand their public trees. The City has received this achievement by meeting four core standards of sound urban forestry management: maintain a tree board or department, having a community tree ordinance, spending at least \$2 per capita on urban forestry, and celebrating Arbor Day.

## **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, 2018. This was the 29<sup>th</sup> 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, 2018, 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 2017-18 and 2018-19. 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 2017-18 and 2018-19. 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 Deputy Finance Director Carrie Matson, Accounting Manager Elisa Magaña, Budget Officer Brent Sakaida, Senior Accountant David Brown, Senior Accountant Blanca Gomez, and Accountant Emma Mosbergen 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

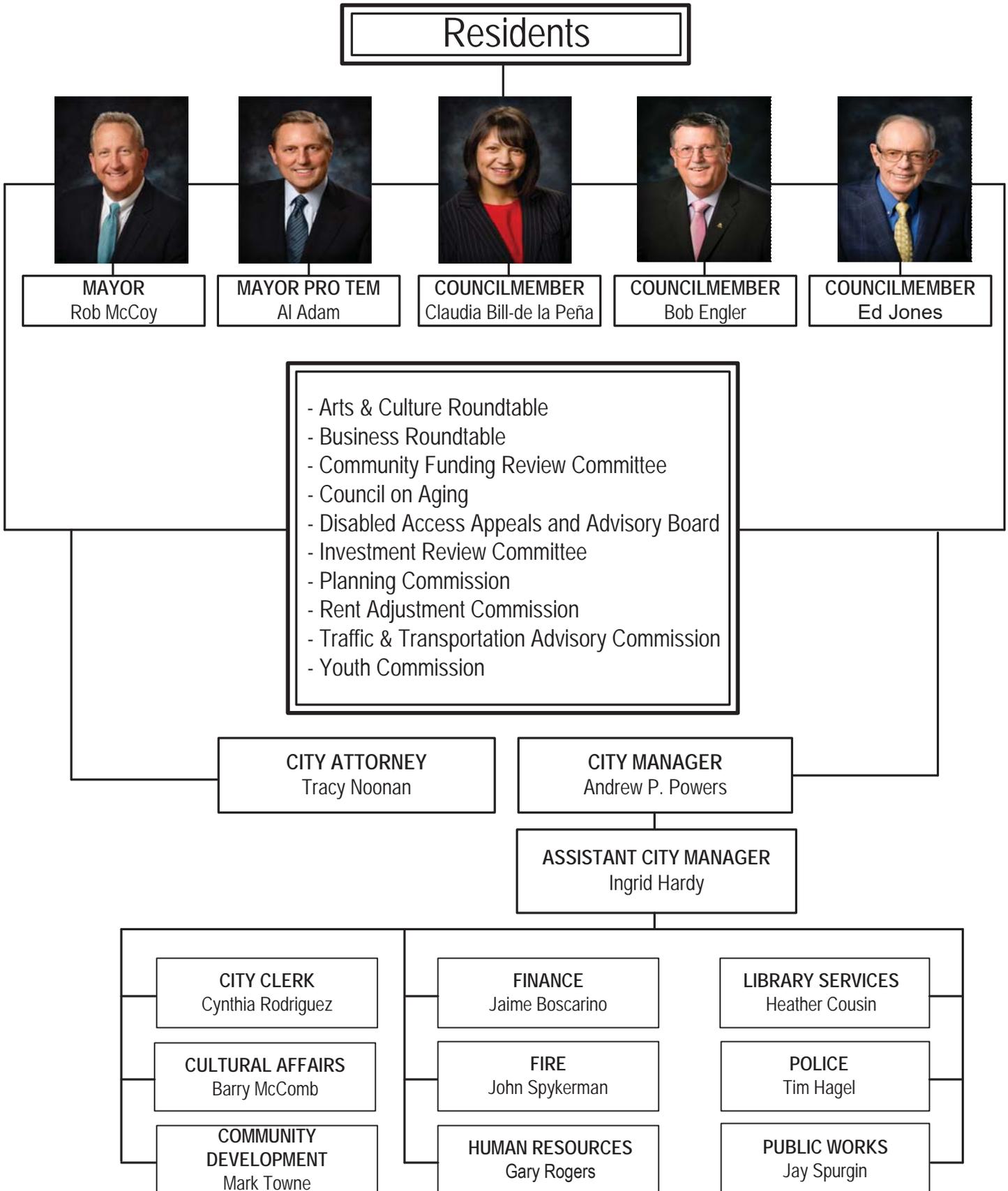
**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

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# CITY OF THOUSAND OAKS



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# FINANCIAL SECTION

- Independent Auditor's 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, 2019

# Independent Auditor's Report





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

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## Independent Auditor's Report

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

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Jay H. Zercher, CPA (Partner Emeritus)  
Phillip H. Waller, CPA (Partner Emeritus)  
Kirk A. Franks, CPA (Partner Emeritus)

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Jenny Liu, CPA, MST

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for CPA Firms*

*Governmental Audit  
Quality Center*

*Employee Benefit Plan  
Audit Quality Center*

California Society of  
Certified Public Accountants



## 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, 2019, 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.

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, 2019, 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. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. 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.

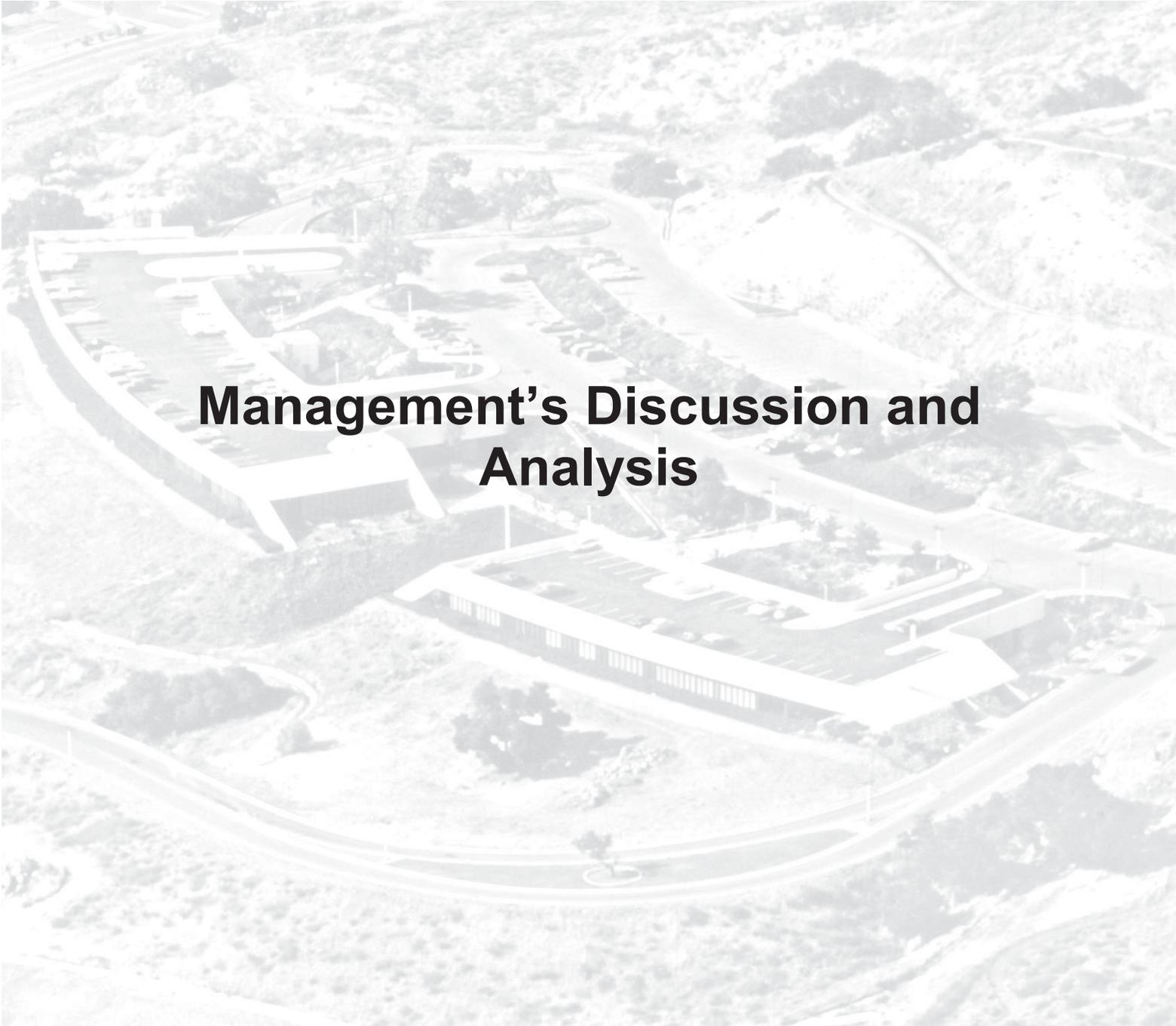
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2019 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 10, 2019



# 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, 2019. 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 - xiii of this report. Comparative data on the government-wide financial statements are only presented in Management's Discussion and Analysis.

### FINANCIAL HIGHLIGHTS

#### Government-wide

- On June 30, 2019, City assets and deferred outflows exceeded liabilities and deferred inflows by \$848.1 million (net position). Of this amount, \$195.7 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 \$21.7 million during the fiscal year. Governmental activities net position increased \$12.3 million compared to the prior fiscal year's increase of \$0.3 million (Pages 9-11). Business-type activities increased \$9.4 million compared to the prior fiscal year's increase of \$5.7 million (Pages 12-13).

#### Fund based

- At the close of fiscal year 2018-19, governmental funds reported combined ending fund balance of \$182.4 million, an increase of \$12.0 million compared to the prior fiscal year's increase of \$5.7 million. The \$6.3 million net increase is primarily due to an increase in investment earnings from positive fair market value adjustments. The ending fund balance is primarily identified as: \$57.0 million restricted (31 percent), \$40.0 million committed (22 percent), and \$82.4 million assigned (45 percent) (Pages 13-14).
- At the close of fiscal year 2018-19, fund balance for the General Fund was \$127.2 million consisting primarily of \$37.9 million in committed funds and \$68.2 million in assigned funds (Page 14).
- At the close of fiscal year 2018-19, General Fund revenues, including transfers in and proceeds from sale of properties, were \$91.3 million. Total revenues increased by \$5.3 million from prior fiscal year's revenues of \$86.0 million (Pages 14-15).
- At the close of fiscal year 2018-19, General Fund expenditures, including transfers out, were \$80.2 million. Total expenditures decreased by \$4.9 million from prior fiscal year's expenditures of \$85.1 million (Page 16).

- At the close of fiscal year 2018-19, Library Fund revenues, excluding transfers in, were \$7.8 million. Total revenues were \$0.4 million higher than prior fiscal year's revenues of \$7.4 million (Pages 16-17).
- At the close of fiscal year 2018-19, proprietary funds reported combined ending unrestricted net position of \$86.7 million, an increase of \$7.4 million compared to the prior fiscal year's increase of \$5.9 million (Page 18).

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are 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.

### **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, as well as liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Government-wide financial statements distinguish City governmental activities that are principally supported by taxes and intergovernmental revenues from other business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities of the City include general government, public safety, transportation, community development, and culture and leisure. Business-type activities of the City include water, wastewater, golf course, transportation, solid waste management, and theatres operations. The government-wide financial statements can be found on pages 24-26 of this report.

### **Fund financial statements**

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

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

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

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

The City maintains several individual governmental funds organized by their type (special revenue, debt service, and capital projects funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Library, State Gas Tax, Capital Improvements, and Thousand Oaks Housing Successor funds, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements shown on pages 120-132.

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 33-36.

The basic governmental funds financial statements can be found on pages 27-32 of this report.

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

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of water, wastewater, golf course, transportation, solid waste management, and theatres.
- **Internal service funds** are used to report activities that provide internal services for the City. The City uses internal service funds to account for its liability, workers' compensation, and vision insurance coverage. Because internal service funds

predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements found on pages 133-136.

The basic proprietary funds financial statements can be found on pages 37-42 of this report.

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

The basic fiduciary funds financial statements can be found on pages 43-44 of this report.

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

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 45-110 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 (OPEB) 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 nonmajor governmental funds, internal service funds, and agency funds are presented immediately following the RSI. Combining financial statements and schedules can be found on pages 118-143 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 \$848.1 million at the close of fiscal year 2018-19 as summarized below:

Statement of Net Position						
June 30, 2019						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Current and other assets	\$ 253,342,514	\$ 242,868,963	\$ 124,064,106	\$ 116,284,260	\$ 377,406,620	\$ 359,153,223
Capital assets (net of depreciation)	461,187,969	461,967,701	171,641,466	172,252,421	632,829,435	634,220,122
Total assets	<u>714,530,483</u>	<u>704,836,664</u>	<u>295,705,572</u>	<u>288,536,681</u>	<u>1,010,236,055</u>	<u>993,373,345</u>
<b>Deferred outflows of resources:</b>						
Deferred charges	134,000	144,307	-	-	134,000	144,307
Deferred pension items	11,089,116	16,764,905	4,252,043	6,000,710	15,341,159	22,765,615
Deferred OPEB items	1,533,285	1,752,408	758,125	641,592	2,291,410	2,394,000
Total deferred outflows of resources	<u>12,756,401</u>	<u>18,661,620</u>	<u>5,010,168</u>	<u>6,642,302</u>	<u>17,766,569</u>	<u>25,303,922</u>
<b>Liabilities:</b>						
Current and other liabilities	51,275,701	53,613,534	16,813,700	15,763,077	68,089,401	69,376,611
Noncurrent liabilities outstanding	76,467,048	81,903,273	31,815,439	36,389,844	108,282,487	118,293,117
Total liabilities	<u>127,742,749</u>	<u>135,516,807</u>	<u>48,629,139</u>	<u>52,152,921</u>	<u>176,371,888</u>	<u>187,669,728</u>
<b>Deferred inflows of resources:</b>						
Deferred pension items	2,200,714	2,986,431	843,637	1,203,091	3,044,351	4,189,522
Deferred OPEB items	333,494	305,976	122,508	112,024	456,002	418,000
Total deferred inflows of resources	<u>2,534,208</u>	<u>3,292,407</u>	<u>966,145</u>	<u>1,315,115</u>	<u>3,500,353</u>	<u>4,607,522</u>
<b>Net position:</b>						
Net investments in capital assets	449,973,221	450,107,203	163,612,492	159,522,153	613,585,713	609,629,356
Restricted	38,816,944	30,564,146	-	3,142,286	38,816,944	33,706,432
Unrestricted	108,219,762	104,017,721	87,507,964	79,046,508	195,727,726	183,064,229
Total net position	<u>\$ 597,009,927</u>	<u>\$ 584,689,070</u>	<u>\$ 251,120,456</u>	<u>\$ 241,710,947</u>	<u>\$ 848,130,383</u>	<u>\$ 826,400,017</u>

The largest portion (72 percent) of the City's net position reflects its investment of \$613.6 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, \$38.8 million (5 percent), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$195.7 million (23 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 2018-19. The City's net position increased overall by \$21.7 million during the fiscal year. These increases are explained in the governmental and business-type activities on the following pages. Provided below is a summary of changes in net position:

	Statement of Activities					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 19,946,134	\$ 23,122,831	\$ 67,078,977	\$ 62,915,500	\$ 87,025,111	\$ 86,038,331
Operating grants and contributions	9,459,745	6,696,406	7,682,533	4,836,160	17,142,278	11,532,566
Capital grants and contributions	2,734,993	2,449,510	-	38,165	2,734,993	2,487,675
General revenues:						
Property tax	19,635,884	18,724,121	-	-	19,635,884	18,724,121
Property tax in-lieu of VLF	12,701,511	12,168,229	-	-	12,701,511	12,168,229
Sales tax	31,310,487	30,230,035	-	-	31,310,487	30,230,035
Transient occupancy tax	5,081,257	4,750,931	-	-	5,081,257	4,750,931
Franchise taxes	6,749,345	6,600,816	-	-	6,749,345	6,600,816
Business tax	2,082,845	2,053,459	-	-	2,082,845	2,053,459
Property transfer tax	1,041,157	1,060,355	-	-	1,041,157	1,060,355
Other taxes	27,830	30,302	-	-	27,830	30,302
Unrestricted intergovernmental	62,495	69,197	-	-	62,495	69,197
Gain/(loss) from sale of property	153,254	12,479	-	-	153,254	12,479
Contributions, unrestricted	17,903	10,015	-	-	17,903	10,015
Unrestricted invest./interest earnings	6,742,997	136,904	-	-	6,742,997	136,904
Total revenues	117,747,837	108,115,590	74,761,510	67,789,825	192,509,347	175,905,415
Expenses:						
General government	20,652,373	22,009,003	-	-	20,652,373	22,009,003
Public safety	32,316,506	31,261,436	-	-	32,316,506	31,261,436
Transportation	29,658,476	28,946,935	-	-	29,658,476	28,946,935
Community development	10,657,941	10,422,774	-	-	10,657,941	10,422,774
Culture and leisure	11,283,170	14,440,330	-	-	11,283,170	14,440,330
Interest on long-term debt	503,916	526,631	-	-	503,916	526,631
Water	-	-	24,664,296	24,554,703	24,664,296	24,554,703
Wastewater	-	-	21,293,236	19,570,996	21,293,236	19,570,996
Golf course	-	-	6,204,300	5,820,522	6,204,300	5,820,522
Transportation	-	-	7,544,602	6,983,544	7,544,602	6,983,544
Solid waste management	-	-	1,296,438	1,241,419	1,296,438	1,241,419
Theatres	-	-	4,703,728	4,084,270	4,703,728	4,084,270
Total expenses	105,072,382	107,607,109	65,706,600	62,255,454	170,778,982	169,862,563
Transfers, net (note 5)	(354,599)	(172,719)	354,599	172,719	-	-
Change in net position	12,320,856	335,762	9,409,509	5,707,090	21,730,365	6,042,852
Net position - beginning, as restated (note 16)	584,689,071	584,353,308	241,710,947	236,003,857	826,400,018	820,357,165
Net position - ending	\$ 597,009,927	\$ 584,689,070	\$ 251,120,456	\$ 241,710,947	\$ 848,130,383	\$ 826,400,017

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

**Governmental activities** increased the City's net position \$12.3 million compared to the prior fiscal year's increase of \$0.3 million. Key elements of the increase in net position were as follows:

**Program revenues** decreased \$0.1 million primarily due to decreases in charges for services of \$3.2 million, offset by an increase in operating grants and contributions of \$2.8 million, and an increase in capital grants and contributions of \$0.3 million. The major changes are highlighted below:

- Charges for services decreased \$3.2 million primarily due to a decrease of \$3.3 million in general government activity from a non-recurring reimbursement for Thousand Oaks Boulevard undergrounding project received in prior fiscal year.
- Operating grants and contributions increased \$2.8 million primarily due to an increase in gas tax revenues in transportation activity.
- Capital grants and contributions increased \$0.3 million in transportation activities primarily due to \$1.2 million increase in grant revenue, offset by a \$0.9 million decrease in developer fee revenue related to road improvement projects.

**General revenues** increased \$9.8 million primarily due to a \$6.6 million increase in unrestricted investment/interest earnings, a \$1.1 million increase in sales tax revenue, a \$0.9 million increase in property tax revenue, and a \$0.5 million increase in property tax in-lieu of vehicle license fee (VLF). The major changes are highlighted below:

- Interest earnings increased \$6.6 million primarily due to a \$5.5 million positive fair market value adjustment and \$1.0 million investment income related to the establishment of the Section 115 Trust Pension Rate Stabilization Fund (Pension Trust).
- Sales tax revenue increased \$1.1 million primarily attributed to an overall increase in sales tax growth.
- 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 \$0.5 million and experienced similar growth as property tax since it is also linked to assessed valuations.

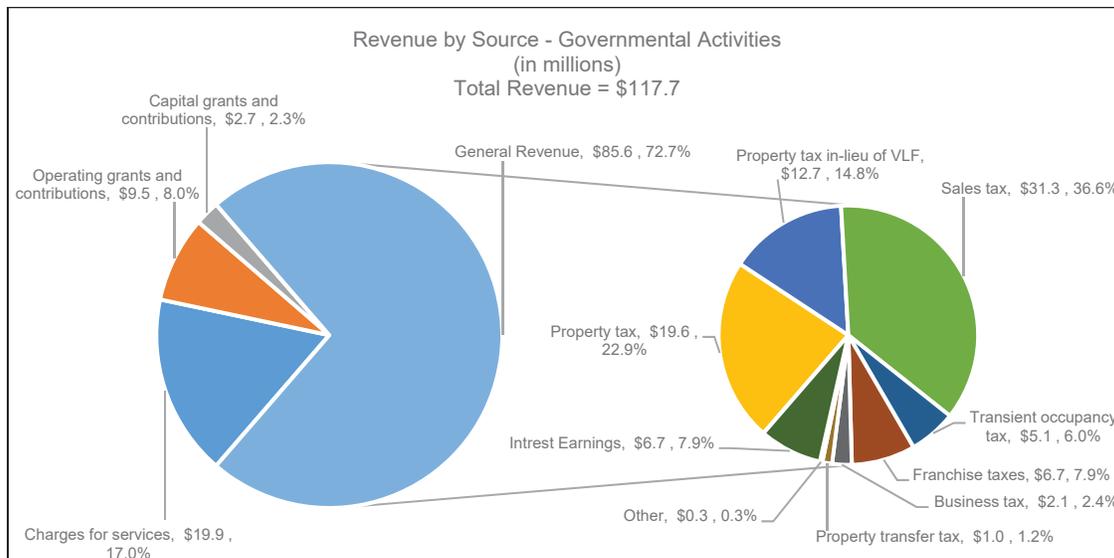
**Expenses** decreased \$2.6 million primarily due to a decrease of \$3.2 million in culture and leisure, \$1.4 million decrease in general government, offset by a \$1.1 million increase in public safety and a \$0.7 million increase in transportation. These changes are highlighted below:

- Culture and leisure expenses decreased \$3.2 million primarily due to a \$4.0 million non-recurring prior fiscal year expense of grant contribution to establish the Thousand Oaks Alliance for the Arts (TOARTS) to support performing arts operations, offset by a current fiscal year increase of \$0.3 million pass-through

grant contribution to Conejo Recreation and Park District for the construction of the Spring Meadow Park project.

- General government expenses decreased \$1.4 million primarily due to a \$2.5 million non-recurring grant contribution towards the Sapwi Trails Community Park in the prior fiscal year, offset by \$0.9 million in increased pension expense.
- Public safety expenses increased \$1.1 million primarily due to an increase in the Ventura County Sheriff’s department contract for police services.
- Transportation expenses increased by \$0.7 million primarily due to \$0.5 million in increased pension expense.

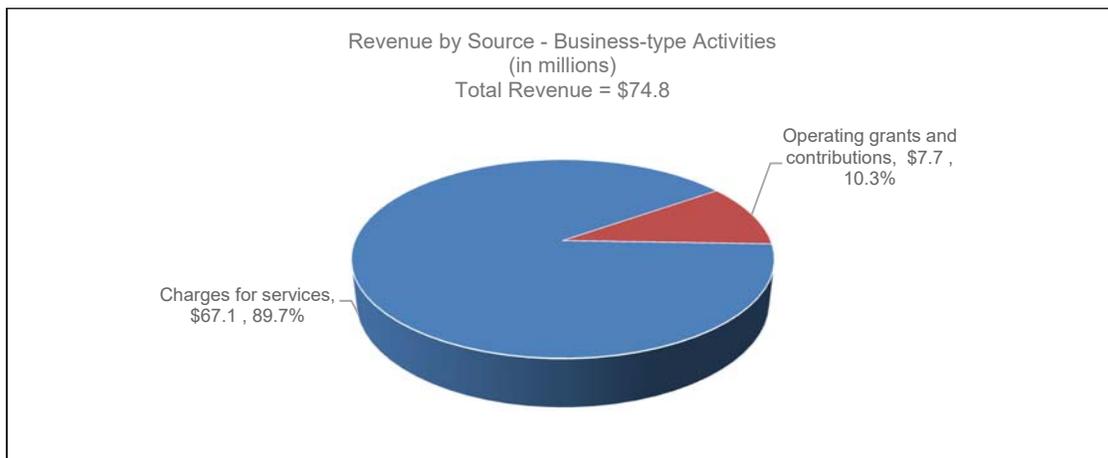
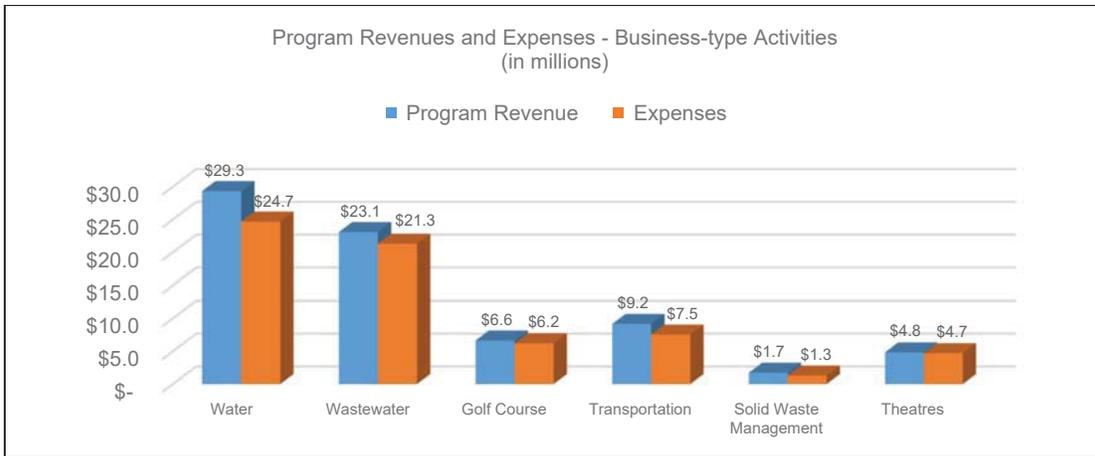
As shown on the charts below, public safety is the largest program (\$32.3 million), followed by transportation (\$29.7 million), general government (\$20.7 million), culture and leisure (\$11.3 million), community development (\$10.7 million), and interest on long-term debt (\$0.5 million). General 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 \$9.4 million compared to prior fiscal year's increase of \$5.7 million. This increase was the result of \$75.1 million in program revenues, including transfers in, exceeding \$65.7 million in expenses. Key elements of net position changes from the prior fiscal year were as follows:

- Water Utility Fund's net position increased \$4.7 million compared to prior fiscal year's increase of \$5.0 million. This \$0.3 million net decrease was primarily due to a \$0.3 million decrease in fees for service revenue.
- Wastewater Utility Fund's net position increased \$1.8 million compared to prior fiscal year's increase of \$1.1 million. This \$0.7 million net increase was primarily due to an increase of \$1.7 million increase in interest income, offset by a \$0.9 million increase in materials and supplies.
- Golf Course Fund's net position increased \$0.4 million compared to prior fiscal year's decrease of \$0.4 million. The \$0.8 million net increase was primarily due to \$0.7 million increase in green fees, cart rentals and course memberships revenue, \$0.6 million increase in other fees, offset by a \$0.4 million increase in contract services.
- Transportation Fund's net position increased \$2.0 million compared to prior fiscal year's decrease of \$0.3 million. This \$2.3 million net increase was primarily due to a \$2.6 million increase in federal and state assistance revenue, a \$0.2 million decrease in contract services, offset by a \$0.6 million increase in salaries and employee benefits.
- Solid Waste Management Fund's net position increased \$0.4 million compared to prior fiscal year's increase of \$0.3 million. This \$0.1 million net increase was primarily due to a \$0.1 million increase in interest income revenue.
- Theatres Fund's net position increased \$0.1 million compared to prior fiscal year's increase of less than \$0.1 million.
- Internal Service Funds (ISF) allocation of operating profit increased net position of business type activities by \$0.1 million compared to prior fiscal year's decrease of \$0.4 million. The \$0.5 million net increase was primarily due to a decrease in reserves for liability and worker's compensation insurance to account for the decrease in estimated outstanding losses.

As shown on the charts on the following page, Water and Wastewater funds have the greatest total expenses with \$24.7 million and \$21.3 million, respectively, out of \$65.7 million in total business-type expenses. For all the business-type activities, charges for services provide the largest share of revenues (89.7 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 2018-19, City governmental funds reported a combined ending fund balance of \$182.4 million, an increase of \$12.0 million in comparison with the prior fiscal year balance of \$170.3 million. The increase in fund balance was primarily due to an increase in General Fund of \$11.1 million, an increase in State Gas Tax Fund of \$2.8 million, an increase in Landscape and Lighting Fund of \$1.0 million, offset by a decrease in Capital Improvements Fund of \$4.2 million. Approximately \$179.4 million, or 98.4

percent, consists of \$82.4 million in assigned fund balance, \$57.0 million in restricted fund balance, and \$40.0 million in committed fund balance. Refer to pages 27-36 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, 2019, ending fund balance increased \$11.1 million, from \$116.1 to \$127.2 million, compared to prior fiscal year's increase of \$0.9 million.

General Fund's fund balance consists of \$2.3 million in nonspendable inventories, loans and notes receivable, and advances to other funds, \$18.2 million in funds restricted to Pension Rate Stabilization Fund, \$37.9 million in funds committed to capital projects, grant endowments, emergency reserve, and working capital reserve, and \$68.2 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, deferred pavement maintenance, public building replacement/maintenance, and the campus master plan project. The remaining \$0.6 million is unassigned. Refer to page 82 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				
	2018-19	2017-18	2016-17	2015-16	2014-15
Revenues	\$ 89,292,324	\$ 83,766,893	\$ 78,083,676	\$ 80,027,940	\$ 74,948,364
Expenditures	(73,375,220)	(78,029,455)	(67,588,526)	(70,000,330)	(67,913,488)
Other financing sources (uses)	(4,782,089)	(4,799,832)	(948,233)	(139,474)	(725,227)
Operating surplus/(deficit)	11,135,015	937,606	9,546,917	9,888,136	6,309,649
Beginning fund balance	116,077,437	115,139,831	105,592,914	95,704,778	89,395,129
Ending fund balance	<u>\$ 127,212,452</u>	<u>\$ 116,077,437</u>	<u>\$ 115,139,831</u>	<u>\$ 105,592,914</u>	<u>\$ 95,704,778</u>
Fund balance categories:					
Nonspendable	\$ 2,317,357	\$ 2,269,250	\$ 2,236,692	\$ 3,911,863	\$ 3,945,620
Restricted	18,222,316	-	-	-	-
Committed	37,881,913	40,743,359	49,360,297	36,627,164	41,296,049
Assigned	68,175,670	72,064,828	61,225,142	62,654,198	48,584,436
Unassigned	615,196	1,000,000	2,317,700	2,399,689	1,878,673
Fund balance	<u>\$ 127,212,452</u>	<u>\$ 116,077,437</u>	<u>\$ 115,139,831</u>	<u>\$ 105,592,914</u>	<u>\$ 95,704,778</u>

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

**General Fund Revenues** for fiscal year 2018-19, including transfers in and proceeds from sale of property, were \$91.3 million, an increase of \$5.3 million, or 6.1 percent, compared to prior fiscal year. The chart on the following page compares General Fund revenues for the past two fiscal years followed by key information:

Comparison of General Fund Revenues

	Fiscal Year 2018-19	Fiscal Year 2017-18	Variance Over/(Under) Prior Fiscal Year	% of Increase (Decrease) Over Prior Year	% of Total
Property tax	\$ 9,778,208	\$ 9,313,890	\$ 464,318	5.0%	10.7%
Property tax - in lieu of VLF	12,701,510	12,168,229	533,281	4.4%	13.9%
Sales tax	31,310,486	30,670,277	640,209	2.1%	34.3%
Transient occupancy tax	5,081,257	4,750,931	330,326	7.0%	5.6%
Franchise tax	6,749,346	6,600,816	148,530	2.3%	7.4%
Property transfer tax	1,041,157	1,060,355	(19,198)	-1.8%	1.1%
Business license	2,359,688	2,334,332	25,356	1.1%	2.6%
Other licenses & permits	4,130,837	4,764,651	(633,814)	-13.3%	4.5%
Fines and forfeitures	345,543	334,030	11,513	3.4%	0.4%
Use of money & property	7,421,360	834,091	6,587,269	789.8%	8.1%
Charges for services	6,457,792	6,518,798	(61,006)	-0.9%	7.1%
Intergovernmental revenue	863,024	442,770	420,254	94.9%	0.9%
Other revenue	1,052,116	3,973,723	(2,921,607)	-73.5%	1.2%
Other financing sources	1,998,416	2,265,897	(267,481)	-11.8%	2.2%
Total Revenues	<u>\$ 91,290,740</u>	<u>\$ 86,032,790</u>	<u>\$ 5,257,950</u>	6.1%	100.0%

- Use of money and property increased \$6.6 million primarily due to an increase in net fair value adjustment of \$5.1 million, interest earnings on the Pension Trust fund of \$1.0 million, and an increase in interest apportionment of \$0.5 million.
- Sales tax increased \$0.6 million primarily due to an increase in sales tax growth.
- Property tax increased \$0.5 million due to an increase in assessed valuations.
- Property tax – in lieu of VLF increased \$0.5 million and experienced similar growth as property tax since it is also linked to assessed valuations.
- Intergovernmental revenue increased \$0.4 million primarily due to a \$0.3 million pass-thru grant to Conejo Recreation and Park District for the construction of the Spring Meadows Park project.
- Other revenue decreased \$2.9 million primarily due to the receipt of a one-time reimbursement of \$3.2 million for the Thousand Oaks Boulevard undergrounding project in the prior fiscal year, offset by \$0.3 million for insurance payments related to the Woolsey Fire.
- Other licenses and permits decreased \$0.6 million primarily due to a decrease in construction permits.

**General Fund Expenditures** for fiscal year 2018-19, including transfers out, decreased \$4.9 million, or 5.8 percent compared to prior fiscal year. The chart below compares general fund expenditures for the last two fiscal years followed by key information:

Comparison of General Fund Expenditures

	Fiscal Year 2018-19	Fiscal Year 2017-18	Variance Over/(Under) Prior Fiscal Year	% of Increase/ (Decrease) Over Prior Fiscal Year	% of Total
General government	\$ 18,728,427	\$ 20,438,373	\$ (1,709,946)	-8.4%	23.3%
Public safety	30,752,823	29,712,395	1,040,428	3.5%	38.3%
Transportation	10,473,184	10,441,154	32,030	0.3%	13.1%
Community development	9,664,252	9,655,245	9,007	0.1%	12.1%
Culture and leisure	2,246,422	5,711,116	(3,464,694)	-60.7%	2.8%
Capital outlay	1,510,112	2,071,172	(561,060)	-27.1%	1.9%
Other financing uses	6,780,505	7,065,729	(285,224)	-4.0%	8.5%
<b>Total Expenditures</b>	<b>\$ 80,155,725</b>	<b>\$ 85,095,184</b>	<b>\$ (4,939,459)</b>	<b>-5.8%</b>	<b>100.0%</b>

- Culture and leisure decreased \$3.5 million primarily due to a non-recurring prior fiscal year grant expenditure of \$4.0 million to establish the TOARTS to support performing arts operations.
- General government decreased \$1.7 million primarily due to a non-recurring prior fiscal year contribution of \$2.5 million to the Conejo Recreation and Park District (CRPD) for construction of the Sapwi Trails Community Park; offset by a \$0.8 million increase in salaries and benefits costs.
- Public safety expenditures increased \$1.0 million primarily due to an increase of in police contract costs.
- Capital outlay expenditures decreased \$0.6 million primarily due to a decrease in capital projects in the current fiscal year compared to prior fiscal year. Current year projects include \$0.4 million for Civic Arts Plaza parking structure improvements and energy savings upgrades, \$0.3 million for Thousand Oaks Boulevard streetscape improvements, \$0.2 million for Goebel Center flooring replacement, \$0.2 million for Kavli Theatre renovation, and \$0.1 million for Conejo Canyon bridge construction.

## **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 been zero.

The City's Library Fund fund balance increased \$0.4 million compared to an increase of less than \$0.1 million in the prior fiscal year. The \$0.3 million net increase in fund balance is primarily due to an increase in revenues, excluding transfers in, of \$0.3 million from property taxes due to an increase in assessed valuations and an increase of \$0.1 million in charges for services.

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

The State Gas Tax Fund accounts for revenues derived from gasoline purchases and federal and state grants 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 \$2.8 million compared to an increase of \$0.1 million in the prior fiscal year. The net increase of \$2.7 million in fund balance is primarily due to an increase of \$1.6 million in Road Repair and Accountability Act (RRAA) and Road Maintenance and Rehabilitation Account (RMRA) revenue, \$1.3 million in federal and state grant revenue, \$1.0 million increase from Transportation Development Act Article 8(a) revenue, offset by a \$1.1 million increase in street-related project expenditures.

### ***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 decreased \$4.2 million, compared to prior fiscal year's increase of \$2.5 million. The \$6.7 million net decrease is primarily due to an increase in expenditures of \$4.6 million in pavement overlay, \$0.9 million for Haigh Road Drainage Channel improvements, \$0.4 million for the slurry program, and \$1.0 million decrease 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 (refer to note 15).

The fund balance of the Thousand Oaks Housing Successor Fund increased \$0.2 million, compared to prior fiscal year's increase of \$0.3 million. The net decrease of \$0.1 million is primarily due to an increase in salaries and benefits costs and a decrease in interest earnings.

## **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, 2019

Fund	Unrestricted Net Position	Change in Unrestricted Net Position	Total Net Position	Change in Total Net Position
Water	\$ 44,206,866	\$ 3,476,328	\$ 80,869,403	\$ 4,648,721
Wastewater	44,381,291	3,648,088	153,388,808	1,731,035
Golf Course	(1,329,651)	687,541	6,521,704	425,709
Transportation	(1,008,794)	(917,741)	5,833,627	1,973,439
Solid Waste Management	2,791,570	499,896	6,391,918	434,375
Theatres	(2,301,163)	25,784	(1,701,552)	105,965
<b>Total</b>	<b>\$ 86,740,119</b>	<b>\$ 7,419,896</b>	<b>\$ 251,303,908</b>	<b>\$ 9,319,244</b>

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

## **BUDGETARY HIGHLIGHTS**

### ***General Fund***

The General Fund budget and actual report can be found on page 33. The \$23.1 million change in fund balance between the original and final budget is the result of City Council or City Manager approved budget adjustments. Major expenditure budget adjustments of \$23.7 million include the following increases: \$10.3 million for capital project carryovers, \$3.4 million for the Civic Arts Plaza mechanical system upgrade, \$2.3 million for Kavli Theater Renovation, \$1.7 million in maintenance and operations carryovers, \$1.6 million for the comprehensive general plan update, \$1.4 million for the Civic Arts Plaza campus master plan, \$0.6 million in grant funded operating carryovers, \$0.4 million for cost sharing agreement of US Army Corps of Engineers, and \$0.3 million for Hill and Woolsey Fire Recovery Plan. Revenue budget adjustments of \$0.5 million are primarily due to a pass-thru grant. Provided on the following page is a more detailed summary of budget and actual, with expenditures shown by category as opposed to activity. Major differences are highlighted on the following pages.

### General Fund - Budget and Actual

	Original Budget	Final Budget	Actual	Final Budget vs. Actual	% Variance
<b>Revenues:</b>					
Sales tax	\$ 30,649,000	\$ 30,649,000	\$ 31,310,486	\$ 661,486	2.2%
Property tax	9,208,300	9,208,300	9,778,208	569,908	6.2%
Property tax - in lieu of VLF	12,315,000	12,315,000	12,701,510	386,510	3.1%
Transient occupancy tax	4,702,000	4,702,000	5,081,257	379,257	8.1%
Franchise tax	6,765,000	6,765,000	6,749,346	(15,654)	-0.2%
Property transfer tax	900,000	900,000	1,041,157	141,157	15.7%
Other taxes	32,000	32,000	27,830	(4,170)	-13.0%
Licenses and permits	6,297,255	6,297,255	6,490,525	193,270	3.1%
Fines and forfeitures	334,500	334,500	345,543	11,043	3.3%
Use of money and property	2,127,200	2,127,200	7,421,360	5,294,160	248.9%
Charges for current services	6,704,000	6,704,000	6,457,792	(246,208)	-3.7%
Intergovernmental revenue	483,150	866,150	863,024	(3,126)	-0.4%
Other	452,350	578,050	1,024,286	446,236	77.2%
Proceeds from sale of property	60,000	60,000	24,712	(35,288)	-58.8%
Transfers in	1,883,200	1,883,200	1,973,704	90,504	4.8%
<b>Total revenues</b>	<b>82,912,955</b>	<b>83,421,655</b>	<b>91,290,740</b>	<b>7,869,085</b>	<b>9.4%</b>
<b>Expenditures:</b>					
Salaries and benefits	32,949,441	32,949,441	31,076,110	1,873,331	5.7%
Maintenance & operations	12,931,660	20,135,711	13,491,936	6,643,775	33.0%
Public safety contract	31,163,538	31,182,288	27,297,062	3,885,226	12.5%
Operating total	<u>77,044,639</u>	<u>84,267,440</u>	<u>71,865,108</u>	<u>12,402,332</u>	<u>14.7%</u>
Capital/facility improvements	270,000	16,705,147	1,510,112	15,195,035	91.0%
Transfers out	8,846,106	8,846,106	6,780,505	2,065,601	23.4%
<b>Total expenditures</b>	<b>86,160,745</b>	<b>109,818,693</b>	<b>80,155,725</b>	<b>29,662,968</b>	<b>27.0%</b>
Net change in fund balance	(3,247,790)	(26,397,038)	11,135,015	37,532,053	
Fund balance-beginning	116,077,437	116,077,437	116,077,437	-	
<b>Fund balance-ending</b>	<b>\$ 112,829,647</b>	<b>\$ 89,680,399</b>	<b>\$ 127,212,452</b>	<b>\$ 37,532,053</b>	

Revenues, including transfers in, were \$7.9 million, or 9.4 percent, higher than budgetary estimates as a result of receiving greater than anticipated revenue in the following:

- Use of money and property increase of \$5.3 million was primarily due to a \$3.1 million increase in the fair value adjustment of investments and a \$1.0 million increase in Pension Trust investments, which were not budgeted, and an increase of \$1.2 million in interest revenue primarily due to investment portfolio rate of return increase from 1.534 percent in prior fiscal year to 1.874 percent in fiscal year 2018-19.
- Sales tax revenue increase of \$0.7 million was primarily due to an increase in sales tax growth.
- Property tax increase of \$0.6 million was primarily due to an increase in assessed valuations.
- Property tax – in lieu of VLF increase of \$0.4 million experienced similar growth as property tax since it is linked to assessed valuations as property taxes.
- Transient occupancy tax increase of \$0.4 million was primarily due to conservative budgeting.

Expenditures, including transfers out, were less than budgetary estimates by \$29.7 million, or 27.0 percent, primarily due to the following:

- Unspent capital/facility improvements of \$15.2 million, with \$13.4 million to be carried forward to fiscal year 2019-20.
- Maintenance and operations expenditure savings of \$6.6 million was primarily due to less than anticipated expenditures of \$3.8 million in professional and contractual services, \$0.6 million in utilities, \$1.0 million in supplies and equipment, with \$0.9 million to be carried forward to fiscal year 2019-20.
- Public safety contract savings of \$3.9 million was primarily due to an overall budget savings in the law enforcement contract. The cost savings was attributed to personnel fluctuations, underfilling of positions, and conservative budgeting.
- Salaries and benefits savings of \$1.9 million was primarily due to position vacancies and underfilling of positions.
- Transfers out to other funds expenditure savings of \$2.0 million was primarily due to no General Fund support required for the Library Fund.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital assets

Investments in capital assets for governmental and business-type activities as of June 30, 2019, totaled \$632.8 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 2018-19 was \$1.4 million, which represents a 0.2 percent decrease for governmental activities and a 0.4 percent decrease for business-type activities. Additional information on the City's capital assets can be found on pages 73-78 in the notes to basic financial statements. Capital assets are summarized below:

City of Thousand Oaks						
Capital Assets (net of accumulated depreciation)						
June 30, 2019						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 132,906,563	\$ 132,891,808	\$ 5,834,172	\$ 5,834,172	\$ 138,740,735	\$ 138,725,980
Intangibles, non-depreciable	840,555	840,555	133,538	133,538	974,093	974,093
Buildings and improvements	98,790,334	102,220,028	156,744,839	159,268,352	255,535,173	261,488,380
Equipment	2,925,693	3,306,912	6,401,692	4,676,373	9,327,385	7,983,285
Intangibles, depreciable	128,710	142,635	21,889	47,064	150,599	189,699
Infrastructure	221,718,588	213,953,768	-	-	221,718,588	213,953,768
Construction in progress	3,877,526	8,611,995	2,505,336	2,292,922	6,382,862	10,904,917
Total capital assets, net	\$ 461,187,969	\$ 461,967,701	\$ 171,641,466	\$ 172,252,421	\$ 632,829,435	\$ 634,220,122

Major capital asset events during fiscal year 2018-19 included the following:

- The \$7.8 million net increase in governmental activity infrastructure was primarily due to completion of pavement overlay projects, sidewalk and curb ramp upgrades, and drainage channel project, offset by depreciation of existing capital assets.
- The \$4.7 million net decrease in governmental activity construction in progress was primarily due to the completion of several projects including pavement overlay projects, Westlake Blvd sidewalk and curb ramp upgrades and energy savings upgrades.
- The \$3.4 million net decrease in governmental activity buildings and improvements was primarily due to depreciation of existing capital assets, offset by energy savings upgrades, and Goebel Center flooring replacement.
- The \$2.5 million net decrease in business type activity buildings and improvements was primarily due to the depreciation of existing capital assets, offset by Lang Ranch reservoir improvements, and meter replacements.
- The \$1.7 million net increase in business type activity equipment was primarily due to the purchase of new buses, offset by depreciation of existing capital assets.

### Long-term debt

At the end of fiscal year 2018-19 the City had total bonded debt outstanding of \$11.3 million. The \$11.3 million, or 6.2 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. Bonded debt decreased overall by \$3.5 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. These ratings were last affirmed in 2013.

Additional information on long-term liabilities can be found on pages 83-86 in the notes to the basic financial statements. Bonded debt outstanding is summarized below:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Lease revenue bonds*	\$ 11,348,748	\$ 12,004,805	\$ -	\$ -	\$ 11,348,748	\$ 12,004,805
Revenue bonds	-	-	-	2,838,985	-	2,838,985
Total outstanding debt	<u>\$ 11,348,748</u>	<u>\$ 12,004,805</u>	<u>\$ -</u>	<u>\$ 2,838,985</u>	<u>\$ 11,348,748</u>	<u>\$ 14,843,790</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, 2019, taking into consideration the national, state, and local economic conditions and their impacts on the City.

While the U.S. economic outlook appears healthy according to key economic indicators such as current interest rates, the stock market, and unemployment rates, Ventura County continues to show stagnated economic growth. Matthew Fienup, Executive Director of California Lutheran University's Center for Economic Research and Forecasting, stated at the Greater Conejo Valley Chamber of Commerce's "Regional Economic Forecast" meeting, they are forecasting zero percent growth for 2019. This would be a fifth consecutive year of zero growth for Ventura County.

In consideration of Ventura County's flattened economy, staff prepared and submitted a conservative two-year budget. On June 11, 2019, City Council adopted structurally balanced Operating and Capital Improvements Program Budgets for fiscal years 2019-20 and 2020-21, 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 2018-19 General Fund operating revenues, not including transfers in, were \$7.8 million or 9.6 percent over the final budget of \$81.5 million. This was due to a conservative budget projection approach, as well as an increase in both consumer confidence and the economy. Actual fiscal year 2018-19 sales tax revenue of \$31.3 million was \$0.7 million or 2.2 percent greater than budgeted sales tax for the same period. Actual property tax revenues of \$9.8 million also outpaced property tax budget by \$0.6 million or 6.2 percent. Based on actual revenues received during fiscal year 2018-19, staff is projecting a leveling out of sales tax revenues for fiscal year 2019-20.
- The adopted fiscal year 2019-20 General Fund operating expenditure budget, not including transfers out, is \$79.3 million, an increase of \$6.0 million, or 8.1 percent, over fiscal year 2018-19 actual expenditures (not including transfers out) of \$73.4 million.
- The 2019 Wastewater Financial Plan, Wastewater Cost of Service Study, and Water Financial Plan were presented to City Council on October 8, 2019. These plans provide recommendations for adjusted wastewater and water rates for the next two calendar years. The plans adjusted wastewater and water rates by one percent per year to ensure sufficient funds for operations and maintenance costs, and for capital replacement and refurbishment projects.

Even though the 2019-20 and 2020-21 budgets are based on current service levels, they contain strategic projects aimed at investing in the future of the City and the downtown experience. The City has begun a Campus Master Plan Update, analyzing the potential of the Civic Arts Plaza to the community. The project will review the current uses and layout of City Hall, the two Theatres, the surrounding park, and adjoining parcels. The

vision for the redesigned Civic Arts Plaza is to create a more active and connected community space by providing a “front-door” entry feel for residents to City Hall and a Town Square to provide a central event and gathering space for Thousand Oaks residents. Staff will also be embarking on a full update to the City’s General Plan. The initiative, *Thousand Oaks 2045: Rooted in Community*, will result in a new, long-range city-wide General Plan that preserves the unique characteristics of the City while creating a more prosperous, unique, and sustainable Thousand Oaks.

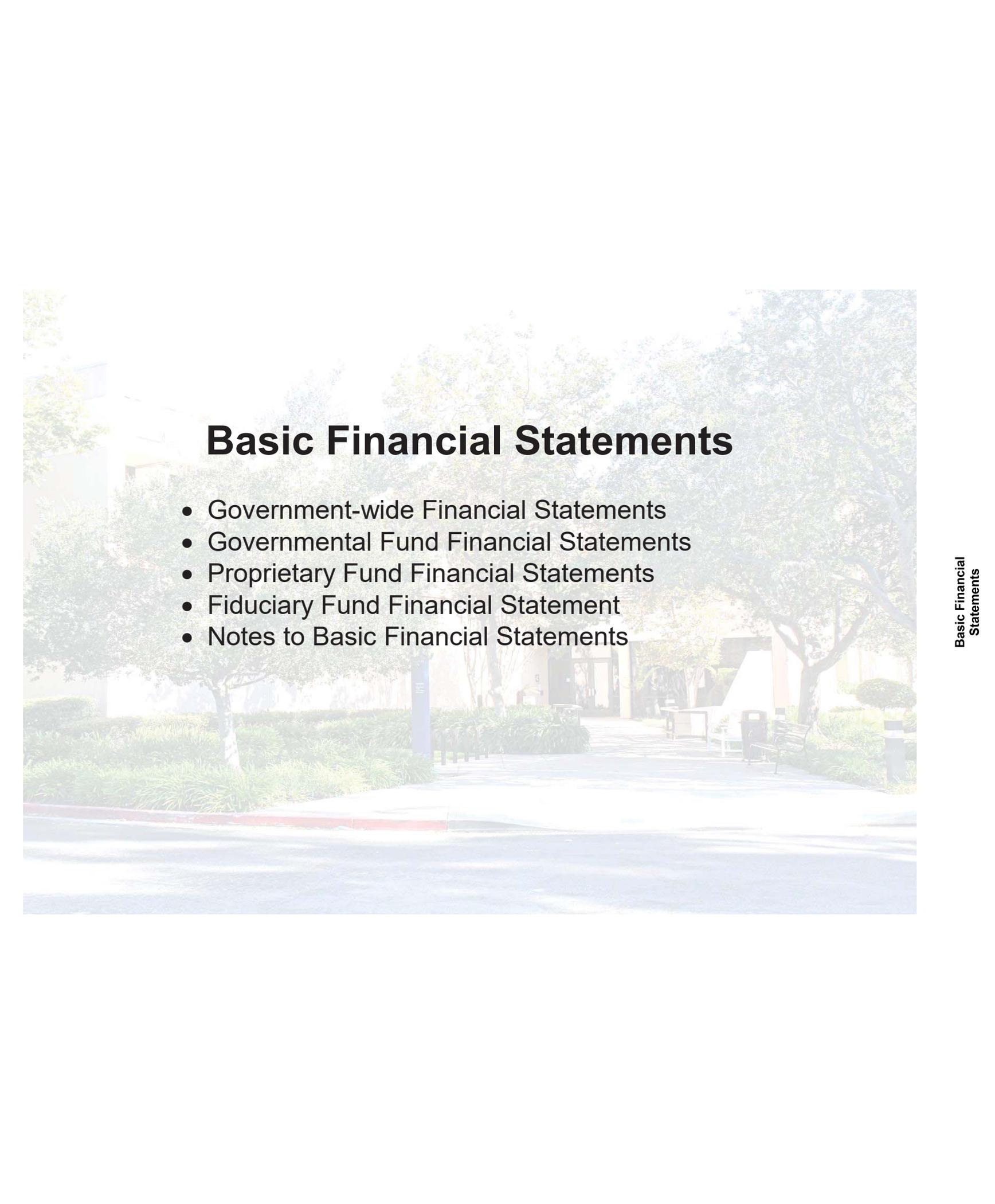
The City continues to meet its actuarially required contribution towards its pension plan with California Public Employees Retirement System (CalPERS). As of the June 30, 2018, CalPERS Actuarial Valuation provided in July 2019, the City’s unfunded pension liability increased \$6.7 million from the previous year. The increase in unfunded liability was primarily due to the CalPERS Board of Administration’s vote to lower the discount rate from 7.5 percent to 7.0 percent. The July 2019 Actuarial Valuation represents the last year of the three-year phase-in of the discount rate reduction. The funded status on a market basis decreased by 0.6 percent to 75.1 percent. A pension plan with a funded status above 80 percent is considered healthy. The City has made significant strides in addressing its long-term pension unfunded liability by switching to a 15-year amortization schedule through the CalPERS Fresh Start Program, making additional contributions to the plan in the amount of \$1.5 million annually, and establishing an IRS Section 115 Trust.

The CalPERS investment portfolio reported an 8.6 percent return for the fiscal year ended June 30, 2018. While this return was greater than the forecasted discount rate of 7.0 percent, it is a decrease from the prior fiscal year’s 11.2 percent return. 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 employer contribution of 30.298 percent (9.902 percent employer normal cost and 20.396 percent for unfunded liability) for fiscal year 2020-21.

Although the national and state economies have remained consistently healthy, the past five years has been the longest period with no economic growth in Ventura County. Therefore, staff has projected 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, proceeding into the next fiscal year with a structurally balanced budget.

## **REQUESTS FOR INFORMATION**

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



# Basic Financial Statements

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

# Government-wide Financial Statements



**CITY OF THOUSAND OAKS**  
**Statement of Net Position**  
**June 30, 2019**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash and investments (notes 1 and 2)	\$ 168,881,497	107,017,617	275,899,114
Receivables (notes 1 and 3):			
Accounts	3,801,037	9,374,929	13,175,966
Accrued interest	8,937,450	563,553	9,501,003
Intergovernmental	11,567,241	2,057,001	13,624,242
Notes/loans	36,451,257	375,000	36,826,257
Internal balances	1,673,452	(1,673,452)	-
Inventories - supplies (note 1)	619,538	508,435	1,127,973
Prepaid items and other assets (note 1)	2,303	205,201	207,504
Noncurrent assets:			
Restricted cash and investments (notes 1 and 2)	21,408,739	5,635,822	27,044,561
Capital assets (notes 1 and 4):			
Land	132,906,563	5,834,172	138,740,735
Intangibles, non-depreciable	840,555	133,538	974,093
Buildings and improvements	164,023,735	302,672,727	466,696,462
Equipment	12,149,663	14,585,082	26,734,745
Intangibles, depreciable	1,007,637	521,324	1,528,961
Infrastructure	488,990,074	-	488,990,074
Construction in progress	3,877,526	2,505,336	6,382,862
Accumulated depreciation	(342,607,784)	(154,610,713)	(497,218,497)
Total assets	<u>714,530,483</u>	<u>295,705,572</u>	<u>1,010,236,055</u>
<b>Deferred outflows of resources:</b>			
Deferred charges	134,000	-	134,000
Deferred pension items	11,089,116	4,252,043	15,341,159
Deferred OPEB items	1,533,285	758,125	2,291,410
Total deferred outflows of resources	<u>12,756,401</u>	<u>5,010,168</u>	<u>17,766,569</u>
<b>Liabilities:</b>			
Accounts payable (note 1)	12,547,123	5,324,653	17,871,776
Accrued interest (note 1)	40,255	102,861	143,116
Due to other agencies (note 1)	263,078	25,664	288,742
Unearned revenue (note 1)	38,425,245	10,676,487	49,101,732
Deposits (note 1)	-	684,035	684,035
Noncurrent liabilities (note 7):			
Due within one year (note 7)	4,116,553	2,765,194	6,881,747
Due in more than one year (note 7)	15,565,170	7,301,637	22,866,807
Net pension liability	50,534,523	19,366,898	69,901,421
Net OPEB liability	6,250,802	2,381,710	8,632,512
Total liabilities	<u>127,742,749</u>	<u>48,629,139</u>	<u>176,371,888</u>
<b>Deferred inflows of resources:</b>			
Deferred pension items	2,200,714	843,637	3,044,351
Deferred OPEB items	333,494	122,508	456,002
Total deferred inflows of resources	<u>2,534,208</u>	<u>966,145</u>	<u>3,500,353</u>
<b>Net position:</b>			
Net investments in capital assets	449,973,221	163,612,492	613,585,713
Restricted for:			
Assessment districts	8,986,452	-	8,986,452
Culture and leisure	407,083	-	407,083
Street related purposes	23,424,574	-	23,424,574
Community development	5,990,482	-	5,990,482
Debt service	8,353	-	8,353
Unrestricted	108,219,762	87,507,964	195,727,726
Total net position	<u>\$ 597,009,927</u>	<u>251,120,456</u>	<u>848,130,383</u>

See accompanying notes to basic financial statements.

**CITY OF THOUSAND OAKS**  
**Statement of Activities**  
**Year ended June 30, 2019**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental activities:				
General government	\$ 20,652,373	7,400,502	180,757	-
Public safety	32,316,506	956,562	396,485	56,573
Transportation	29,658,476	5,675,414	6,501,414	2,622,262
Community development	10,657,941	5,428,584	2,325,169	-
Culture and leisure	11,283,170	485,072	55,920	56,158
Interest on long-term debt	503,916	-	-	-
<b>Total governmental activities</b>	<b>105,072,382</b>	<b>19,946,134</b>	<b>9,459,745</b>	<b>2,734,993</b>
Business-type activities:				
Water	24,664,296	29,336,595	-	-
Wastewater	21,293,236	23,076,241	-	-
Golf Course	6,204,300	6,630,009	-	-
Transportation	7,544,602	1,982,752	7,181,337	-
Solid Waste Management	1,296,438	1,731,389	-	-
Theatres	4,703,728	4,321,991	501,196	-
<b>Total business-type activities</b>	<b>65,706,600</b>	<b>67,078,977</b>	<b>7,682,533</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 170,778,982</b>	<b>87,025,111</b>	<b>17,142,278</b>	<b>2,734,993</b>

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 5)
- Total general revenues
- Change in net position
- Net position - beginning
- 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
(13,071,114)	-	(13,071,114)
(30,906,886)	-	(30,906,886)
(14,859,386)	-	(14,859,386)
(2,904,188)	-	(2,904,188)
(10,686,020)	-	(10,686,020)
(503,916)	-	(503,916)
<u>(72,931,510)</u>	<u>-</u>	<u>(72,931,510)</u>
-	4,672,299	4,672,299
-	1,783,005	1,783,005
-	425,709	425,709
-	1,619,487	1,619,487
-	434,951	434,951
-	119,459	119,459
-	<u>9,054,910</u>	<u>9,054,910</u>
<u>(72,931,510)</u>	<u>9,054,910</u>	<u>(63,876,600)</u>
19,635,884	-	19,635,884
12,701,511	-	12,701,511
31,310,487	-	31,310,487
5,081,257	-	5,081,257
6,749,345	-	6,749,345
2,082,845	-	2,082,845
1,041,157	-	1,041,157
27,830	-	27,830
62,495	-	62,495
153,254	-	153,254
17,903	-	17,903
6,742,997	-	6,742,997
<u>(354,599)</u>	<u>354,599</u>	<u>-</u>
<u>85,252,366</u>	<u>354,599</u>	<u>85,606,965</u>
<u>12,320,856</u>	<u>9,409,509</u>	<u>21,730,365</u>
<u>584,689,071</u>	<u>241,710,947</u>	<u>826,400,018</u>
<u>\$ 597,009,927</u>	<u>251,120,456</u>	<u>848,130,383</u>

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# Governmental Fund Financial Statements



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**CITY OF THOUSAND OAKS**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

Page 1 of 2

	General Fund	Library	State Gas Tax	Capital Improvements
<b>Assets</b>				
Assets:				
Cash and investments	\$ 101,249,053	570,419	3,820,911	18,576,599
Receivables:				
Accounts	2,927,206	91,973	4,901	1,501
Accrued interest	691,608	-	17,426	74,401
Intergovernmental	8,481,046	175,782	2,153,759	16,088
Notes/loans	530,867	-	-	-
Interfund receivables	2,479,282	-	-	-
Inventories - supplies	619,538	-	-	-
Advances to other funds	1,166,952	-	-	-
Restricted cash and investments	18,222,316	-	-	-
<b>Total assets</b>	<b>\$ 136,367,868</b>	<b>838,174</b>	<b>5,996,997</b>	<b>18,668,589</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 6,603,685	427,102	35,056	161,698
Due to other agencies	8,478	-	-	-
Interfund payables	-	-	-	-
Unearned revenue	2,543,253	3,989	-	-
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b>9,155,416</b>	<b>431,091</b>	<b>35,056</b>	<b>161,698</b>
Deferred inflows of resources:				
Unavailable revenue	-	-	571,057	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>571,057</b>	<b>-</b>
Fund balances:				
Nonspendable	2,317,357	-	-	-
Restricted	18,222,316	407,083	5,390,884	17,856,795
Committed	37,881,913	-	-	-
Assigned	68,175,670	-	-	650,096
Unassigned	615,196	-	-	-
<b>Total fund balances</b>	<b>127,212,452</b>	<b>407,083</b>	<b>5,390,884</b>	<b>18,506,891</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 136,367,868</b>	<b>838,174</b>	<b>5,996,997</b>	<b>18,668,589</b>

See accompanying notes to basic financial statements.

Thousand Oaks Housing Successor	Other Governmental Funds	Total Governmental Funds
2,596,302	31,182,552	157,995,836
24,323	734,001	3,783,905
7,498,443	601,587	8,883,465
-	740,566	11,567,241
33,665,790	2,254,600	36,451,257
-	-	2,479,282
-	-	619,538
-	-	1,166,952
-	3,186,423	21,408,739
<u>43,784,858</u>	<u>38,699,729</u>	<u>244,356,215</u>
-	5,293,421	12,520,962
-	254,600	263,078
-	989,282	989,282
33,665,790	2,212,213	38,425,245
-	1,166,952	1,166,952
<u>33,665,790</u>	<u>9,916,468</u>	<u>53,365,519</u>
<u>7,485,394</u>	<u>575,271</u>	<u>8,631,722</u>
<u>7,485,394</u>	<u>575,271</u>	<u>8,631,722</u>
-	-	2,317,357
2,633,674	12,523,019	57,033,771
-	2,130,376	40,012,289
-	13,554,595	82,380,361
-	-	615,196
<u>2,633,674</u>	<u>28,207,990</u>	<u>182,358,974</u>
<u>43,784,858</u>	<u>38,699,729</u>	<u>244,356,215</u>

**CITY OF THOUSAND OAKS**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2019**

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

Total fund balances - total governmental funds (page 28)	\$ 182,358,974
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	461,187,969
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	8,633,600
Deferred outflows represent a consumption of net position that applies to a future period.	12,622,401
Internal service funds are used by management to account for the cost of providing liability, workers' compensation, and vision insurance coverage on a citywide basis. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	7,307,793
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.	(72,566,602)
Deferred inflows represent an acquisition of net position that applies to a future period.	(2,534,208)
Net position of governmental activities (page 24)	\$ 597,009,927

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, 2019**

	General Fund	Library	State Gas Tax	Capital Improvements
<b>Revenues:</b>				
Taxes	\$ 66,689,794	7,336,990	1,000,000	-
Licenses and permits	6,490,525	-	-	-
Fines and forfeitures	345,543	114,854	-	-
Use of money and property	7,421,360	14,718	72,781	352,904
Charges for current services	6,457,792	89,025	-	706,831
Intergovernmental revenue	863,024	7,289	6,659,723	-
Other	1,024,286	259,278	21,705	80,392
<b>Total revenues</b>	<u>89,292,324</u>	<u>7,822,154</u>	<u>7,754,209</u>	<u>1,140,127</u>
<b>Expenditures:</b>				
Current:				
General government	18,728,427	-	-	-
Public safety	30,752,823	-	-	-
Transportation	10,473,184	-	3,958,573	1,007,165
Community development	9,664,252	-	-	-
Culture and leisure	2,246,422	7,463,514	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	1,510,112	-	-	8,752,462
<b>Total expenditures</b>	<u>73,375,220</u>	<u>7,463,514</u>	<u>3,958,573</u>	<u>9,759,627</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,917,104</u>	<u>358,640</u>	<u>3,795,636</u>	<u>(8,619,500)</u>
<b>Other financing sources (uses):</b>				
Transfers in (note 5)	1,973,704	-	26,056	5,264,017
Transfers out (note 5)	(6,780,505)	-	(1,057,960)	(864,852)
Proceeds from sale of property	24,712	-	-	-
<b>Total other financing sources (uses)</b>	<u>(4,782,089)</u>	<u>-</u>	<u>(1,031,904)</u>	<u>4,399,165</u>
Net change in fund balance	11,135,015	358,640	2,763,732	(4,220,335)
Fund balance - beginning	116,077,437	48,443	2,627,152	22,727,226
Fund balance - ending	<u>\$ 127,212,452</u>	<u>407,083</u>	<u>5,390,884</u>	<u>18,506,891</u>

See accompanying notes to basic financial statements.

Thousand Oaks Housing Successor	Other Governmental Funds	Total Governmental Funds
-	2,528,537	77,555,321
-	-	6,490,525
-	540,377	1,000,774
361,868	501,087	8,724,718
-	5,300,242	12,553,890
-	1,369,662	8,899,698
15,720	1,216,601	2,617,982
<u>377,588</u>	<u>11,456,506</u>	<u>117,842,908</u>
-	9,784	18,738,211
-	1,390,222	32,143,045
-	7,608,169	23,047,091
137,413	535,089	10,336,754
-	44,939	9,754,875
-	650,000	650,000
-	505,812	505,812
-	50,401	10,312,975
<u>137,413</u>	<u>10,794,416</u>	<u>105,488,763</u>
<u>240,175</u>	<u>662,090</u>	<u>12,354,145</u>
-	1,751,909	9,015,686
-	(666,968)	(9,370,285)
-	-	24,712
-	1,084,941	(329,887)
240,175	1,747,031	12,024,258
<u>2,393,499</u>	<u>26,460,959</u>	<u>170,334,716</u>
<u>2,633,674</u>	<u>28,207,990</u>	<u>182,358,974</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, 2019**

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

Net change in fund balances - total governmental funds (page 31)	\$ 12,024,258
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.	(909,600)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.	129,868
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	618,121
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.	645,751
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.	(530,496)
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.	342,954
Change in net position of governmental activities (page 26)	<u><u>\$ 12,320,856</u></u>

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, 2019**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 64,571,300	64,571,300	66,689,794	2,118,494
Licenses and permits	6,297,255	6,297,255	6,490,525	193,270
Fines and forfeitures	334,500	334,500	345,543	11,043
Use of money and property	2,127,200	2,127,200	7,421,360	5,294,160
Charges for current services	6,704,000	6,704,000	6,457,792	(246,208)
Intergovernmental revenue	483,150	866,150	863,024	(3,126)
Other	452,350	578,050	1,024,286	446,236
<b>Total revenues</b>	<u>80,969,755</u>	<u>81,478,455</u>	<u>89,292,324</u>	<u>7,813,869</u>
<b>Expenditures:</b>				
Current:				
General government	20,213,208	23,037,859	18,728,427	4,309,432
Public safety	32,149,046	32,262,496	30,752,823	1,509,673
Transportation	12,337,182	13,664,007	10,473,184	3,190,823
Community development	10,468,133	12,487,942	9,664,252	2,823,690
Culture and leisure	1,877,070	2,815,136	2,246,422	568,714
Capital outlay	270,000	16,705,147	1,510,112	15,195,035
<b>Total expenditures</b>	<u>77,314,639</u>	<u>100,972,587</u>	<u>73,375,220</u>	<u>27,597,367</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,655,116</u>	<u>(19,494,132)</u>	<u>15,917,104</u>	<u>35,411,236</u>
<b>Other financing sources (uses):</b>				
Transfers in (note 5)	1,883,200	1,883,200	1,973,704	90,504
Transfers out (note 5)	(8,846,106)	(8,846,106)	(6,780,505)	2,065,601
Proceeds from sale of property	60,000	60,000	24,712	(35,288)
<b>Total other financing sources (uses)</b>	<u>(6,902,906)</u>	<u>(6,902,906)</u>	<u>(4,782,089)</u>	<u>2,120,817</u>
Net change in fund balance	(3,247,790)	(26,397,038)	11,135,015	37,532,053
Fund balance - beginning	<u>116,077,437</u>	<u>116,077,437</u>	<u>116,077,437</u>	<u>-</u>
Fund balance - ending	<u>\$ 112,829,647</u>	<u>89,680,399</u>	<u>127,212,452</u>	<u>37,532,053</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, 2019**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 6,957,800	6,957,800	7,336,990	379,190
Fines and forfeitures	157,000	157,000	114,854	(42,146)
Use of money and property	14,501	14,501	14,718	217
Charges for current services	96,200	96,200	89,025	(7,175)
Intergovernmental revenue	-	-	7,289	7,289
Other	50,500	50,500	259,278	208,778
Total revenues	<u>7,276,001</u>	<u>7,276,001</u>	<u>7,822,154</u>	<u>546,153</u>
<b>Expenditures:</b>				
Current:				
Culture and leisure	8,658,024	8,786,273	7,463,514	1,322,759
Capital outlay	275,000	350,000	-	350,000
Total expenditures	<u>8,933,024</u>	<u>9,136,273</u>	<u>7,463,514</u>	<u>1,672,759</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,657,023)</u>	<u>(1,860,272)</u>	<u>358,640</u>	<u>2,218,912</u>
<b>Other financing sources (uses):</b>				
Transfers in (note 5)	1,657,023	1,657,023	-	(1,657,023)
Total other financing sources (uses)	<u>1,657,023</u>	<u>1,657,023</u>	<u>-</u>	<u>(1,657,023)</u>
Net change in fund balance	-	(203,249)	358,640	561,889
Fund balance - beginning	<u>48,443</u>	<u>48,443</u>	<u>48,443</u>	<u>-</u>
Fund balance - ending	<u>\$ 48,443</u>	<u>(154,806)</u>	<u>407,083</u>	<u>561,889</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, 2019**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ -	-	1,000,000	1,000,000
Use of money and property	32,000	32,000	72,781	40,781
Intergovernmental revenue	5,376,800	5,376,800	6,659,723	1,282,923
Other	-	-	21,705	21,705
Total revenues	<u>5,408,800</u>	<u>5,408,800</u>	<u>7,754,209</u>	<u>2,345,409</u>
<b>Expenditures:</b>				
Current:				
Transportation	2,668,000	9,532,169	3,958,573	5,573,596
Capital outlay	220,000	2,541,824	-	2,541,824
Total expenditures	<u>2,888,000</u>	<u>12,073,993</u>	<u>3,958,573</u>	<u>8,115,420</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,520,800</u>	<u>(6,665,193)</u>	<u>3,795,636</u>	<u>10,460,829</u>
<b>Other financing sources (uses):</b>				
Transfers in (note 5)	-	-	26,056	26,056
Transfers out (note 5)	(1,027,000)	(1,027,000)	(1,057,960)	(30,960)
Total other financing sources (uses)	<u>(1,027,000)</u>	<u>(1,027,000)</u>	<u>(1,031,904)</u>	<u>(4,904)</u>
Net change in fund balance	1,493,800	(7,692,193)	2,763,732	10,455,925
Fund balance - beginning	<u>2,627,152</u>	<u>2,627,152</u>	<u>2,627,152</u>	<u>-</u>
Fund balance - ending	<u>\$ 4,120,952</u>	<u>(5,065,041)</u>	<u>5,390,884</u>	<u>10,455,925</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, 2019**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Use of money and property	\$ 124,000	124,000	361,868	237,868
Other	10,000	10,000	15,720	5,720
Total revenues	<u>134,000</u>	<u>134,000</u>	<u>377,588</u>	<u>243,588</u>
<b>Expenditures:</b>				
Current:				
Community development	<u>264,457</u>	<u>275,887</u>	<u>137,413</u>	<u>138,474</u>
Total expenditures	<u>264,457</u>	<u>275,887</u>	<u>137,413</u>	<u>138,474</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(130,457)</u>	<u>(141,887)</u>	<u>240,175</u>	<u>382,062</u>
Net change in fund balance	(130,457)	(141,887)	240,175	382,062
Fund balance - beginning	<u>2,393,499</u>	<u>2,393,499</u>	<u>2,393,499</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,263,042</u>	<u>2,251,612</u>	<u>2,633,674</u>	<u>382,062</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, 2019**

Page 1 of 2

	Business-type Activities			
	Water Utility	Wastewater Utility	Golf Course	Transportation
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 46,119,679	48,605,869	591,575	4,534,215
Receivables:				
Accounts	4,167,472	3,185,206	357,421	559,453
Accrued interest	243,822	258,422	-	25,921
Intergovernmental	-	1,141	-	2,055,860
Notes/loans	-	375,000	-	-
Inventories - supplies	206,354	221,039	81,042	-
Prepaid items	-	-	106,257	-
Total current assets	<u>50,737,327</u>	<u>52,646,677</u>	<u>1,136,295</u>	<u>7,175,449</u>
Noncurrent assets:				
Restricted cash and investments	1,903,349	3,191,689	-	275,694
Capital assets:				
Land	2,406,628	1,463,180	1,217,610	-
Intangibles, non-depreciable	45,473	88,065	-	-
Buildings and improvements	65,605,629	217,363,518	12,838,959	2,883,445
Equipment	2,105,339	3,955,153	1,572,282	6,291,076
Intangibles, depreciable	490,418	-	-	30,906
Construction in progress	1,704,696	273,832	109,199	262,365
Less accumulated depreciation	<u>(35,695,646)</u>	<u>(106,516,867)</u>	<u>(7,477,085)</u>	<u>(3,576,668)</u>
Total noncurrent assets	<u>38,565,886</u>	<u>119,818,570</u>	<u>8,260,965</u>	<u>6,166,818</u>
Total assets	<u>\$ 89,303,213</u>	<u>172,465,247</u>	<u>9,397,260</u>	<u>13,342,267</u>
<b>Deferred outflow of resources:</b>				
Deferred pension items	1,209,172	2,134,223	-	197,547
Deferred OPEB items	220,293	374,775	-	40,363
Total deferred outflow of resources	<u>1,429,465</u>	<u>2,508,998</u>	<u>-</u>	<u>237,910</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	\$ 2,096,336	1,401,454	278,919	982,747
Accrued interest	-	102,861	-	-
Claims payable	-	-	-	-
Due to other agencies	-	-	25,664	-
Interfund payables	-	-	1,490,000	-
Unearned revenue	-	-	671,363	5,631,839
Deposits	681,893	825	-	-
Compensated absences	221,003	399,439	-	40,261
Notes/loans payable	-	1,829,407	-	-
Capital lease payable	-	-	142,276	-
Total current liabilities	<u>2,999,232</u>	<u>3,733,986</u>	<u>2,608,222</u>	<u>6,654,847</u>
Noncurrent liabilities:				
Claims payable	-	-	-	-
Compensated absences	375,216	617,301	-	37,280
Notes/loans payable	-	5,789,957	-	-
Capital lease payable	-	-	267,334	-
Net pension liability	5,530,974	9,759,356	-	901,144
Net OPEB liability	681,105	1,199,055	-	108,770
Total noncurrent liabilities	<u>6,587,295</u>	<u>17,365,669</u>	<u>267,334</u>	<u>1,047,194</u>
Total liabilities	<u>\$ 9,586,527</u>	<u>21,099,655</u>	<u>2,875,556</u>	<u>7,702,041</u>
<b>Deferred inflow of resources:</b>				
Deferred pension items	240,394	424,241	-	39,223
Deferred OPEB items	36,354	61,541	-	5,286
Total deferred inflow of resources	<u>276,748</u>	<u>485,782</u>	<u>-</u>	<u>44,509</u>
<b>Net position:</b>				
Net investments in capital assets	36,662,537	109,007,517	7,851,355	5,891,124
Unrestricted	44,206,866	44,381,291	(1,329,651)	(57,497)
Total net position (deficit)	<u>\$ 80,869,403</u>	<u>153,388,808</u>	<u>6,521,704</u>	<u>5,833,627</u>

See accompanying notes to basic financial statements.

Business-type Activities			Govt. Activities - Internal Service Funds
Solid Waste Management	Theatres	Total	
3,246,526	3,919,753	107,017,617	10,885,661
410,167	695,210	9,374,929	17,132
17,628	17,760	563,553	53,985
-	-	2,057,001	-
-	-	375,000	-
-	-	508,435	-
-	98,944	205,201	425
<u>3,674,321</u>	<u>4,731,667</u>	<u>120,101,736</u>	<u>10,957,203</u>
265,090	-	5,635,822	-
746,754	-	5,834,172	-
-	-	133,538	-
3,235,490	745,686	302,672,727	-
22,226	639,006	14,585,082	-
-	-	521,324	-
-	155,244	2,505,336	-
(404,122)	(940,325)	(154,610,713)	-
<u>3,865,438</u>	<u>599,611</u>	<u>177,277,288</u>	<u>-</u>
<u>7,539,759</u>	<u>5,331,278</u>	<u>297,379,024</u>	<u>10,957,203</u>
168,995	542,106	4,252,043	-
27,600	95,094	758,125	-
<u>196,595</u>	<u>637,200</u>	<u>5,010,168</u>	<u>-</u>
221,463	343,734	5,324,653	26,162
-	-	102,861	-
-	-	-	1,428,300
-	-	25,664	-
-	-	1,490,000	-
124,830	4,248,455	10,676,487	-
-	1,317	684,035	-
39,204	93,604	793,511	-
-	-	1,829,407	-
-	-	142,276	-
<u>385,497</u>	<u>4,687,110</u>	<u>21,068,894</u>	<u>1,454,462</u>
-	-	-	2,378,400
51,624	162,925	1,244,346	-
-	-	5,789,957	-
-	-	267,334	-
773,770	2,401,654	19,366,898	-
94,958	297,822	2,381,710	-
<u>920,352</u>	<u>2,862,401</u>	<u>29,050,245</u>	<u>2,378,400</u>
<u>1,305,849</u>	<u>7,549,511</u>	<u>50,119,139</u>	<u>3,832,862</u>
33,613	106,166	843,637	-
4,974	14,353	122,508	-
<u>38,587</u>	<u>120,519</u>	<u>966,145</u>	<u>-</u>
3,600,348	599,611	163,612,492	-
2,791,570	(2,301,163)	87,691,416	7,124,341
<u>6,391,918</u>	<u>(1,701,552)</u>	<u>251,303,908</u>	<u>7,124,341</u>
		(183,452)	
		<u>251,120,456</u>	

Adjustments to reflect accumulated internal services fund loss related to enterprise funds net position of business-type activities (page 24)

**CITY OF THOUSAND OAKS**  
**Statement of Revenues, Expenses, and Changes In Net Position**  
**Proprietary Funds**  
**Year ended June 30, 2019**

Page 1 of 2

	Business-type Activities			
	Water Utility	Wastewater Utility	Golf Course	Transportation
<b>Operating revenues:</b>				
Sales of water and wastewater services	\$ 26,883,080	19,418,947	-	-
Theatre rentals and fees	-	-	-	-
Charges for services and supplies	-	-	-	-
Bus and subsidized taxi fares	-	-	-	268,675
Green fees, cart rentals and course memberships	-	-	6,099,078	-
Recycling fees	-	-	-	-
Fees for service	545,756	1,072,966	-	1,284,042
Other	82,497	446,647	541,569	248,953
Total operating revenues	<u>27,511,333</u>	<u>20,938,560</u>	<u>6,640,647</u>	<u>1,801,670</u>
<b>Operating expenses:</b>				
Salaries and employee benefits	4,619,491	7,363,280	-	1,190,752
Contract services	1,945,901	4,004,398	5,664,186	4,241,984
Utilities	431,990	1,013,133	-	42,022
Purchase of water	14,710,130	-	-	-
Materials and supplies	962,911	2,628,984	1,588	1,245,771
Claims expenses	-	-	-	-
Administrative expenses	31,486	234,210	-	231,432
Depreciation	1,985,965	5,980,810	519,396	593,288
Total operating expenses	<u>24,687,874</u>	<u>21,224,815</u>	<u>6,185,170</u>	<u>7,545,249</u>
Operating income (loss)	<u>2,823,459</u>	<u>(286,255)</u>	<u>455,477</u>	<u>(5,743,579)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	1,793,826	2,074,081	(10,638)	134,323
Interest expense	-	(120,389)	(19,130)	-
Donations	-	-	-	-
Rental of facilities	31,436	63,600	-	46,759
Federal assistance	-	-	-	2,433,982
State assistance	-	-	-	4,747,355
Total nonoperating revenues (expenses)	<u>1,825,262</u>	<u>2,017,292</u>	<u>(29,768)</u>	<u>7,362,419</u>
Income (loss) before contributions and transfers	4,648,721	1,731,037	425,709	1,618,840
Transfers in	-	-	-	415,765
Transfers out	-	-	-	(61,166)
Change in net position	4,648,721	1,731,037	425,709	1,973,439
Total net position - beginning	<u>76,220,682</u>	<u>151,657,771</u>	<u>6,095,995</u>	<u>3,860,188</u>
Total net position - ending	<u>\$ 80,869,403</u>	<u>153,388,808</u>	<u>6,521,704</u>	<u>5,833,627</u>

See accompanying notes to basic financial statements.

Business-type Activities			Govt. Activities - Internal Service Funds
Solid Waste Management	Theatres	Total	
-	-	46,302,027	-
-	3,476,868	3,476,868	-
-	-	-	983,941
-	-	268,675	-
-	-	6,099,078	-
1,451,094	-	1,451,094	-
-	-	2,902,764	-
144,437	725,009	2,189,112	-
<u>1,595,531</u>	<u>4,201,877</u>	<u>62,689,618</u>	<u>983,941</u>
390,690	2,350,663	15,914,876	-
665,419	1,500,799	18,022,687	-
15,706	311,874	1,814,725	-
-	-	14,710,130	-
130,603	25,411	4,995,268	-
-	-	-	753,535
29,076	453,843	980,047	-
65,520	74,632	9,219,611	-
<u>1,297,014</u>	<u>4,717,222</u>	<u>65,657,344</u>	<u>753,535</u>
<u>298,517</u>	<u>(515,345)</u>	<u>(2,967,726)</u>	<u>230,406</u>
135,858	120,114	4,247,564	202,811
-	-	(139,519)	-
-	501,196	501,196	-
-	-	141,795	-
-	-	2,433,982	-
-	-	4,747,355	-
<u>135,858</u>	<u>621,310</u>	<u>11,932,373</u>	<u>202,811</u>
434,375	105,965	8,964,647	433,217
-	-	415,765	-
-	-	(61,166)	-
<u>434,375</u>	<u>105,965</u>	<u>9,319,246</u>	<u>433,217</u>
<u>5,957,543</u>	<u>(1,807,517)</u>		<u>6,691,124</u>
<u>6,391,918</u>	<u>(1,701,552)</u>		<u>7,124,341</u>
		<u>90,263</u>	
		<u>9,409,509</u>	
			Adjustment to reflect internal service fund profit related to enterprise fund changes in net position of business-type activities (page 26)

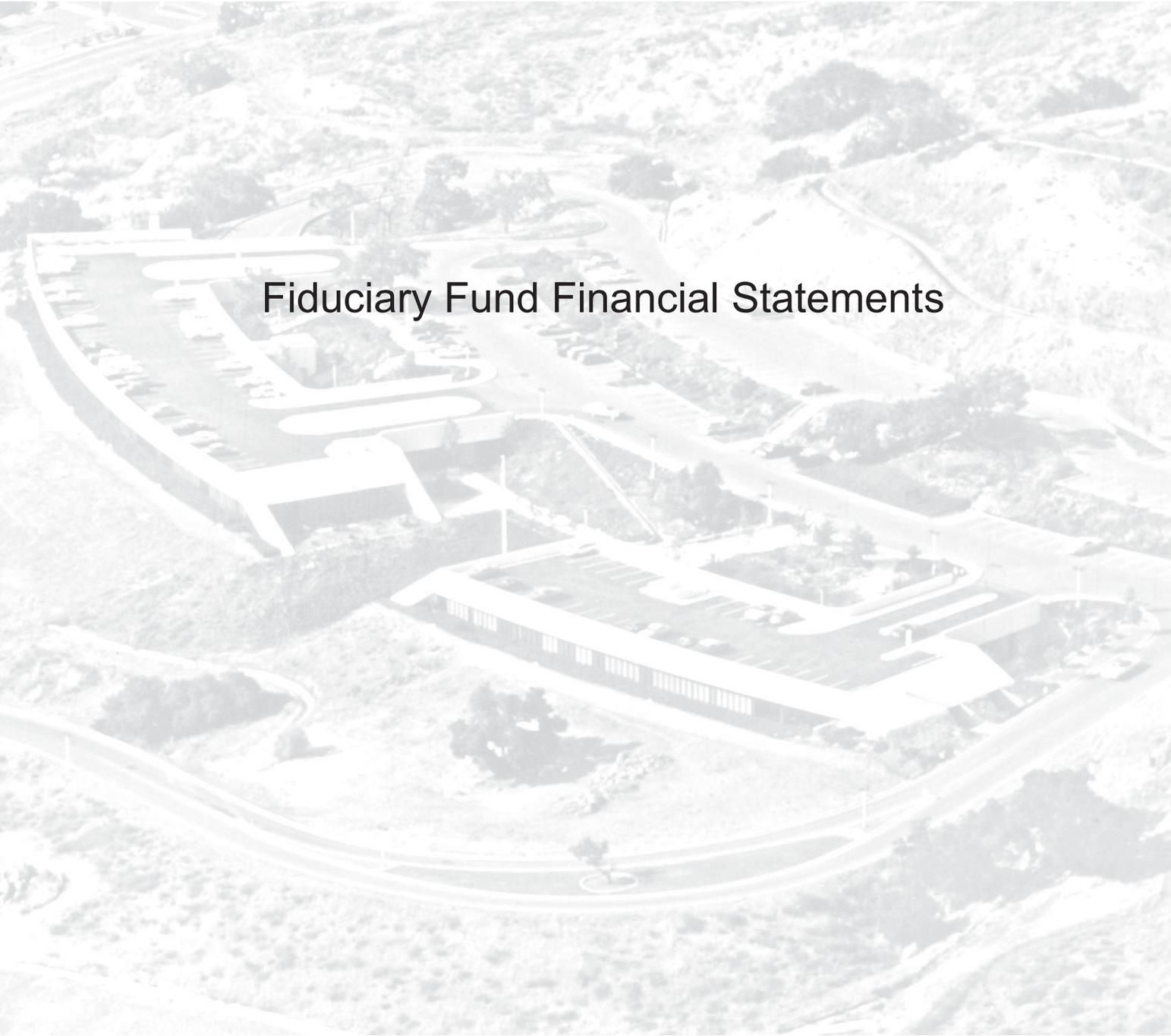
**CITY OF THOUSAND OAKS**  
**Statement of Cash Flows - Proprietary Funds**  
**Year ended June 30, 2019**

Page 1 of 2

	Business-type Activities			
	Water Utility	Wastewater Utility	Golf Course	Transportation
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 27,805,689	20,576,549	6,323,236	(1,084,562)
Cash payments for goods and services	(17,558,963)	(7,177,979)	(5,850,323)	(4,945,118)
Cash payments to employees	(4,612,640)	(7,289,548)	-	(1,175,661)
Net cash provided by (used for) operating activities	<u>5,634,086</u>	<u>6,109,022</u>	<u>472,913</u>	<u>(7,205,341)</u>
<b>Cash flows from noncapital financing activities:</b>				
Property taxes and state tax subventions received	-	-	-	4,747,355
Federal assistance	-	-	-	2,433,982
Donations	-	-	-	-
Transfers in	-	-	-	415,765
Transfers out	-	-	-	(61,166)
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,535,936</u>
<b>Cash flows from capital and related financing activities:</b>				
Payments for capital acquisitions	(3,158,358)	(2,440,704)	(126,481)	(2,533,171)
Principal repayments	-	(4,765,342)	-	-
Capital lease obligation repayments	-	-	(131,083)	-
Interest paid	-	(120,389)	(19,130)	-
Net cash used for capital and related financing activities	<u>(3,158,358)</u>	<u>(7,326,435)</u>	<u>(276,694)</u>	<u>(2,533,171)</u>
<b>Cash flows from investing activities:</b>				
Interest received (paid)	1,755,915	2,050,215	(10,638)	127,320
Rental payments received	31,436	63,600	-	46,759
Net cash provided by (used for) investing activities	<u>1,787,351</u>	<u>2,113,815</u>	<u>(10,638)</u>	<u>174,079</u>
Net increase (decrease) in cash and cash equivalents	4,263,079	896,402	185,581	(2,028,497)
Cash and cash equivalents, beginning of year	43,759,949	50,901,156	405,994	6,838,406
Cash and cash equivalents, end of year	<u>\$ 48,023,028</u>	<u>51,797,558</u>	<u>591,575</u>	<u>4,809,909</u>
<b>Reconciliation of cash and cash equivalents at end of year to the Statement of Net Position:</b>				
Cash and investments	\$ 46,119,679	48,605,869	591,575	4,534,215
Restricted cash and investments	1,903,349	3,191,689	-	275,694
<b>Total cash and cash equivalents, end of year</b>	<u>\$ 48,023,028</u>	<u>51,797,558</u>	<u>591,575</u>	<u>4,809,909</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 2,823,459	(286,255)	455,477	(5,743,579)
<b>Adjustments to reconcile operating income/(loss) to net cash provided by (used for) operating activities:</b>				
Depreciation expense	1,985,965	5,980,810	519,396	593,288
(Increase) decrease in accounts/notes receivable	306,709	(364,723)	(342,299)	(138,339)
(Increase) decrease in due from other governments	-	2,387	-	(1,481,975)
(Increase) decrease in inventories	13,335	(82,205)	(16,349)	-
(Increase) decrease in prepaid expenses	-	-	39,917	-
Increase (decrease) in accounts payables	7,680	621,518	64,891	268,920
(Decrease) in accrued liabilities	-	(45,170)	-	-
(Decrease) in due to other agencies	-	-	(8,008)	-
(Decrease) in due to other funds	-	-	(265,000)	-
Increase in compensated absences	6,851	73,732	-	15,091
Increase (decrease) in net pension liability	450,095	121,212	-	510,019
Increase (decrease) in net OPEB liability	52,345	87,391	-	37,152
Increase (decrease) in unearned revenue and deposits	(12,353)	325	24,888	(1,265,918)
(Decrease) in claims payable	-	-	-	-
Total adjustments	<u>2,810,627</u>	<u>6,395,277</u>	<u>17,436</u>	<u>(1,461,762)</u>
Net cash provided by (used for) operating activities	<u>\$ 5,634,086</u>	<u>6,109,022</u>	<u>472,913</u>	<u>(7,205,341)</u>
<b>Noncash investing, capital, and financing activities:</b>				
Capital assets acquired through capital leases	-	-	195,131	-

Business-type Activities			Govt. Activities
Solid Waste Management	Theatres	Total	Internal Service Funds
1,529,119	5,121,008	60,271,039	966,809
(893,947)	(2,069,894)	(38,496,224)	(962,614)
(385,068)	(2,309,677)	(15,772,594)	-
<u>250,104</u>	<u>741,437</u>	<u>6,002,221</u>	<u>4,195</u>
-	-	4,747,355	-
-	-	2,433,982	-
-	501,196	501,196	-
-	-	415,765	-
-	-	(61,166)	-
-	<u>501,196</u>	<u>8,037,132</u>	-
-	(154,813)	(8,413,527)	-
-	-	(4,765,342)	-
-	-	(131,083)	-
-	-	(139,519)	-
-	<u>(154,813)</u>	<u>(13,449,471)</u>	-
133,330	114,348	4,170,490	197,136
-	-	141,795	-
<u>133,330</u>	<u>114,348</u>	<u>4,312,285</u>	<u>197,136</u>
383,434	1,202,168	4,902,167	201,331
<u>3,128,182</u>	<u>2,717,585</u>	<u>107,751,272</u>	<u>10,684,330</u>
<u>3,511,616</u>	<u>3,919,753</u>	<u>112,653,439</u>	<u>10,885,661</u>
3,246,526	3,919,753	107,017,617	10,885,661
265,090	-	5,635,822	-
<u>3,511,616</u>	<u>3,919,753</u>	<u>112,653,439</u>	<u>10,885,661</u>
<u>298,517</u>	<u>(515,345)</u>	<u>(2,967,726)</u>	<u>230,406</u>
65,520	74,632	9,219,611	-
(91,247)	(267,607)	(897,506)	(17,132)
-	-	(1,479,588)	-
-	-	(85,219)	-
-	(22,945)	16,972	-
98,566	83,711	1,145,286	(33,680)
-	-	(45,170)	-
-	-	(8,008)	-
-	-	(265,000)	-
5,622	40,986	142,282	-
(149,016)	115,269	1,047,579	-
(2,693)	45,998	220,193	-
24,835	1,186,738	(41,485)	-
-	-	-	(175,399)
<u>(48,413)</u>	<u>1,256,782</u>	<u>8,969,947</u>	<u>(226,211)</u>
<u>250,104</u>	<u>741,437</u>	<u>6,002,221</u>	<u>4,195</u>
-	-	-	-

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Fiduciary Fund Financial Statements

**CITY OF THOUSAND OAKS**  
**Statement of Fiduciary Net Position - Fiduciary Funds**  
**June 30, 2019**

	Agency Funds	Thousand Oaks Redevelopment Successor Agency	Defined Benefits Trust Fund
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 7,955,414	3,595,888	-
Cash and cash equivalents	-	-	675,711
Investments:			
Fixed income	-	-	1,546,262
Stocks	-	-	1,637,484
Real estate	-	-	78,924
Receivables:			
Accounts	87,707	-	-
Accrued interest	11,253	-	-
Total current assets	<u>8,054,374</u>	<u>3,595,888</u>	<u>3,938,381</u>
Total assets	<u>\$ 8,054,374</u>	<u>3,595,888</u>	<u>3,938,381</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	\$ 37,619	250	-
Accrued liabilities	-	164,652	593,746
Deposits	8,016,755	-	-
Notes/loans payable	-	6,448,000	-
Total current liabilities	<u>8,054,374</u>	<u>6,612,902</u>	<u>593,746</u>
Noncurrent liabilities:			
Notes/loans payable, less current portion	-	11,939,000	-
Total liabilities	<u>\$ 8,054,374</u>	<u>18,551,902</u>	<u>593,746</u>
<b>Net position:</b>			
Net pension restricted for pensions		-	3,344,635
Held in trust for other purposes		(14,956,014)	-
Total net position (deficit)		<u>\$ (14,956,014)</u>	<u>3,344,635</u>

See accompanying notes to basic financial statements.

**CITY OF THOUSAND OAKS**  
**Statement of Changes in Net Position - Fiduciary Funds**  
**Year ended June 30, 2019**

	Thousand Oaks Redevelopment Successor Agency	Defined Benefits Trust Fund
<b>Additions:</b>		
Property taxes	\$ 7,055,614	-
Contributions:		
Employer	-	50,000
Employee	-	73,360
Investment income:		
Investment earnings	16,869	-
Net increase in fair value of investments	-	199,350
<b>Total Additions</b>	<u>7,072,483</u>	<u>322,710</u>
<b>Deductions:</b>		
Program expenses	437,968	-
Service benefits	-	235,561
Refunds of member contributions	-	110,832
Administrative expenses	250,000	29,431
Fiscal agency expenses	3,048	-
<b>Total Deductions</b>	<u>691,016</u>	<u>375,824</u>
Changes in net position	6,381,467	(53,114)
Net position - beginning	<u>(21,337,481)</u>	<u>3,397,749</u>
Net position - ending	<u>\$ (14,956,014)</u>	<u>3,344,635</u>

A photograph of a campus walkway. In the foreground, there is a paved road with a red curb. A paved walkway leads from the road towards a building in the background. The walkway is lined with trees and greenery. There are benches and a trash can on the right side of the walkway. The building has large windows and a modern design. The text "Notes to Basic Financial Statements" is overlaid on the image.

## Notes to Basic Financial Statements

# CITY OF THOUSAND OAKS

## *Notes to Basic Financial Statements*

June 30, 2009

### 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, 2019

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

Effective July 1, 2018, the City adopted the provisions of GASB Statement No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of GASB Statement No. 88 is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for the purposes of disclosure in notes to financial statements and requires that additional essential information related to debt be disclosed in notes to financial statements.

#### **(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 29 and 32.

## CITY OF THOUSAND OAKS

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

June 30, 2019

#### **(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, 2019

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 state and federal grants. Revenues 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, 2019

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 43-44 of this report. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are presented in the aggregate on page 43 and by fund in the combining statements on pages 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, 2019

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, 2019

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

As of June 30, 2019, business-type 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 percent.

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

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

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

As of June 30, 2019, governmental funds are made up of the following fund balance categories:

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

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

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

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

## CITY OF THOUSAND OAKS

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

June 30, 2019

**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, 2019, the aggregate unrealized gain for the City's entire investment portfolio across all funds was \$117,317, with \$75,757 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 municipal bonds, 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 \$36,439,219 of funds on deposit with LAIF and \$5,244,545 of funds on deposit with the Ventura 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 funds.

## CITY OF THOUSAND OAKS

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

June 30, 2019

#### **(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, 2019, was \$170,476.

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, 2019, 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 Community Facility Districts Fund and Thousand Oaks Public Financing Authority Fund.

In July 2019 the City established a funding policy for a Section 115 Trust Pension Rate Stabilization Trust Fund (Pension Trust) to achieve long-term pension sustainability. The purpose of the Pension Trust is to generate a reasonable level of investment growth to responsibly manage pension costs and fund present and future pension obligations. As required, amounts are set aside in the General Fund, Water Fund, Wastewater Fund, Solid Waste Fund, and Transportation Fund. See note 2(i) for additional information on the Pension Trust.

# CITY OF THOUSAND OAKS

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

June 30, 2019

### **(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, 2019**

Detail of compensated absences recorded in the government-wide statement of net position as of June 30, 2019, are as follows:

Fund Type	Fiscal Year 2018-19			Fiscal Year 2017-18
	Current Portion	Noncurrent Portion	Total	Total
<b>Governmental Activities:</b>				
General Fund	\$ 1,694,115	\$ 2,066,769	\$ 3,760,884	\$ 3,917,032
Library	231,348	384,439	615,787	604,925
East County Transit Alliance (ECTA)	2,397	2,272	4,669	2,986
Landscape and Lighting Districts	48,158	42,513	90,671	121,800
County Flood Control Benefit Assessment	31,178	23,086	54,264	48,605
<b>Total Governmental Activities</b>	<b>\$ 2,007,196</b>	<b>\$ 2,519,079</b>	<b>\$ 4,526,275</b>	<b>\$ 4,695,348</b>
<b>Business-type Activities:</b>				
Water	\$ 221,003	\$ 375,216	\$ 596,219	\$ 589,368
Wastewater	399,439	617,301	1,016,740	943,008
Solid Waste	39,204	51,624	90,828	85,206
Transportation	40,261	37,280	77,541	62,450
Theatres	93,604	162,925	256,529	215,543
<b>Total Business-type Activities</b>	<b>\$ 793,511</b>	<b>\$ 1,244,346</b>	<b>\$ 2,037,857</b>	<b>\$ 1,895,575</b>
<b>Total Compensated Absences</b>	<b>\$ 2,800,707</b>	<b>\$ 3,763,425</b>	<b>\$ 6,564,132</b>	<b>\$ 6,590,923</b>

**(n) Long-term Liabilities**

In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums are deferred and amortized over the life of the bonds. Bond payables are reported net of the applicable bond premiums.

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 post-employment 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, 2019

- 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 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 actuarial assumptions, differences between actual and projected experiences, and 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, 2019**

when currently 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 was performed. The Measurement Date is June 30, 2018. This is the date the net pension liability was determined. The Measurement Period is July 1, 2017 to June 30, 2018.

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

For purposes of measuring the net pension liability, pension expense, deferred outflows and deferred inflows of resources related to pensions, 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, 2019. This is the date the net pension liability was determined. The Reporting Date is June 30, 2019, 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 Post-employment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, OPEB expense, deferred outflows and inflows of resources related to OPEB, 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 purpose, 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, 2018. This is the date the net OPEB liability was determined. The Measurement Period is July 1, 2017 to June 30, 2018.

#### **(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 government-wide statement of net position. One element of the reconciliation states that

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

“other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.” The details of this \$8,633,600 difference are as follows:

Prepaid insurance	\$ 1,878
Unavailable revenues	8,631,722
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities (allow for rounding)</i>	<b>\$ 8,633,600</b>

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 \$12,622,401 difference are as follows:

Beginning balance of deferred outflow of resources - pension and OPEB items	\$ 18,517,313
Aggregate changes in pension related deferred outflows	(5,675,789)
Aggregate changes in OPEB related deferred outflows	(219,123)
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities (allow for rounding)</i>	<b>\$ 12,622,401</b>

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 (\$72,566,602) difference are as follows:

Lease revenue bond payable	\$ (11,348,747)
Deferred charges	134,000
Compensated absences	(4,526,275)
Net pension liability	(50,534,523)
Net OPEB liability	(6,250,802)
Interest payable	(40,255)
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities (allow for rounding)</i>	<b>\$ (72,566,602)</b>

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 (\$2,534,208) difference are on the following page:

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

Beginning balance of deferred inflows of resources - pension and OPEB items	\$(3,292,407)
Aggregate changes in pension related deferred inflows	785,717
Aggregate changes in OPEB related deferred inflows	<u>(27,518)</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities (allow for rounding)</i>	<u><b>\$ (2,534,208)</b></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 (\$909,600) difference are as follows:

Capital outlay	\$ 14,956,998
Depreciation expense	<u>(15,866,598)</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 (allow for rounding)</i>	<u><b>\$ (909,600)</b></u>

Another element of the reconciliation states that “the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.” The details of this \$129,868 difference are as follows:

Land donations	\$ 17,903
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>111,965</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 (allow for rounding)</i>	<u><b>\$ 129,868</b></u>

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

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 \$618,121 difference are as follows:

Grant revenue	\$ (56,774)
Housing revenue	673,622
Other deferred inflows	1,273
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 (allow for rounding)</i>	<b>\$ 618,121</b>

Another element of the reconciliation states that “the issuance of long-term debt (i.e., 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 \$645,751 difference are as follows:

Lease revenue bonds principal payments	\$ 650,000
Amortization of loss on refunding	(10,307)
Amortization of premiums	6,058
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 (allow for rounding)</i>	<b>\$ 645,751</b>

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 (\$530,496) difference are as follows:

Compensated absences	\$ 169,074
Net change in accrued interest	1,896
Pension	(2,051,105)
OPEB	1,350,088
Net change in prepaid expenses:	
Prepaid insurance	(449)
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 (allow for rounding)</i>	<b>\$ (530,496)</b>

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

**(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, 2019, the Federal Asset Seizure Fund had a deficit balance of (\$5,489), which is related to the recognition of deferred revenue that will be realized in the upcoming fiscal year.

Budgetary data is presented in the basic financial statements, pages 33-36, 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, 2019, as follows:

	<u>Amount</u>
General Fund	\$ 8,987,823
Other governmental funds	2,381,509
	<u>\$ 11,369,332</u>

CITY OF THOUSAND OAKS

*Notes to Basic Financial Statements  
(Continued)*

June 30, 2019

(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, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 275,899,114
Restricted Cash and investments	27,044,561
Fiduciary Funds	
Agencies cash and investments	7,955,414
Successor agency cash and investments	3,595,888
Pension trust cash and investments	3,938,381
Total cash and investments	<u>\$ 318,433,358</u>

Cash and investments as of June 30, 2019, consist of the following:

Cash on hand	\$ 144,005
Deposits with financial institutions	4,487,204
Investments held by City and bond trustee	286,599,376
Pension stabilization investments	23,858,138
Investments held by pension plan	3,344,635
Total cash and investments	<u>\$ 318,433,358</u>

(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 and the Pension Trust which are governed by their trust agreements.

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	N/A
U.S. Agencies	5 years	None	None
City of Thousand Oaks Debt Obligations	5 years	5%	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**.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	N/A
U.S. Agencies	None	None	None
U.S. Dollar Denominated Deposit Accounts, Federal Funds, and Banker's Acceptances	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

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

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

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

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (in years)</u>
U.S. Agencies - Fixed Coupons	\$ 149,776,272	2.34
Supranationals	20,005,700	1.59
Municipal Bonds	43,123,285	1.73
U.S. Treasuries	21,363,790	3.53
Ventura County Treasury Pool	5,244,545	0.52
LAIF	36,439,219	0.47
Held by Fiscal Agent:		
Money Market Funds	3,424,847	0.04
LAIF	7,221,718	0.47
Total	<u>\$ 286,599,376</u>	

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

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

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>AAA A1</u>	<u>AA</u>	<u>A</u>
U.S. Agencies - Fixed Coupons	\$ 149,776,272	None	\$ -	\$ 149,776,272	\$ -
Supranationals	20,005,700	AAA	20,005,700	-	-
Municipal Bonds	43,123,285	A	3,956,562	37,505,732	1,660,991
U.S. Treasuries	21,363,790	None	-	21,363,790	-
Ventura County Treasury Pool	5,244,545	None	5,244,545	-	-
LAIF	36,439,219	Unrated	-	-	-
Held by Fiscal Agent:					
Money Market Funds	3,424,847	AAA	3,424,847	-	-
LAIF	7,221,718	Unrated	-	-	-
Total	<u>\$ 286,599,376</u>				

# CITY OF THOUSAND OAKS

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

June 30, 2019

### **(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, 2019, the City had no deposits with financial institutions in excess of federal depository insurance limits required to be 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	\$43,440,824
Federal Home Loan Bank	Coupon Securities	42,045,360
Federal Home Loan Mortgage Corporation	Coupon Securities	33,507,580
Federal National Mortgage Association	Coupon Securities	30,782,508

## CITY OF THOUSAND OAKS

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

June 30, 2019

#### **(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 (County Pool)**

The City holds 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 \$5,244,545, the City's contractual withdrawal value was \$5,215,161 at fiscal year end.

The County 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 County Pool fall under the auspices of the County Treasurer's office. The City is a voluntary participant in the County Pool.

#### **(i) Investments in Pension Trust and Pension Plan**

In July 2019 the City established a Section 115 Trust Pension Rate Stabilization Trust Fund (Pension Trust) to achieve long-term pension sustainability. This Pension Trust and the City's Hourly/Part-time Defined Benefit Pension Plan (Pension Plan) are governed by the City's investment guidelines detailed in the trust agreement. Investment guidelines are established and can be modified by the City.

The purpose of the Pension Trust is to generate a reasonable level of investment growth to responsibly manage pension costs and fund present and future pension obligations. At the City's discretion, assets placed in the Pension Trust are available to mitigate potential negative impact of future CalPERS rate hikes, offset revenue impairments from market instability, and/or stabilize fluctuations in the required annual contributions. The Plan Administrator and Trustee for the Pension Trust is Public Agency Retirement Services (PARS) and US Bank, respectively, and investment authority is delegated to Highmark Capital Management to actively manage according to designated risk tolerance selected by the City. The current selected risk tolerance is Highmark PLUS Moderate with growth of principal and income as the objective.

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

The purpose of the Pension Plan, on the other hand, is to establish a retirement plan with defined benefit for hourly and part-time employees who are not members of another qualified retirement system. Assets in the Pension Plan are held and administered in trust for the exclusive benefit of plan participants in accordance with and subject to the terms and conditions set forth in trust agreement. Likewise, Public Agency Retirement Services (PARS) is the Plan Administrator, US Bank is the trustee, and investment authority is delegated to Highmark Capital Management with Highmark PLUS Moderate as the current selected risk tolerance.

The table below identifies the **investment types** and **investments held** that are authorized by the California Government Code (or the City’s investment guidelines, where more restrictive and applicable), as well as the percentage of the portfolio. Certain trust agreement provisions that address interest rate risk, credit risk, and concentration of credit risk are identified in subsequent tables.

<u>Authorized Investment Type</u>	<u>Amount (1)</u>	<u>Asset Class Weights</u>
Pension Trust		
Cash & Equivalents	\$ 713,154	3.0%
Fixed Income	10,868,732	45.5%
Equities	12,276,252	51.5%
Total	<u>\$ 23,858,138</u>	<u>100.0%</u>
Pension Plan		
Cash & Equivalents	\$ 103,683	3.1%
Fixed Income	1,541,877	46.1%
Equities	1,699,075	50.8%
Total	<u>\$ 3,344,635</u>	<u>100.0%</u>

(1) Pension Trust per US Bank DASH Standard Reports June 30, 2019;  
Pension Plan per PARS HighMark Moderate Factsheet & PARS Statement  
June 30, 2019. Data rounded.

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

**Interest rate risk** is the possibility that changes in market interest rate will adversely affect the fair value of an investment. While no specific limitations are applicable to this metric, information about the sensitivity of the fair values of the investment portfolio to market interest rate fluctuations based on maturity distribution as of June 30, 2019, is as follows:

Investment Type	Weighted Average Maturity (in years) (1)
Pension Trust	
Fixed Income Mutual Funds	6.3
Pension Plan	
Fixed Income Mutual Funds	6.3

(1) Pension Trust holdings data per US Bank DASH Standard Reports. Weighted Average Maturity data per Morningstar and Mutual Fund Companies as of September 30, 2019. Pension Plan holdings data per HighMark Moderate Fact Sheet 2Q19. Weighted Average Maturity data per Morningstar and Mutual Fund Companies as of September 30, 2019. Information not available as of June 30, 2019.

**Credit risk** is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment, as measured by the rating assignment of a nationally recognized statistical rating organization (Standard & Poor's). Presented on the following page is the minimum rating required (where applicable) by the investment guidelines, and the actual rating as of June 30, 2019, for each investment type:

Investment with Fiscal Agents	Rating as of Year-end (1)
Pension Trust	
Fixed Income Mutual Funds	A-
Pension Plan	
Fixed Income Mutual Funds	A-

(1) Pension Trust holdings data per US Bank DASH Standard Reports. Average Credit Rating data per Morningstar and Mutual Fund Companies as of September 30, 2019. Pension Plan holdings data per HighMark Moderate Fact Sheet 2Q19. Average Credit Rating data per Morningstar and Mutual Fund Companies as of September 30, 2019. Information not available as of June 30, 2019.

The investment guidelines contain no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code regarding **concentration of credit risk**. Given the mutual fund nature of the portfolio, there are no investments in any one issuer that represent 5 percent or more of total investments as of June 30, 2019.

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

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 investments. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

Fair value measurements for investments as of June 30, 2019, are as follows:

<u>Investment by Fair Value</u>	<u>Amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Pension Trust				
Mutual Funds	\$ 22,334,661	\$ -	\$ 22,334,661	\$ -
Closed End Mutual Funds	1,523,477	1,523,477	-	-
Total	<u>\$ 23,858,138</u>	<u>\$ 1,523,477</u>	<u>\$ 22,334,661</u>	<u>\$ -</u>
Pension Plan				
Mutual Funds	\$ 3,344,635	\$ 214,057	\$ 3,130,578	\$ -
Total	<u>\$ 3,344,635</u>	<u>\$ 214,057</u>	<u>\$ 3,130,578</u>	<u>\$ -</u>

**(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 quoted 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 quoted 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.

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

The City has the following fair value measurements for its investments as of June 30, 2019:

Investment by Fair Value	Amount	Level 1	Level 2	Level 3
U.S. Agencies - Fixed Coupons	\$ 149,776,272	\$ -	\$ 149,776,272	\$ -
Supranationals	20,005,700	-	20,005,700	-
Municipal Bonds	43,123,285	-	43,123,285	-
U.S.Treasuries	21,363,790	21,363,790	-	-
<b>Total</b>	<b>\$ 234,269,047</b>	<b>\$ 21,363,790</b>	<b>\$ 212,905,257</b>	<b>\$ -</b>

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

Ventura County Treasury Pool	\$ 5,244,545
LAIF	36,439,219
Held by Fiscal Agent:	
Money Market Funds	3,424,847
LAIF	7,221,718
<b>Total</b>	<b>\$ 52,330,329</b>

**(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, 2019, loans and notes receivable totaling \$36,451,257 consists of \$33,665,790 from the Thousand Oaks Housing Successor Fund, \$2,254,600 from other governmental funds, and \$530,867 from the General Fund are on the following page:

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

June 30, 2019

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	4,368
Total Thousand Oaks Housing Successor Fund	<u>\$ 33,665,790</u>
General Fund	
Due from TOPASS (related entity)	\$ 500,000
Others	30,867
Total General Fund	<u>\$ 530,867</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>\$ 36,451,257</u>

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

### Hillcrest Drive

During fiscal years 2006-07 and 2007-08, the former Redevelopment Agency entered into a \$5.6 million loan agreement with Many Mansions for the acquisition and development of a 60 unit low, very-low, and extremely-low income housing project on five parcels located on Hillcrest Drive and Los Feliz Drive. During fiscal years 2009-10 and 2011-12, an additional \$1.5 million in loans was issued to fund the project, for a total of \$7.1 million. The outstanding balance of the loan bears interest at a rate of 3 percent per annum. Loan repayment shall be made from residual receipts and the loan is expected to be repaid in full within 55 years from project completion.

### Shadows Apartments

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

## CITY OF THOUSAND OAKS

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

June 30, 2019

#### **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 million and \$2.1 million, respectively, along with \$0.3 million 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.

#### **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 with Oak Creek Housing Investors, L.P. The purpose of the loans is to fund the development and construction of Oak Creek Senior

## CITY OF THOUSAND OAKS

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

June 30, 2019

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 loans 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, 2019, \$1,125,000 was repaid. The remaining loan was expected to be repaid in fiscal year 2018-19, however, as of June 30, 2019, \$375,000 was still owed to the City. The City continues to monitor this loan closely and work with CHPCE Thousand Oaks, LLC to satisfy the repayment of the loan in a timely manner.

#### **(4) CAPITAL ASSETS**

##### **(a) Governmental Activities:**

Construction in progress deletions of \$6.3 million resulted primarily from \$3.3 million for pavement overlay, \$2.0 million in sidewalk upgrades, \$0.7 million for curb ramp upgrades, and \$0.2 million for Haigh Road drainage channel. Additions of \$1.5 million resulted primarily from \$0.5 million for sidewalk upgrades, \$0.3 million for the Civic Arts Plaza energy savings upgrades, \$0.2 million for Kavli interior improvements, \$0.2 million for Willow Lane improvements, \$0.2 million for Thousand Oaks Boulevard streetscape improvements, and \$0.1 million for Conejo Canyons bridge.

Equipment additions of \$0.3 million resulted primarily from \$0.2 million for an air lift and steer loader base, and the remaining \$0.1 million resulted from various purchases including public access audio equipment and firewall upgrades.

Infrastructure additions of \$18.8 million resulted primarily from \$13.8 million for pavement overlay, \$2.6 million in sidewalk upgrades, \$1.4 million for Haigh Road drainage channel, \$0.8 million for curb ramp upgrades, \$0.1 million for Avenida de los Arboles median upgrade, and \$0.1 million for traffic signal modifications.

Building and Improvement additions of \$0.5 million resulted primarily from \$0.2 million for energy savings upgrades and \$0.2 million for Goebel Center flooring replacement.

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

Capital assets governmental activity for the year ended June 30, 2019, are as follow:

	Balance at June 30, 2018	Additions	Disposals	Balance at June 30, 2019
<b>Capital assets, not being depreciated:</b>				
Land	\$ 132,891,808	\$ 14,755	\$ -	\$ 132,906,563
Intangibles	840,555	-	-	840,555
Construction in progress	8,611,995	1,525,113	6,259,582	3,877,526
<b>Total</b>	<u>142,344,358</u>	<u>1,539,868</u>	<u>6,259,582</u>	<u>137,624,644</u>
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	163,534,725	489,010	-	164,023,735
Equipment	12,256,086	320,487	426,910	12,149,663
Intangibles	970,698	36,939	-	1,007,637
Infrastructure	470,141,895	18,848,179	-	488,990,074
<b>Total</b>	<u>646,903,404</u>	<u>19,694,615</u>	<u>426,910</u>	<u>666,171,109</u>
Less accumulated depreciation for:				
Buildings and improvements	61,314,697	3,918,704	-	65,233,401
Equipment *	8,949,174	813,671	538,875	9,223,970
Intangibles	828,063	50,864	-	878,927
Infrastructure	256,188,127	11,083,359	-	267,271,486
<b>Total</b>	<u>327,280,061</u>	<u>15,866,598</u>	<u>538,875</u>	<u>342,607,784</u>
Total, net depreciation	<u>319,623,343</u>	<u>3,828,017</u>	<u>(111,965)</u>	<u>323,563,325</u>
<b>Total net capital assets</b>	<u><b>\$ 461,967,701</b></u>	<u><b>\$ 5,367,885</b></u>	<u><b>\$ 6,147,617</b></u>	<u><b>\$ 461,187,969</b></u>

\*Equipment disposals are negative due to an adjustment to recognize the retirement of a capital asset.

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

Water Fund construction in progress addition of \$0.8 million is primarily due to the Conejo Valley groundwater utilization. Buildings and improvements additions of \$2.5 million is primarily due to \$1.8 million for Lang Ranch reservoir improvements, \$0.4 million for meter replacements, and \$0.2 million for pavement overlay.

Wastewater Fund buildings and improvements additions of \$3.2 million is primarily due to \$1.2 million for wastewater main extension, \$0.8 million for the chlorine contact chamber, \$0.8 million for pipe relining, and \$0.4 million for pavement overlay.

Golf Course Fund equipment additions of \$0.2 million is primarily due to a new GPS system lease and a new professional sprayer/roller. Equipment disposals of \$0.5 million is primarily due to the disposal of \$0.3 million Yamaha 95 carts and \$0.1 million Luber Bros Jacobsen equipment package.

Transportation Fund equipment additions of \$2.4 million is primarily due to the purchase of four new compressed natural gas buses.

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

Theatres Fund construction in progress additions of \$0.2 million is primarily due to Kavli Renovation.

Capital asset business-type activity for the year ended June 30, 2019, are below and on the following pages:

<b>Water Utility Fund:</b>	Balance at June 30, 2018	Additions	Disposals	Balance at June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 2,406,628	\$ -	\$ -	\$ 2,406,628
Intangibles	45,473	-	-	45,473
Construction in progress	1,182,312	751,958	229,574	1,704,696
Total	<u>3,634,413</u>	<u>751,958</u>	<u>229,574</u>	<u>4,156,797</u>
Capital assets, being depreciated:				
Buildings and improvements	63,358,252	2,513,962	266,585	65,605,629
Equipment	1,896,374	230,685	21,720	2,105,339
Intangibles	490,418	-	-	490,418
Total	<u>65,745,044</u>	<u>2,744,647</u>	<u>288,305</u>	<u>68,201,386</u>
Less accumulated depreciation for:				
Buildings and improvements	32,465,817	1,785,444	157,912	34,093,349
Equipment	959,023	178,437	21,720	1,115,740
Intangibles	464,473	22,084	-	486,557
Total	<u>33,889,313</u>	<u>1,985,965</u>	<u>179,632</u>	<u>35,695,646</u>
Total, net depreciation	<u>31,855,731</u>	<u>758,682</u>	<u>108,673</u>	<u>32,505,740</u>
<b>Water Utility Fund net capital assets</b>	<b><u>\$ 35,490,144</u></b>	<b><u>\$ 1,510,640</u></b>	<b><u>\$ 338,247</u></b>	<b><u>\$ 36,662,537</u></b>

# CITY OF THOUSAND OAKS

## Notes to Basic Financial Statements (Continued)

**June 30, 2019**

<b>Wastewater Utility Fund:</b>	Balance at June 30, 2018	Additions	Disposals	Balance at June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 1,463,180	\$ -	\$ -	\$ 1,463,180
Intangibles	88,065	-	-	88,065
Construction in progress	1,013,007	219,691	958,866	273,832
Total	2,564,252	219,691	958,866	1,825,077
Capital assets, being depreciated:				
Buildings and improvements	214,328,751	3,178,383	143,616	217,363,518
Equipment	3,995,236	-	40,083	3,955,153
Total	218,323,987	3,178,383	183,699	221,318,671
Less accumulated depreciation for:				
Buildings and improvements	98,191,823	5,678,651	143,616	103,726,858
Equipment	2,529,428	302,159	41,578	2,790,009
Total	100,721,251	5,980,810	185,194	106,516,867
Total, net depreciation	117,602,736	(2,802,427)	(1,495)	114,801,804
<b>Wastewater Utility Fund net capital assets</b>	<b>\$ 120,166,988</b>	<b>\$ (2,582,736)</b>	<b>\$ 957,371</b>	<b>\$ 116,626,881</b>

### **Golf Course Fund:**

Capital assets, not being depreciated:				
Land	\$ 1,217,610	\$ -	\$ -	\$ 1,217,610
Construction in progress	-	109,199	-	109,199
Total	1,217,610	109,199	-	1,326,809
Capital assets, being depreciated:				
Buildings and improvements	12,838,959	-	-	12,838,959
Equipment	1,829,856	214,000	471,574	1,572,282
Total	14,668,815	214,000	471,574	14,411,241
Less accumulated depreciation for:				
Buildings and improvements	6,032,971	414,376	-	6,447,347
Equipment	1,394,705	105,020	469,987	1,029,738
Total	7,427,676	519,396	469,987	7,477,085
Total, net depreciation	7,241,139	(305,396)	1,587	6,934,156
<b>Golf Course Fund net capital assets</b>	<b>\$ 8,458,749</b>	<b>\$ (196,197)</b>	<b>\$ 1,587</b>	<b>\$ 8,260,965</b>

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

	Balance at June 30, 2018	Additions	Disposals	Balance at June 30, 2019
<b>Transportation Fund:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 97,603	\$ 173,180	\$ 8,418	\$ 262,365
Total	97,603	173,180	8,418	262,365
Capital assets, being depreciated:				
Buildings and improvements	2,875,027	8,418	-	2,883,445
Equipment	3,931,085	2,359,991	-	6,291,076
Intangibles	30,906	-	-	30,906
Total	6,837,018	2,368,409	-	9,205,427
Less accumulated depreciation for:				
Buildings and improvements	530,891	136,492	-	667,383
Equipment	2,442,702	453,705	-	2,896,407
Intangibles	9,787	3,091	-	12,878
Total	2,983,380	593,288	-	3,576,668
Total, net depreciation	3,853,638	1,775,121	-	5,628,759
<b>Transportation Fund net capital assets</b>	<b>\$ 3,951,241</b>	<b>\$ 1,948,301</b>	<b>\$ 8,418</b>	<b>\$ 5,891,124</b>

**Solid Waste Management Fund:**

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	321,011	64,748	-	385,759
Equipment	17,590	772	-	18,363
Total	338,601	65,520	-	404,122
Total, net depreciation	2,919,115	(65,520)	-	2,853,595
<b>Solid Waste Fund net capital assets</b>	<b>\$ 3,665,869</b>	<b>\$ (65,520)</b>	<b>\$ -</b>	<b>\$ 3,600,349</b>

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

	Balance at June 30, 2018	Additions	Disposals	Balance at June 30, 2019
<b>Theatres Fund:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 155,244	\$ -	\$ 155,244
Total	-	155,244	-	155,244
Capital assets, being depreciated:				
Buildings and improvements	745,686	-	-	745,686
Equipment	644,755	-	5,749	639,006
Total	1,390,441	-	5,749	1,384,692
Less accumulated depreciation for:				
Buildings and improvements	571,300	35,892	-	607,192
Equipment	299,711	38,740	5,318	333,133
Total	871,011	74,632	5,318	940,325
Total, net depreciation	519,430	(74,632)	431	444,367
<b>Theatres Fund net capital assets</b>	<b>\$ 519,430</b>	<b>\$ 80,612</b>	<b>\$ 431</b>	<b>\$ 599,611</b>
<b>Total capital assets, net</b>	<b>\$ 172,252,421</b>	<b>\$ 696,594</b>	<b>\$ 1,307,549</b>	<b>\$ 171,641,466</b>

**(c) Depreciation Expense**

Depreciation expense charged to functions/programs of the primary government as of June 30, 2019, are as follows:

Governmental activities:	
General government	\$ 2,148,403
Public safety	333,166
Transportation	247,035
Community development	11,604,563
Culture and leisure	1,533,431
Total depreciation expense - governmental activities	<u>\$ 15,866,598</u>
Business-type activities:	
Water	\$ 1,985,965
Wastewater	5,980,810
Golf Course	519,396
Transportation	593,288
Solid Waste Management	65,520
Theatres	74,632
Total depreciation expense - business-type activities	<u>\$ 9,219,611</u>

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

**(d) Construction and Significant Commitments**

As of June 30, 2019, the City had nine material construction commitments resulted from contractual commitments with contractors as follows:

	Funding Sources	Contractual Commitment	Amount spent through June 30, 2019	Commitment Balance
Civic Arts Plaza Energy Savings Upgrades	General Fund	\$ 3,457,629	\$ 365,110	\$ 3,092,519
Kavi Renovation	General Fund, Theatres	2,397,013	363,678	2,033,335
General Plan Update	General Fund	1,549,880	25,566	1,524,314
Civic Arts Plaza Campus Master Plan	General Fund	1,419,736	241,143	1,178,593
Forestry Master Plan Demo Sites	General Fund, Lighting & Landscape	1,201,078	500,590	700,488
Golf Course Groundwater Utilization	Water Fund	1,069,792	664,146	405,646
Concrete Replacement and Sidewalk	State Gas Tax	644,273	-	644,273
HCTP Master Plan	Wastewater	495,430	193,042	302,388
Willow Lane Improvements	State Gas Tax, Developer Fee Revenue	467,540	258,747	208,793
		<b>\$ 12,702,371</b>	<b>\$ 2,612,022</b>	<b>\$ 10,090,349</b>

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

**(a) Interfund Receivables and Payables**

Total interfund receivables and payables as of June 30, 2019, are as follows:

Receivable Fund:	Payable Fund:	Purpose	Amount
General	Golf Course	Internal loan	\$ 1,490,000
	Other governmental funds	Advance payments	989,282
Total Interfund Receivables/Payables			<b>\$ 2,479,282</b>

Details of the interfund receivable/payable of \$1,490,000 between the Golf Course Fund and General Fund are 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 one-half of one percent greater than the City's investment portfolio monthly yield. As of June 30, 2019, \$1,490,000 was outstanding.

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

**(b) Advances**

Total advances to and from other funds as of June 30, 2019, are as follows:

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

Details of the advances to/from of \$1,166,952 between the Public Financing Authority and General Fund are 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 7(a) for more information on the Thousand Oaks Public Financing Authority – 2010 Refunding Lease Revenue Bonds.

**(c) Interfund Transfers**

The interfund transfers reflected in the fund financial statements governmental funds for the year ended June 30, 2019, are on the following page:

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

<u>From Fund:</u>	<u>To Fund:</u>	<u>Purpose</u>	<u>Amount</u>
General	Capital Improvement	Streets and roads improvements	\$ 5,215,000
General	Other governmental funds	COP debt service payment	1,131,391
		Flood control fund subsidy	321,432
		Open space transfer	100,000
General	State Gas Tax	Correction of expenditures	12,682
State Gas Tax	General	Reimbursement for engineering expenditures	937,365
State Gas Tax	General	Correction of expenditures	71,578
State Gas Tax	Capital Improvement	Correction of expenditures	49,017
Capital Improvement	General	Reimbursement for engineering expenditures, Library facility transfer and Police facility transfer	456,456
Capital Improvement	Other governmental funds	Reimbursement for signal maintenance	137,920
Capital Improvement	Transportation	Transportation subsidy	257,102
Capital Improvement	State Gas Tax	Correction of expenditures	13,374
Other governmental funds	General	Reimbursement for traffic enforcement expenditures and reimbursement of administrative costs	508,305
Other governmental funds	Transportation	Correction of expenses	158,663
Transportation	Other governmental funds	Correction of ECTA deposit	61,166
Total Interfund Transfers			<u>\$ 9,431,451</u>

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

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

Fund balances as of June 30, 2019, for the governmental funds were categorized as nonspendable, restricted, committed, assigned or unassigned for the following purposes:

	Major Funds					Total	Total
	General Fund	Library Fund	State Gas Tax Fund	Capital Improvements Fund	TO Housing Successor Fund	Other Governmental Funds	Governmental Funds
<b>Fund Balances:</b>							
<b>Nonspendable:</b>							
Inventories	\$ 619,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 619,538
Loans and notes receivable	530,867	-	-	-	-	-	530,867
Advances to other funds	1,166,952	-	-	-	-	-	1,166,952
<b>Subtotal</b>	<b>2,317,357</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,317,357</b>
<b>Restricted for:</b>							
Capital projects	-	-	5,390,884	17,856,795	-	176,983	23,424,662
Culture and leisure	-	407,083	-	-	-	-	407,083
Debt service	-	-	-	-	-	8,353	8,353
Housing & community dev.	-	-	-	-	2,633,674	3,356,808	5,990,482
Law enforcement	-	-	-	-	-	(5,489)	(5,489)
Pension Trust	18,222,316	-	-	-	-	-	18,222,316
Transportation	-	-	-	-	-	8,986,364	8,986,364
<b>Subtotal</b>	<b>18,222,316</b>	<b>407,083</b>	<b>5,390,884</b>	<b>17,856,795</b>	<b>2,633,674</b>	<b>12,523,019</b>	<b>57,033,771</b>
<b>Committed to:</b>							
Capital projects	9,001,700	-	-	-	-	2,130,376	11,132,076
Grant endowments	8,000,000	-	-	-	-	-	8,000,000
Emergency reserve	5,220,053	-	-	-	-	-	5,220,053
Working capital reserve	15,660,160	-	-	-	-	-	15,660,160
<b>Subtotal</b>	<b>37,881,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,130,376</b>	<b>40,012,289</b>
<b>Assigned to:</b>							
Equipment replacement	-	-	-	-	-	13,554,595	13,554,595
Capital projects	-	-	-	650,096	-	-	650,096
Compensated absences	4,376,670	-	-	-	-	-	4,376,670
Continuing appropriations	8,339,683	-	-	-	-	-	8,339,683
General government	6,491,237	-	-	-	-	-	6,491,237
Public safety	40,706	-	-	-	-	-	40,706
Transportation	675,503	-	-	-	-	-	675,503
Community development	1,689,992	-	-	-	-	-	1,689,992
Culture and leisure	89,983	-	-	-	-	-	89,983
Legal contingency	2,500,000	-	-	-	-	-	2,500,000
Loans and notes receivable	2,560,414	-	-	-	-	-	2,560,414
Deferred Pavement Maintenance	8,757,141	-	-	-	-	-	8,757,141
Public bldg replacement/mtnrc	15,150,892	-	-	-	-	-	15,150,892
Campus Master Plan	17,503,449	-	-	-	-	-	17,503,449
<b>Subtotal</b>	<b>68,175,670</b>	<b>-</b>	<b>-</b>	<b>650,096</b>	<b>-</b>	<b>13,554,595</b>	<b>82,380,361</b>
<b>Unassigned:</b>	<b>615,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>615,196</b>
<b>Total fund balances</b>	<b>\$ 127,212,452</b>	<b>\$ 407,083</b>	<b>\$ 5,390,884</b>	<b>\$ 18,506,891</b>	<b>\$ 2,633,674</b>	<b>\$ 28,207,990</b>	<b>\$ 182,358,974</b>

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

**(7) LONG-TERM LIABILITIES**

The following is a summary of changes in the City's long-term liabilities for the year ended June 30, 2019:

	Balance at June 30, 2018	Additions	Disposals	Balance at June 30, 2019	Due Within One Year
<b>Governmental Activities</b>					
Claims payable (1)	\$ 3,982,099	\$ 218,026	\$ 393,425	\$ 3,806,700	\$ 1,428,300
Compensated absences (1)	4,695,348	1,751,118	1,920,191	4,526,275	2,007,196
Lease revenue bonds (2)	12,004,805	-	656,057	11,348,748	681,057
<b>Total</b>	<b>\$ 20,682,252</b>	<b>\$ 1,969,144</b>	<b>\$ 2,969,673</b>	<b>\$ 19,681,723</b>	<b>\$ 4,116,553</b>
<b>Business-type Activities:</b>					
Water Utility Fund:					
Compensated absences (1)	\$ 589,368	\$ 84,659	\$ 77,808	\$ 596,219	\$ 221,003
Wastewater Utility Fund:					
Compensated absences (1)	943,008	911,114	837,382	1,016,740	399,439
1999 state loan	145,046	-	145,046	-	-
2000 state loan	9,400,675	-	1,781,311	7,619,364	1,829,407
Revenue refunding bonds	2,838,985	-	2,838,985	-	-
Golf Course Fund:					
Capital lease payable	345,562	195,131	131,083	409,610	142,276
Transportation Fund:					
Compensated absences (1)	62,450	186,481	171,390	77,541	40,261
Solid Waste Management Fund:					
Compensated absences (1)	85,206	69,472	63,850	90,828	39,204
Theatres Fund:					
Compensated absences (1)	215,543	506,468	465,482	256,529	93,604
<b>Total</b>	<b>\$ 14,625,843</b>	<b>\$ 1,953,325</b>	<b>\$ 6,512,337</b>	<b>\$ 10,066,831</b>	<b>\$ 2,765,194</b>

(1) Refer to note 9 for additional detail of insurance claims payable and note 1(m) for additional detail of compensated absences.

(2) Lease revenue bonds of \$11,348,748 consist of par amount of \$16,405,000 and unamortized issue premiums of \$78,748, net of cumulative principal payments of \$5,135,000.

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

**(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. If the City defaults on its obligation to make lease payments due over the term of the lease agreement, there is no available remedy of acceleration of the total lease payments due over the term of the 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, 2019, amounts outstanding with and without amortized premiums were \$11,348,748 and \$11,270,000, respectively.

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

As of June 30, 2019, 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
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	785,000	368,863	1,153,863
2025-2029	4,455,000	1,326,881	5,781,881
2030-2032	3,175,000	296,819	3,471,819
Total	<u>\$ 11,270,000</u>	<u>\$ 3,758,815</u>	<u>\$ 15,028,815</u>

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

**State of California – 1999 State Water Resources Control Board (Direct Borrowing)**

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, 2019, the loan was paid in full.

## CITY OF THOUSAND OAKS

### Notes to Basic Financial Statements (Continued)

June 30, 2019

#### State of California – 2000 State Water Resources Control Board (Direct Borrowing)

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, 2019, \$7,619,364 was outstanding.

The loan agreement may be terminated by the SWRCB upon the City's violation of a material provision of the loan agreement. In the event of a termination, the City has agreed, upon demand, to immediately repay to the SWRCB an amount equal to installment payments due, including accrued interest, and all penalty assessments due. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the City to the date of full repayment by the City.

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

As of June 30, 2019, the total future debt payments for the SWRCB loan payable, including interest thereon, are as follows:

Year Ending June 30,	2000 SWRCB Loan		
	Principal	Interest	Total
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	1,981,627	53,504	2,035,131
Total	<u>\$ 7,619,364</u>	<u>\$ 521,157</u>	<u>\$ 8,140,521</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. On October 1, 2018, the City called the final maturity on the 2010 Wastewater Revenue Refunding Bonds. 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

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

after October 1, 2018. Repaying the debt a year early provided savings of \$41,100 in interest payments.

**(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, 2019, lease agreements covering Toro riding greens, Yamaha DR2E golf carts, Toro 22 inch verticutters, club car turf II utility vehicle, 95 Yamaha GPS with screen, Toro sprayer, and SmithCo greens roller totaled \$614,860. 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, 2019	Golf Course
Asset:	
Toro Riding Greens	\$ 111,999
Yamaha DR2E Golf Cars	308,105
Toro 22 Inch Verticutters	9,921
Club Car Turf II Utility Vehicle	11,867
95 Yamaha GPS with Screen	117,593
Toro Sprayer & SmithCo Greens Roller	55,375
Less: Accumulated depreciation	(136,518)
Total	\$ 478,342

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019, are as follows:

Year Ending June 30,	Golf Course
2020	\$ 156,932
2021	141,699
2022	109,415
2023	26,790
2024	1,981
Total minimum lease payments	436,817
Less: Interest	(27,207)
Present value of minimum lease payments	\$ 409,610

The \$68,732 difference between the \$478,342 net book value of the assets and the \$409,610 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.

## CITY OF THOUSAND OAKS

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

June 30, 2019

#### **(8) NON-OBLIGATORY DEBT**

##### **(a) Assessment Debt**

There are two 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 \$19,299,000 at June 30, 2019, 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 \$4,563,804 at June 30, 2019, are not considered obligations of the City and are not reflected in the accompanying basic financial statements.

#### **(9) 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, 2019, were \$1,566,400 for general liability and \$2,240,300 for workers' compensation, which included estimates for incurred, but not reported, claims. No liability has been accrued for vision claims, as any accrued claims are deemed immaterial. Liability insurance has been purchased for general liability claims in excess of \$1,000,000 per occurrence to a maximum of \$20,000,000. A workers' compensation policy has been purchased for claims in excess of \$500,000. The coverage is statutory. A reserve has been accumulated in the Vision Insurance Fund equal to one year of claims experience.

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

The claims liability (claims payable) reported at June 30, 2019, 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

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

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 2018-19 and 2017-18 are presented as follows:

2018-19	Claims Payable Balance July 1, 2018	Claims and Changes in Estimates	Claims Payments	Claims Payable Balance June 30, 2019
General Liability	\$ 1,684,999	\$ (31,624)	\$ (86,975)	\$ 1,566,400
Workers' Compensation	2,297,100	249,650	(306,450)	2,240,300
Total	<u>\$ 3,982,099</u>	<u>\$ 218,026</u>	<u>\$ (393,425)</u>	<u>\$ 3,806,700</u>
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	<u>\$ 2,869,099</u>	<u>\$ 2,212,157</u>	<u>\$ (1,099,157)</u>	<u>\$ 3,982,099</u>

**(10) 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 50 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.

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

**June 30, 2019**

Financial information for COSCA for the year ended June 30, 2019, is below:

	Joint Venture	City Portion
Total assets	\$ 76,458,750	\$ 38,229,375
Total liabilities	35,172	17,586
Net position:		
Net investment in capital assets	74,772,126	37,386,063
Restricted net position	1,651,452	825,726
Total net position, June 30, 2019	\$ 76,423,578	\$ 38,211,789
Total revenues	1,616,459	808,230
Total expenses	(1,532,003)	(766,002)
Change in net position	\$ 84,456	\$ 42,228

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

**(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>.

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

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

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

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

June 30, 2019

#### **(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 counties. 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](http://www.cleanpoweralliance.org).

#### **(11) RETIREMENT PLANS**

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

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

*Plan description* – The City contributes to CalPERS, an agent multiple-employer defined benefit pension plan (Plan). CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Separate financial statements for CalPERS may be obtained by contacting CalPERS at CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, California 95811, or by visiting the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

*Benefits provided* – All full-time City employees are eligible to participate in CalPERS, with benefits vesting after 5 years of service. Classic members who retire at age 50 with at least 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, equal to the product of the benefit factor, years of service, and final compensation. The years of service is the amount credited by CalPERS to a member while 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, 2019**

*Plan membership* – As of June 30, 2018, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	487
Active plan members	<u>353</u>
Total	<u><u>840</u></u>

*Contribution* – Classic employees are required to contribute 7 percent of their annual covered salary as established by state statute. PEPRA employees are required to contribute half of the normal cost of the plan, which was 6.25 percent in fiscal year 2017-18. 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 employer normal rate from July 1, 2017 to June 30, 2018, was 7.760 percent. During fiscal year 2017-18 the City contributed \$9,816,035.

**Net Pension Liability**

The total pension liability determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	June 30, 2017 to June 30, 2018
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

## CITY OF THOUSAND OAKS

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

June 30, 2019

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.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

All other actuarial assumptions used in the June 30, 2017, 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, 2018, remained the same at 7.15 percent from the June 30, 2017, 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 higher discount rate has resulted in a slightly lower 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

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

assumptions are included in the City's current actuarial valuation, and will impact the required contribution for fiscal year 2019-20.

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. The target allocation shown was adopted by the Board in December 2017. These geometric rates of return are net of administrative expenses.

<b>Asset Class</b>	<b>Market Value (\$ Billion)</b>	<b>Policy Target Allocation</b>	<b>Allocation at 6/30/2018</b>
Public Equity	\$ 156.2	50.00%	48.26%
Private Equity	25.9	8.00%	8.00%
Global Fixed Income	62.9	28.00%	19.43%
Liquidity	15.5	1.00%	4.79%
Real Assets	36.3	13.00%	11.21%
Inflation Sensitive Assets	25.3	0.00%	7.82%
Other	1.6	0.00%	0.49%
	<u>\$ 323.7</u>	<u>100.00%</u>	<u>100.00%</u>

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

**Changes in the Net Pension Liability**

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

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
<b>Balance at: 6/30/2017</b>	\$ 290,184,742	\$ 217,320,798	\$ 72,863,944
<b>Changes Recognized for the Measurement Period</b>			
Service Cost	4,727,390	-	4,727,390
Interest on Total Pension Liability	20,326,925	-	20,326,925
Changes of Assumptions	(1,733,282)	-	(1,733,282)
Differences between Expected and Actual Experience	647,500	-	647,500
Net Plan to Plan Resource Movement	-	(532)	532
Contributions from Employer	-	7,724,072	(7,724,072)
Contributions from Employees	-	2,158,740	(2,158,740)
Net Investment Income	-	18,255,346	(18,255,346)
Benefit Payment, including Refunds of Employee Contributions	(14,339,986)	(14,339,986)	-
Administrative Expense	-	(338,646)	338,646
Other Miscellaneous Income/(Expense)	-	(643,094)	643,094
<b>Net Changes during FY 2017-18</b>	<u>9,628,547</u>	<u>12,815,900</u>	<u>(3,187,353)</u>
<b>Balance at: 6/30/2018</b>	<u>\$ 299,813,289</u>	<u>\$ 230,136,698</u>	<u>\$ 69,676,591</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:

	<b>1% Decrease 6.15%</b>	<b>Current Discount Rate 7.15%</b>	<b>1% Increase 8.15%</b>
Net pension liability	\$ 106,696,962	\$ 69,676,591	\$ 38,659,389

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

*Pension expense* – For the measurement period ending June 30, 2018, the City incurred pension expense of \$9,463,828 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 are on the following page:

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 8,577,406	\$ -
Changes of Assumptions	5,793,487	(1,174,159)
Differences between Expected and Actual Experiences	438,629	(1,851,351)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	395,683	-
<b>Total</b>	<u>\$ 15,205,205</u>	<u>\$ (3,025,510)</u>

\$8,577,406 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, 2020. 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>
2019	\$ 5,590,203
2020	905,435
2021	(2,304,375)
2022	(588,974)
2023	-
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.

*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

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

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	230
Total	376

*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 2018-19 the City contributed \$50,000.

**Net Pension Liability**

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

Valuation Timing	Actuarially determined contribution amounts 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
Inflation	2.50%
Salary Increases	3.00%

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

Investment Rate of Return 6.00%

Payroll Growth 3.00%

Withdrawal Hourly/Part-time Employee rates apply as follows:

<u>Attained Age</u>	<u>Probability of Termination</u>
19 or younger	80%
20-24	40%
25-65	20%

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 apply as follows:

<u>Attained Age</u>	<u>Probability of Retirement</u>
64 or younger	0%
65-74	50%
75 or older	100%

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

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

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.

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

Valuation Date	January 1, 2018
Measurement Date	June 30, 2019
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 assumption for the long-term expected rate of return was selected by the City. The projection is based on a 30-year average return derived by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation on the plan’s current asset allocation. The capital market assumptions are per Milliman’s investment consulting practice as of June 30, 2019.

The table on the following page reflects long-term expected real rate of return by asset class.

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Arithmetic Real Rate of Return</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>
US Cash	2.45%	0.71%	0.71%
US Core Fixed Income	46.23%	1.83%	1.73%
US Equity Market	38.82%	4.71%	3.52%
Foreign Developed Equity	5.82%	6.06%	4.55%
Emerging Market Equity	4.32%	8.23%	5.43%
US REIT	2.36%	5.05%	3.42%
Assumed Inflation - Mean		2.21%	2.00%
Assumed Inflation - Standard Deviation		1.65%	1.65%
Portfolio Real Mean Return		3.52%	3.16%
Portfolio Nominal Mean Return		5.73%	5.43%
Portfolio Standard Deviation			8.14%
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.

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
<b>Balance at: 6/30/2018</b>	\$ 3,615,827	\$ 3,397,749	\$ 218,078
<b>Changes for the year:</b>			
Service Cost	88,039	-	88,039
Interest on the Total Pension Liability	211,992	-	211,992
Effect of Economic/Demographic Gains or Losses	-	-	-
Effect of Assumptions Changes or Inputs	-	-	-
Contributions, Employer	-	50,000	(50,000)
Contributions, Employees	-	73,360	(73,360)
Net Investment Income	-	199,350	(199,350)
Net Administrative Expenses	-	(29,431)	29,431
Benefit Payment	(346,393)	(346,393)	-
<b>Net Changes during 2018-19</b>	<b>(46,362)</b>	<b>(53,114)</b>	<b>6,752</b>
<b>Balance at: 6/30/2019</b>	<b>\$ 3,569,465</b>	<b>\$ 3,344,635</b>	<b>\$ 224,830</b>

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

*Sensitivity of the net pension liability to changes in the discount rate* – The following presents the net pension liability of the Plan, 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.

	<b>1% Decrease 5.00%</b>	<b>Current Discount Rate 6.00%</b>	<b>1% Increase 7.00%</b>
Total pension liability	\$ 3,632,192	\$ 3,569,465	\$ 3,518,876
Fiduciary net position	3,344,635	3,344,635	3,344,635
Net pension liability	<u>\$ 287,557</u>	<u>\$ 224,830</u>	<u>\$ 174,241</u>

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

*Pension expense* – For the fiscal year ended June 30, 2019, the City recognized a pension expense of \$170,299 for the Plan.

*Deferred outflows and deferred inflows* – As of June 30, 2019, the City reported deferred outflows and deferred inflows of resources related to pensions as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ 14,825	\$ -
Differences between Expected and Actual Experience	121,129	-
Net Difference between Projected and Actual Earnings	-	(18,841)
<b>Total</b>	<u>\$ 135,954</u>	<u>\$ (18,841)</u>

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

<b>Year Ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources*</b>
2020	\$ 68,068
2021	37,327
2022	12,307
2023	(589)
2024	-
Thereafter	-

\* Note that additional future deferred inflows and outflows of resources may impact these numbers

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

**(c) Summary of Retirement Plans**

The tables below and on the following page show the aggregate amount of Net Pension Liability/(Asset) and Deferred Outflow/(Inflows) shown on the Government-Wide Statement of Net Position related to pensions, as well as the aggregate amount of pension expense allocated to the Government-Wide Statement of Activities. The CalPERS and Defined Benefit pension plans have different measurement dates. As a result, the tables show the changes for pensions as reported during the fiscal year.

	<u>CalPERS</u>	<u>Defined Benefit</u>	
	<u>Net Pension</u>	<u>Net Pension</u>	<u>Total Net Pension</u>
	<u>Liability/(Asset)</u>	<u>Liability/(Asset)</u>	<u>Liability/(Asset)</u>
Balance at fiscal year ended 6/30/18	\$ 72,863,944	\$ 218,078	\$ 73,082,022
Net changes during measurement period	(3,187,353)	6,752	(3,180,601)
Balance at fiscal year ended 6/30/19	<u>\$ 69,676,591</u>	<u>\$ 224,830</u>	<u>\$ 69,901,421</u>

Measurement Date: 6/30/2018 6/30/2019

	<u>Total</u>	
	<u>CalPERS &amp; Defined Benefit</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 8,577,406	\$ -
Changes of Assumptions	5,808,312	(1,174,159)
Differences between Expected and Actual Experience	559,758	(1,851,351)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	395,683	(18,841)
<b>Total deferred pension items for the fiscal year ended 6/30/2019:</b>	<u>\$ 15,341,159</u>	<u>\$ (3,044,351)</u>

	<u>Fiscal Year 2018-19</u>		
	<u>CalPERS</u>	<u>Defined Benefit</u>	<u>Total</u>
	<u>Pension Expense</u>	<u>Pension Expense</u>	<u>Pension Expense</u>
Pension Expense	<u>\$ 9,463,828</u>	<u>\$ 170,299</u>	<u>\$ 9,634,127</u>
Measurement Date:	6/30/2018	6/30/2019	

**(12) 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, as well as Council decision for the City's executive

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

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, 2019, deferred compensation assets were \$70,588,467 and have been excluded from the City's financial statements. Employee contributions to the 401(a) plan totaled \$97,086, employee contributions to the 457 plan totaled \$2,128,708, and employer contributions to the 401(a) plan totaled \$721,363 for the fiscal year ended June 30, 2019.

**(13) POST-EMPLOYMENT HEALTHCARE PLAN**

**(a) Plan Description**

In addition to the pension benefits described in Note (11), the City provides other post-employment 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, 2019, the PEMHCA minimum was \$136 per month. As of June 30, 2019, there were 283 participants receiving these healthcare benefits. Separate financial statements for the CERBT may be obtained by writing to CalPERS at Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811, or by visiting the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

**(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	283
Inactive employees or beneficiaries entitled but not yet receiving benefits	64
Total	<u>700</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, 2018
Measurement Period	July 1, 2017 to June 30, 2018
Actuarial Cost Method	Entry Age Normal, Level Percentage of Pay

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

Actuarial Assumptions:

Discount Rate	6.75%
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	6.75%
Mortality Improvement	MP-2017
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076
	Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076

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>
Global Equity	57%	4.82%
Fixed Income	27%	1.47%
TIPS	5%	1.29%
REITs	8%	0.84%
Commodities	3%	3.76%
Total	<u>100%</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.

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

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.

**(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, 2018:

	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability/(Asset) (c)= (a) - (b)</u>
<b>Balance at June 30, 2018</b> (Measurement Date June 30, 2017)	\$ 24,826,000	\$ 14,923,000	\$ 9,903,000
<b>Changes recognized for the measurement period:</b>			
Service Cost	651,128	-	651,128
Interest	1,664,018	-	1,664,018
Changes of assumptions	-	-	-
Plan experience differences	-	-	-
Contributions - employer	-	2,400,000	(2,400,000)
Net investment income	-	1,219,541	(1,219,541)
Benefit payments	(1,650,000)	(1,650,000)	-
Administrative expenses*	-	(33,907)	33,907
<b>Net Changes</b>	<u>665,146</u>	<u>1,935,634</u>	<u>(1,270,488)</u>
<b>Balance at June 30, 2019</b> (Measurement Date June 30, 2018)	<u>\$ 25,491,146</u>	<u>\$ 16,858,634</u>	<u>\$ 8,632,512</u>

\*Includes \$27,907 in trust administrative expense and \$6,000 in healthcare administrative expenses.

*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>\$ 11,262,461</u>	<u>\$ 8,632,512</u>	<u>\$ 6,401,242</u>

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

*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:

	<b>1%</b>	<b>Current</b>	<b>1%</b>
	<b>Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>Increase</b>
Net OPEB Liability	<u>\$7,775,363</u>	<u>\$ 8,632,512</u>	<u>\$9,979,522</u>

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$1,167,514. 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, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
OPEB contributions subsequent to measurement date	\$ 2,291,410	\$ -
Changes of assumptions	-	-
Differences between expected and actual experience	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(456,002)
Total	<u>\$ 2,291,410</u>	<u>\$ (456,002)</u>

\$2,291,410 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as shown on the following page:

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

<b>Fiscal Year Ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2020	\$ (140,750)
2021	(140,750)
2022	(138,750)
2023	(35,752)
2024	-
Thereafter:	-

**(14) CONTINGENT LIABILITIES**

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

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

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

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (Bill) that provided for all redevelopment agencies in the state of California to dissolve as of February 1, 2012. This action impacted the reporting entity of the City of Thousand Oaks that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provided that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former Redevelopment Agency in accordance with the Bill as part of City resolution number 2012-004. Upon redevelopment dissolution, activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

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, 2019, the Successor Agency had a deficit net position of \$14,956,014 as a result of its long-term debt exceeding its total assets. The deficit is expected to be progressively eliminated as enforceable obligations are funded biannually with future property taxes.

**(a) Cash and Investments**

Cash and investments as of June 30, 2019, are classified in the accompanying financial statements as follows:

Cash and investments pooled with the City	\$	189,438
Cash and investments with fiscal agent		3,406,450
		<u>\$ 3,595,888</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, 2019, are as follows:

	Balance at June 30, 2018	Additions	Disposals	Balance at June 30, 2019	Due Within One Year
2015 Tax allocation refunding bonds	\$ 24,706,000	\$ -	\$ 6,319,000	\$ 18,387,000	\$ 6,448,000

**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

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

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, 2019, total principal and interest remaining on the debt was \$19,406,709 with annual debt service requirements as indicated below. Total property tax revenues recognized by the City in the Successor Agency Fund for enforceable obligations of the former redevelopment agency were \$7,055,614 and the debt service obligation on the bonds was \$6,810,247. Description for each tax allocation bond is as follows:

**2015 Tax Allocation Refunding Bonds (Direct Borrowing)**

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.

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, 2019, the outstanding principal on this bond was \$18,387,000.

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

As of June 30, 2019, 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
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	173,000	53,333	226,333
2025-2029	951,000	182,325	1,133,325
2030-2032	645,000	35,350	680,350
Total	<u>\$ 18,387,000</u>	<u>\$ 1,019,709</u>	<u>\$ 19,406,709</u>

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

**(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.

**(16) SUBSEQUENT EVENTS**

**Thomas and Woolsey Fires**

The Thomas and Woolsey fires occurred in 2017 and 2018, respectively. The fires had a financial impact on City operations and COSCA open space related to these two fires. Southern California Edison (SCE) company was at the forefront of a lawsuit between 23 public entities, including City of Thousand Oaks and COSCA, to recoup costs for damages stemming from both of these devastating wildfires. On November 13, 2019, SCE reached a resolution in the lawsuits by settling to pay \$360 million for damages to the affected public entities, with the City and COSCA set to receive \$3.4 million and \$8.5 million, respectively.



# Required Supplementary Information

# CITY OF THOUSAND OAKS

## *Required Supplementary Information (Unaudited)*

**June 30, 2019**

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	6/30/2015	6/30/2016	6/30/2017	6/30/2018
<b>Total Pension Liability</b>					
Service cost	\$ 4,251,555	\$ 4,182,907	\$ 4,129,221	\$ 4,671,388	\$ 4,727,390
Interest on total pension liability	17,983,431	18,652,284	19,333,120	19,648,350	20,326,925
Changes of assumptions	-	(4,350,381)	-	15,449,297	(1,733,282)
Difference between expected and actual experience	-	(2,726,667)	(2,088,224)	(4,430,696)	647,500
Benefit payments, including refunds of employee contributions	(10,661,411)	(11,502,551)	(12,138,087)	(13,202,806)	(14,339,986)
<b>Net change in total pension liability</b>	<b>11,573,575</b>	<b>4,255,592</b>	<b>9,236,030</b>	<b>22,135,533</b>	<b>9,628,547</b>
Total pension liability, beginning	242,984,012	254,557,587	258,813,179	268,049,209	290,184,742
<b>Total pension liability, ending (a)</b>	<b>\$ 254,557,587</b>	<b>\$ 258,813,179</b>	<b>\$ 268,049,209</b>	<b>\$ 290,184,742</b>	<b>\$ 299,813,289</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 4,870,194	\$ 6,517,328	\$ 6,879,405	\$ 7,245,291	\$ 7,724,072
Contributions - employee	2,194,930	1,966,037	2,080,044	2,161,542	2,158,740
Net investment income	29,926,107	4,521,600	1,043,288	22,442,527	18,255,346
Benefit payments, including refunds of employee contributions	(10,661,411)	(11,502,551)	(12,138,087)	(13,202,806)	(14,339,986)
Net Plan to Plan Resource Movement	-	-	-	-	(532)
Administrative expense	-	(226,555)	(122,637)	(293,763)	(338,646)
Other Miscellaneous Income/(Expense) <sup>1</sup>	-	-	-	-	(643,094)
<b>Net change in fiduciary net position</b>	<b>26,329,820</b>	<b>1,275,859</b>	<b>(2,257,987)</b>	<b>18,352,791</b>	<b>12,815,900</b>
Plan Fiduciary net position, beginning <sup>2</sup>	173,620,315	199,950,135	201,225,994	198,968,007	217,320,798
<b>Plan Fiduciary net position, ending (b)</b>	<b>\$ 199,950,135</b>	<b>\$ 201,225,994</b>	<b>\$ 198,968,007</b>	<b>\$ 217,320,798</b>	<b>\$ 230,136,698</b>
<b>Plan Net pension liability/(asset), ending (a) - (b)</b>	<b>\$ 54,607,452</b>	<b>\$ 57,587,185</b>	<b>\$ 69,081,202</b>	<b>\$ 72,863,944</b>	<b>\$ 69,676,591</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	78.55%	77.75%	74.23%	74.89%	76.76%
Covered payroll	\$ 28,759,756	\$ 29,161,370	\$ 28,993,269	\$ 29,262,017	\$ 29,206,661
<b>Plan net pension liability/(asset) as a percentage of covered payroll</b>	189.87%	197.48%	238.27%	249.01%	238.56%

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.

1. During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans other than Pension (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB Plan. Accordingly, CalPERS recorded a one-time expense as a result of adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

2. Included any beginning of year adjustment.

**Notes to Schedule:**

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

**Changes of Assumptions:** In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes.

**CITY OF THOUSAND OAKS**

**Required Supplementary Information  
(Unaudited)**

**June 30, 2019**

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

	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
Actuarially determined contribution <sup>1</sup>	\$ 4,870,194	\$ 5,232,384	\$ 5,426,216	\$ 5,745,291	\$ 6,224,072
Contributions in relation to the actuarially determined contribution <sup>1</sup>	(4,870,194)	(6,517,328)	(6,879,405)	(7,245,291)	(7,724,072)
Contribution deficiency/(excess)	\$ -	\$ (1,284,944)	\$ (1,453,189)	\$ (1,500,000)	\$ (1,500,000)
Covered payroll <sup>2</sup>	\$ 28,759,756	\$ 29,161,370	\$ 28,993,269	\$ 29,262,017	\$ 29,206,661
Contribution as a percentage of covered payroll covered payroll	16.93%	22.35%	23.73%	24.76%	26.45%

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.

- Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.
- Include one year's payroll growth using 2.75 percent payroll assumption for fiscal year ended June 30, 2018; 3.00 percent payroll assumption for fiscal years ended June 30, 2014-17.

**Notes to Schedule:**

As prescribed in GASB 69, paragraph 46, the information presented in the Schedule of Employer Contributions should be presented as the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2017-18 were derived from the June 30, 2015, funding valuation report.

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. For details, see June 30, 2015 Funding Valuation Report
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Retirement Age	The probabilities of retirement are based on the 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 20 years of projected mortality improvements using Scale BB published by the Society of Actuaries.

**CITY OF THOUSAND OAKS**

**Required Supplementary Information  
(Continued)**

**June 30, 2019**

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	6/30/2016	6/30/2017	6/30/2018	6/30/2019
<b>Total Pension Liability</b>					
Service cost	\$ 93,325	\$ 120,698	\$ 122,413	\$ 85,460	\$ 88,039
Interest on total pension liability	172,414	177,638	190,641	210,686	211,992
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)	(346,393)
Net change in total pension liability	87,506	189,177	130,798	340,290	(46,362)
Total pension liability, beginning	2,868,056	2,955,562	3,144,739	3,275,537	3,615,827
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>	<u>\$ 3,569,465</u>
<b>Fiduciary Net Position</b>					
Contributions - employer	\$ 396,456	\$ 400,000	\$ 385,000	\$ 400,000	\$ 50,000
Contributions - employee	80,484	81,605	77,561	75,279	73,360
Net investment income	48,241	2,428	271,468	181,698	199,350
Benefit payments, including refunds of employee contributions	(178,233)	(234,680)	(182,256)	(209,559)	(346,393)
Administrative expenses	(23,951)	(28,323)	(32,473)	(29,471)	(29,431)
Net change in plan fiduciary net position	322,997	221,030	519,300	417,947	(53,114)
Fiduciary net position, beginning	1,916,475	2,239,472	2,460,502	2,979,802	3,397,749
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>	<u>\$ 3,344,635</u>
Net pension liability/(asset), ending (a) - (b)	<u>\$ 716,090</u>	<u>\$ 684,237</u>	<u>\$ 295,735</u>	<u>\$ 218,078</u>	<u>\$ 224,830</u>
Fiduciary net position as a percent of total pension liability	75.77%	78.24%	90.97%	93.97%	93.70%
Covered payroll	\$ 1,956,638	\$ 2,155,045	\$ 2,219,696	\$ 1,809,263	\$ 1,863,541
Plan net pension liability/(asset) as a percentage of covered payroll	36.60%	31.75%	13.32%	12.05%	12.06%

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

# CITY OF THOUSAND OAKS

## *Required Supplementary Information (Continued)*

**June 30, 2019**

### Schedule of Employer Contributions Last Ten Fiscal Years

	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
Actuarially determined contribution	\$ 196,456	\$ 199,162	\$ 201,343	\$ 169,002	\$ 61,732
Actual employer contribution	396,456	400,000	385,000	400,000	50,000
Contribution deficiency (excess)	<u>\$ (200,000)</u>	<u>\$ (200,838)</u>	<u>\$ (183,657)</u>	<u>\$ (230,998)</u>	<u>\$ 11,732</u>
Covered payroll	\$ 1,956,638	\$ 2,155,045	\$ 2,219,696	\$ 1,809,263	\$ 1,863,541
Contribution as a percentage of covered payroll	20.26%	18.56%	17.34%	22.11%	2.68%

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 amounts 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								
Inflation	2.50%								
Salary Increases	3.00%								
Investment Rate of Return	6.00%								
Payroll Growth	3.00%								
Withdrawal	Hourly/Part-time Employee rates are as follows:								
	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Age</th> <th style="text-align: left;">Probability</th> </tr> </thead> <tbody> <tr> <td>19 or younger</td> <td>80%</td> </tr> <tr> <td>20-24</td> <td>40%</td> </tr> <tr> <td>25-65</td> <td>20%</td> </tr> </tbody> </table>	Age	Probability	19 or younger	80%	20-24	40%	25-65	20%
Age	Probability								
19 or younger	80%								
20-24	40%								
25-65	20%								
	Full-time Employees: Consistent with the Non-industrial rates used to value the Miscellaneous Agency CalPERS Pension Plans.								
Retirement	Hourly/Part-time Employee rates are as follows:								
	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Age</th> <th style="text-align: left;">Probability</th> </tr> </thead> <tbody> <tr> <td>64 or younger</td> <td>0%</td> </tr> <tr> <td>65-74</td> <td>50%</td> </tr> <tr> <td>75 or older</td> <td>100%</td> </tr> </tbody> </table>	Age	Probability	64 or younger	0%	65-74	50%	75 or older	100%
Age	Probability								
64 or younger	0%								
65-74	50%								
75 or older	100%								
	Full-time Employees: Retirement rates are based on CalPERS rates for Public Miscellaneous Agency "2% at 55" plans (20 years of service).								
Mortality	Pre-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans.								
	Post-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous Agency CalPERS Pension Plans.								

**CITY OF THOUSAND OAKS**

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

**June 30, 2019**

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

	<b>Fiscal Year</b>				
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Net money-weighted rate of return	2.45%	0.10%	10.48%	5.86%	6.03%

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

**CITY OF THOUSAND OAKS**

**Required Supplementary Information  
(Continued)**

**June 30, 2019**

The following Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Employer Contribution are related to the California Employee's Retiree Benefit Trust (CERBT), an agent multiple-employer plan for other postemployment benefits.

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

	<u>Measurement Period</u>	
	<u>6/30/2017</u>	<u>6/30/2018</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 632,000	\$ 651,128
Interest on total OPEB liability	1,622,000	1,664,018
Actual and expected experience difference	-	-
Changes in assumptions	-	-
Changes in benefit terms	-	-
Benefit payments	<u>(1,627,000)</u>	<u>(1,650,000)</u>
Net change in total OPEB liability	627,000	665,146
Total OPEB liability, beginning	<u>24,199,000</u>	<u>24,826,000</u>
Total OPEB liability, ending (a)	<u><u>\$ 24,826,000</u></u>	<u><u>\$ 25,491,146</u></u>
 <b>Fiduciary Net Position</b>		
Employer contributions	\$ 2,347,000	\$ 2,400,000
Investment income net of investment expenses	1,390,000	1,219,541
Benefit payment	(1,627,000)	(1,650,000)
Administrative expenses	<u>(7,000)</u>	<u>(33,907)</u>
Net change in plan fiduciary net position	2,103,000	1,935,634
Fiduciary net position, beginning	<u>12,820,000</u>	<u>14,923,000</u>
Fiduciary net position, ending (b)	<u><u>\$ 14,923,000</u></u>	<u><u>\$ 16,858,634</u></u>
 Net OPEB liability, ending (a) - (b)	\$ 9,903,000	\$ 8,632,512
 Fiduciary net position as a percent of total OPEB liability	60.1%	66.1%
 Covered payroll	\$ 29,555,000	\$ 29,898,000
 Net OPEB liability as a percent of covered payroll	33.5%	28.9%

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.

**CITY OF THOUSAND OAKS**

**Required Supplementary Information  
(Continued)**

**June 30, 2019**

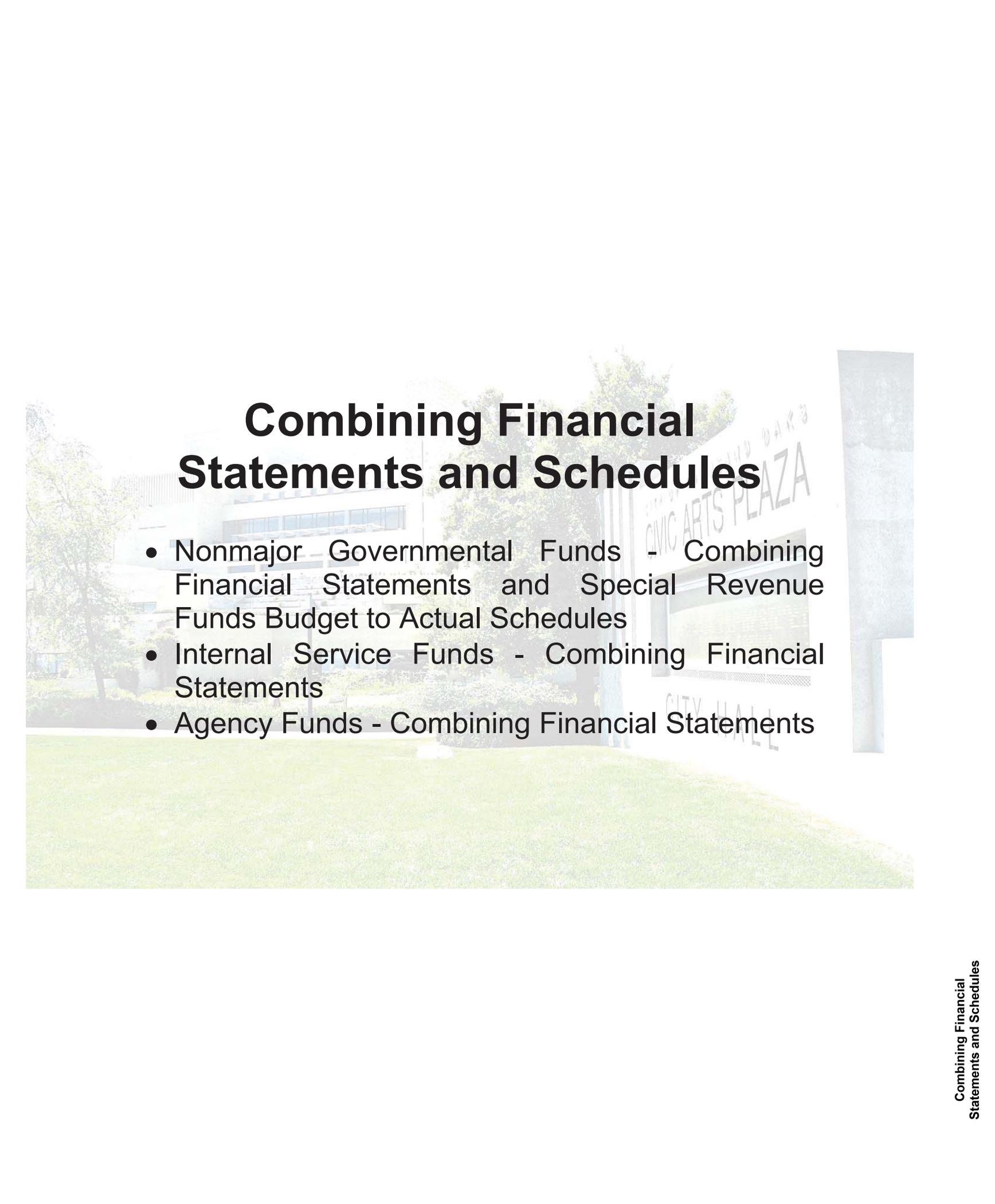
**Schedule of Employer Contributions  
Last Ten Fiscal Years**

	Fiscal Year	
	2017-18	2018-19
Actuarially determined contribution	\$ 1,455,000	\$ 1,501,000
Actual employer contribution	2,394,000	2,291,410
Contribution deficiency (excess)	<u>\$ (939,000)</u>	<u>\$ (790,410)</u>
Covered payroll	\$ 29,898,000	\$ 30,378,483
Contribution as a percentage of covered payroll	8.0%	7.5%

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 Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal, Level Percentage of Pay
Amortization Method	Level Percentage of Pay
Amortization Period	18-year fixed period for 2018/19
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
General Inflation	2.75%
Discount Rate	6.75%
Medical Trend	Non-Medicare: 7.5 % for 2019, decreasing to an ultimate rate of 4.0% in 2076 Medicare: 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076.
Mortality	CalPERS 1997-2015 Experience Study
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2017

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# Combining Financial Statements and Schedules

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

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

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

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

Community Facilities Districts Fund - The Districts are authorized under the Mello-Roos Community Facilities Act of 1982 to levy special taxes upon the land of the Districts and to issue bonds secured by special taxes. The proceeds, held by a trustee, are to be used to develop public improvements within each District. The fund is used to account for administration and technical services to the district, as well as to collect the assessments to pay the debt. Since the debt is not a liability of the City, any capital improvements are not recorded as a City expenditure. At June 30, 2015, there are two districts, Community Facilities District No. 1994-1 (Marketplace Public Pedestrian, Traffic Circulation and Parking Facilities) and Community Facilities District No. 1997-1 (Promenade Public Parking Facilities).

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

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

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

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

## **NONMAJOR GOVERNMENTAL FUNDS, continued**

### **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.

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**CITY OF THOUSAND OAKS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

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

**Assets**

Assets:

Cash and investments	\$ 9,706,364	184,222	1,859,155	271,612	127,366
Receivables:					
Accounts	75,253	-	-	537	-
Accrued interest	50,782	996	8,004	1,498	394,238
Intergovernmental	173,123	133,212	-	-	130,570
Notes/loans	-	-	-	-	1,254,600
Restricted cash and investments	-	-	2,019,468	-	-
<b>Total assets</b>	<b>\$ 10,005,522</b>	<b>318,430</b>	<b>3,886,627</b>	<b>273,647</b>	<b>1,906,774</b>

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

Liabilities:

Accounts payable	\$ 1,019,158	8,323	3,886,627	79,713	104,902
Due to other agencies	-	-	-	-	254,600
Interfund payables	-	133,212	-	-	25,668
Unearned revenue	-	-	-	199,423	1,000,000
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>1,019,158</b>	<b>141,535</b>	<b>3,886,627</b>	<b>279,136</b>	<b>1,385,170</b>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	394,238
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>394,238</b>
Fund balances:					
Restricted	8,986,364	176,895	-	(5,489)	127,366
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
<b>Total fund balances</b>	<b>8,986,364</b>	<b>176,895</b>	<b>-</b>	<b>(5,489)</b>	<b>127,366</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 10,005,522</b>	<b>318,430</b>	<b>3,886,627</b>	<b>273,647</b>	<b>1,906,774</b>

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
88	3,213,827	115,054	15,477,688	8,350
325,082	-	333,129	734,001	-
-	135,482	-	591,000	-
166,263	-	137,398	740,566	-
-	1,000,000	-	2,254,600	-
-	-	-	2,019,468	1,166,955
<u>491,433</u>	<u>4,349,309</u>	<u>585,581</u>	<u>21,817,323</u>	<u>1,175,305</u>
22,671	-	149,897	5,271,291	-
-	-	-	254,600	-
468,674	-	361,728	989,282	-
-	1,000,000	12,790	2,212,213	-
-	-	-	-	1,166,952
<u>491,345</u>	<u>1,000,000</u>	<u>524,415</u>	<u>8,727,386</u>	<u>1,166,952</u>
-	119,867	61,166	575,271	-
-	119,867	61,166	575,271	-
88	3,229,442	-	12,514,666	8,353
-	-	-	-	-
-	-	-	-	-
<u>88</u>	<u>3,229,442</u>	<u>-</u>	<u>12,514,666</u>	<u>8,353</u>
<u>491,433</u>	<u>4,349,309</u>	<u>585,581</u>	<u>21,817,323</u>	<u>1,175,305</u>

**CITY OF THOUSAND OAKS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

Page 3 of 3

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

**Assets**

<b>Assets:</b>				
Cash and investments	\$ 13,572,071	2,124,443	15,696,514	31,182,552
Receivables:				
Accounts	-	-	-	734,001
Accrued interest	-	10,587	10,587	601,587
Intergovernmental	-	-	-	740,566
Notes/loans	-	-	-	2,254,600
Restricted cash and investments	-	-	-	3,186,423
<b>Total assets</b>	<b>\$ 13,572,071</b>	<b>2,135,030</b>	<b>15,707,101</b>	<b>38,699,729</b>

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

<b>Liabilities:</b>				
Accounts payable	\$ 17,476	4,654	22,130	5,293,421
Due to other agencies	-	-	-	254,600
Interfund payables	-	-	-	989,282
Unearned revenue	-	-	-	2,212,213
Advances from other funds	-	-	-	1,166,952
<b>Total liabilities</b>	<b>17,476</b>	<b>4,654</b>	<b>22,130</b>	<b>9,916,468</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	-	-	575,271
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>575,271</b>
<b>Fund balances:</b>				
Restricted	-	-	-	12,523,019
Committed	-	2,130,376	2,130,376	2,130,376
Assigned	13,554,595	-	13,554,595	13,554,595
<b>Total fund balances</b>	<b>13,554,595</b>	<b>2,130,376</b>	<b>15,684,971</b>	<b>28,207,990</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 13,572,071</b>	<b>2,135,030</b>	<b>15,707,101</b>	<b>38,699,729</b>

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, 2019**

	Special Revenue Funds				
	Landscape and Lighting Districts	Traffic and Bicycle Safety	Community Facilities Districts	Federal Asset Seizure	HOME and Community Development Block Grant
<b>Revenues:</b>					
Taxes	\$ 2,520,687	-	-	-	-
Fines and forfeitures	-	540,377	-	-	-
Use of money and property	179,670	13,727	-	5,791	35,669
Charges for current services	4,769,539	-	-	-	-
Intergovernmental revenue	-	5,980	-	-	460,946
Other	81,388	-	-	-	-
<b>Total revenues</b>	<b><u>7,551,284</u></b>	<b><u>560,084</u></b>	<b><u>-</u></b>	<b><u>5,791</u></b>	<b><u>496,615</u></b>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	1,160,547	-	-	196,063	-
Transportation	5,455,338	230,801	-	-	-
Community development	54,183	-	-	-	460,946
Culture and leisure	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<b><u>6,670,068</u></b>	<b><u>230,801</u></b>	<b><u>-</u></b>	<b><u>196,063</u></b>	<b><u>460,946</u></b>
Excess (deficiency) of revenues over (under) expenditures	<u>881,216</u>	<u>329,283</u>	<u>-</u>	<u>(190,272)</u>	<u>35,669</u>
<b>Other financing sources (uses):</b>					
Transfers in (note 5)	137,920	-	-	-	-
Transfers out (note 5)	-	(508,305)	-	-	-
<b>Total other financing sources (uses)</b>	<b><u>137,920</u></b>	<b><u>(508,305)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Net change in fund balance	1,019,136	(179,022)	-	(190,272)	35,669
Fund balance - beginning	<u>7,967,228</u>	<u>355,917</u>	<u>-</u>	<u>184,783</u>	<u>91,697</u>
Fund balance - ending	<b><u>\$ 8,986,364</u></b>	<b><u>176,895</u></b>	<b><u>-</u></b>	<b><u>(5,489)</u></b>	<b><u>127,366</u></b>

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	
-	-	-	2,520,687	-	-
-	-	-	540,377	-	-
-	198,103	467	433,427	27,726	-
478,933	-	51,770	5,300,242	-	-
-	-	902,736	1,369,662	-	-
770	-	47,060	129,218	-	-
<u>479,703</u>	<u>198,103</u>	<u>1,002,033</u>	<u>10,293,613</u>	<u>27,726</u>	
-	-	-	-	-	-
-	-	-	1,356,610	-	-
801,047	-	897,496	7,384,682	-	-
-	-	-	515,129	-	-
-	-	-	-	-	-
-	-	-	-	650,000	-
-	-	-	-	505,812	-
-	-	-	-	-	-
<u>801,047</u>	<u>-</u>	<u>897,496</u>	<u>9,256,421</u>	<u>1,155,812</u>	
<u>(321,344)</u>	<u>198,103</u>	<u>104,537</u>	<u>1,037,192</u>	<u>(1,128,086)</u>	
321,432	-	61,166	520,518	1,131,391	-
-	-	(158,663)	(666,968)	-	-
<u>321,432</u>	<u>-</u>	<u>(97,497)</u>	<u>(146,450)</u>	<u>1,131,391</u>	
88	198,103	7,040	890,742	3,305	-
-	3,031,339	(7,040)	11,623,924	5,048	-
<u>88</u>	<u>3,229,442</u>	<u>-</u>	<u>12,514,666</u>	<u>8,353</u>	

**CITY OF THOUSAND OAKS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year ended June 30, 2019**

Page 3 of 3

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Fixed Asset Replacement	Community Recreation and Open Space Endowment Fund	Total	
<b>Revenues:</b>				
Taxes	\$ -	7,850	7,850	2,528,537
Fines and forfeitures	-	-	-	540,377
Use of money and property	-	39,934	39,934	501,087
Charges for current services	-	-	-	5,300,242
Intergovernmental revenue	-	-	-	1,369,662
Other	1,087,160	223	1,087,383	1,216,601
<b>Total revenues</b>	<b>1,087,160</b>	<b>48,007</b>	<b>1,135,167</b>	<b>11,456,506</b>
<b>Expenditures:</b>				
Current:				
General government	9,784	-	9,784	9,784
Public safety	33,612	-	33,612	1,390,222
Transportation	223,487	-	223,487	7,608,169
Community development	-	19,960	19,960	535,089
Culture and leisure	44,939	-	44,939	44,939
Debt service:				
Principal	-	-	-	650,000
Interest	-	-	-	505,812
Capital outlay	-	50,401	50,401	50,401
<b>Total expenditures</b>	<b>311,822</b>	<b>70,361</b>	<b>382,183</b>	<b>10,794,416</b>
Excess (deficiency) of revenues over (under) expenditures	<b>775,338</b>	<b>(22,354)</b>	<b>752,984</b>	<b>662,090</b>
<b>Other financing sources (uses):</b>				
Transfers in (note 5)	-	100,000	100,000	1,751,909
Transfers out (note 5)	-	-	-	(666,968)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>	<b>1,084,941</b>
<b>Net change in fund balance</b>	<b>775,338</b>	<b>77,646</b>	<b>852,984</b>	<b>1,747,031</b>
Fund balance - beginning	12,779,257	2,052,730	14,831,987	26,460,959
Fund balance - ending	\$ 13,554,595	2,130,376	15,684,971	28,207,990

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, 2019**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 2,239,100	2,239,100	2,520,687	281,587
Use of money and property	45,300	45,300	179,670	134,370
Charges for current services	4,298,400	4,298,400	4,769,539	471,139
Other	55,000	66,500	81,388	14,888
Total revenues	<u>6,637,800</u>	<u>6,649,300</u>	<u>7,551,284</u>	<u>901,984</u>
<b>Expenditures:</b>				
Current:				
Public safety	1,255,083	1,260,839	1,160,547	100,292
Transportation	6,801,763	8,276,845	5,455,338	2,821,507
Community development	16,308	16,308	54,183	(37,875)
Capital outlay	400,000	545,000	-	545,000
Total expenditures	<u>8,473,154</u>	<u>10,098,992</u>	<u>6,670,068</u>	<u>3,428,924</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,835,354)</u>	<u>(3,449,692)</u>	<u>881,216</u>	<u>4,330,908</u>
<b>Other financing sources (uses):</b>				
Transfers in (note 5)	180,000	180,000	137,920	(42,080)
Total other financing sources (uses)	<u>180,000</u>	<u>180,000</u>	<u>137,920</u>	<u>(42,080)</u>
Net change in fund balance	(1,655,354)	(3,269,692)	1,019,136	4,288,828
Fund balance - beginning	<u>7,967,228</u>	<u>7,967,228</u>	<u>7,967,228</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,311,874</u>	<u>4,697,536</u>	<u>8,986,364</u>	<u>4,288,828</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, 2019**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and forfeitures	\$ 625,000	625,000	540,377	(84,623)
Use of money and property	5,000	5,000	13,727	8,727
Intergovernmental revenue	55,000	55,000	5,980	(49,020)
Total revenues	<u>685,000</u>	<u>685,000</u>	<u>560,084</u>	<u>(124,916)</u>
<b>Expenditures:</b>				
Current:				
Transportation	55,000	407,047	230,801	176,246
Total expenditures	<u>55,000</u>	<u>407,047</u>	<u>230,801</u>	<u>176,246</u>
Excess of revenues over expenditures	<u>630,000</u>	<u>277,953</u>	<u>329,283</u>	<u>51,330</u>
<b>Other financing sources (uses):</b>				
Transfers out (note 5)	(571,000)	(571,000)	(508,305)	62,695
Total other financing sources (uses)	<u>(571,000)</u>	<u>(571,000)</u>	<u>(508,305)</u>	<u>62,695</u>
Net change in fund balance	59,000	(293,047)	(179,022)	114,025
Fund balance - beginning	<u>355,917</u>	<u>355,917</u>	<u>355,917</u>	<u>-</u>
Fund balance - ending	<u>\$ 414,917</u>	<u>62,870</u>	<u>176,895</u>	<u>114,025</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, 2019**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Use of money and property	\$ -	-	35,669	35,669
Intergovernmental revenue	600,000	600,000	460,946	(139,054)
<b>Total revenues</b>	<u>600,000</u>	<u>600,000</u>	<u>496,615</u>	<u>(103,385)</u>
<b>Expenditures:</b>				
Current:				
Community development	600,000	1,028,827	460,946	567,881
<b>Total expenditures</b>	<u>600,000</u>	<u>1,028,827</u>	<u>460,946</u>	<u>567,881</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(428,827)</u>	<u>35,669</u>	<u>464,496</u>
Net change in fund balance	-	(428,827)	35,669	464,496
Fund balance - beginning	<u>91,697</u>	<u>91,697</u>	<u>91,697</u>	<u>-</u>
Fund balance - ending	<u>\$ 91,697</u>	<u>(337,130)</u>	<u>127,366</u>	<u>464,496</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, 2019**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for current services	\$ 465,000	465,000	478,933	13,933
Other	4,000	4,000	770	(3,230)
Total revenues	<u>469,000</u>	<u>469,000</u>	<u>479,703</u>	<u>10,703</u>
<b>Expenditures:</b>				
Current:				
Transportation	1,041,183	1,098,458	801,047	297,411
Capital outlay	150,000	150,000	-	150,000
Total expenditures	<u>1,191,183</u>	<u>1,248,458</u>	<u>801,047</u>	<u>447,411</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(722,183)</u>	<u>(779,458)</u>	<u>(321,344)</u>	<u>458,114</u>
<b>Other financing sources (uses):</b>				
Transfers in (note 5)	722,183	722,183	321,432	(400,751)
Total other financing sources (uses)	<u>722,183</u>	<u>722,183</u>	<u>321,432</u>	<u>(400,751)</u>
Net change in fund balance	-	(57,275)	88	57,363
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>(57,275)</u>	<u>88</u>	<u>57,363</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, 2019**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Use of money and property	\$ 25,000	25,000	198,103	173,103
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>198,103</u>	<u>173,103</u>
<b>Expenditures:</b>				
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 of revenues over expenditures	<u>13,000</u>	<u>13,000</u>	<u>198,103</u>	<u>185,103</u>
Net change in fund balance	13,000	13,000	198,103	185,103
Fund balance - beginning	<u>3,031,339</u>	<u>3,031,339</u>	<u>3,031,339</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,044,339</u>	<u>3,044,339</u>	<u>3,229,442</u>	<u>185,103</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, 2019**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Use of money and property	\$ 250	250	467	217
Charges for current services	25,300	25,300	51,770	26,470
Intergovernmental revenue	740,000	965,000	902,736	(62,264)
Other	-	-	47,060	47,060
Total revenues	<u>765,550</u>	<u>990,550</u>	<u>1,002,033</u>	<u>11,483</u>
<b>Expenditures:</b>				
Current:				
Transportation	669,696	909,696	897,496	12,200
Capital outlay	-	40,000	-	40,000
Total expenditures	<u>669,696</u>	<u>949,696</u>	<u>897,496</u>	<u>52,200</u>
Excess of revenues over expenditures	<u>95,854</u>	<u>40,854</u>	<u>104,537</u>	<u>63,683</u>
<b>Other financing sources (uses):</b>				
Transfers in (note 5)	-	-	61,166	61,166
Transfers out (note 5)	-	-	(158,663)	(158,663)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(97,497)</u>	<u>(97,497)</u>
Net change in fund balance	95,854	40,854	7,040	(33,814)
Fund balance - beginning	<u>(7,040)</u>	<u>(7,040)</u>	<u>(7,040)</u>	<u>-</u>
Fund balance - ending	<u>\$ 88,814</u>	<u>33,814</u>	<u>-</u>	<u>(33,814)</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, 2019**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Use of money and property	\$ 235,000	235,000	352,904	117,904
Charges for current services	456,000	456,000	706,831	250,831
Other	-	939,684	80,392	(859,292)
Total revenues	<u>691,000</u>	<u>1,630,684</u>	<u>1,140,127</u>	<u>(490,557)</u>
<b>Expenditures:</b>				
Current:				
Transportation	1,330,000	1,385,319	1,007,165	378,154
Community development	-	1,417,280	-	1,417,280
Capital outlay	5,498,000	16,617,167	8,752,462	7,864,705
Total expenditures	<u>6,828,000</u>	<u>19,419,766</u>	<u>9,759,627</u>	<u>9,660,139</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,137,000)</u>	<u>(17,789,082)</u>	<u>(8,619,500)</u>	<u>9,169,582</u>
<b>Other financing sources (uses):</b>				
Transfers in (note 5)	5,215,000	5,215,000	5,264,017	49,017
Transfers out (note 5)	(465,200)	(815,200)	(864,852)	(49,652)
Total other financing sources (uses)	<u>4,749,800</u>	<u>4,399,800</u>	<u>4,399,165</u>	<u>(635)</u>
Net change in fund balance	(1,387,200)	(13,389,282)	(4,220,335)	9,168,947
Fund balance - beginning	<u>22,727,226</u>	<u>22,727,226</u>	<u>22,727,226</u>	<u>-</u>
Fund balance - ending	<u>\$ 21,340,026</u>	<u>9,337,944</u>	<u>18,506,891</u>	<u>9,168,947</u>

See accompanying notes to basic financial statements.

## 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, 2019**

	Liability Insurance	Workers' Compensation Insurance	Vision Insurance	Total
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 4,347,289	6,475,400	62,972	10,885,661
Receivables:				
Accounts	-	15,023	2,109	17,132
Accrued interest	21,619	32,057	309	53,985
Prepaid items	425	-	-	425
Total current assets	<u>4,369,333</u>	<u>6,522,480</u>	<u>65,390</u>	<u>10,957,203</u>
Total assets	<u>\$ 4,369,333</u>	<u>6,522,480</u>	<u>65,390</u>	<u>10,957,203</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	\$ 9,194	12,786	4,182	26,162
Noncurrent liabilities:				
Claims payable	1,566,400	2,240,300	-	3,806,700
Total liabilities	<u>\$ 1,575,594</u>	<u>2,253,086</u>	<u>4,182</u>	<u>3,832,862</u>
<b>Net position:</b>				
Unrestricted	2,793,739	4,269,394	61,208	7,124,341
Total net position (deficit)	<u>\$ 2,793,739</u>	<u>4,269,394</u>	<u>61,208</u>	<u>7,124,341</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, 2019**

	Liability Insurance	Workers' Compensation Insurance	Vision Insurance	Total
<b>Operating revenues:</b>				
Charges for services and supplies	\$ 466,730	467,595	49,616	983,941
Total operating revenues	<u>466,730</u>	<u>467,595</u>	<u>49,616</u>	<u>983,941</u>
<b>Operating expenses:</b>				
Claims expenses	394,946	306,550	52,039	753,535
Total operating expenses	<u>394,946</u>	<u>306,550</u>	<u>52,039</u>	<u>753,535</u>
Operating income (loss)	<u>71,784</u>	<u>161,045</u>	<u>(2,423)</u>	<u>230,406</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	82,092	119,515	1,204	202,811
Total nonoperating revenues	<u>82,092</u>	<u>119,515</u>	<u>1,204</u>	<u>202,811</u>
Income (loss) before contributions and transfers	<u>153,876</u>	<u>280,560</u>	<u>(1,219)</u>	<u>433,217</u>
Change in net position	153,876	280,560	(1,219)	433,217
Total net position - beginning	<u>2,639,863</u>	<u>3,988,834</u>	<u>62,427</u>	<u>6,691,124</u>
Total net position - ending	<u>\$ 2,793,739</u>	<u>4,269,394</u>	<u>61,208</u>	<u>7,124,341</u>

See accompanying independent auditors' report.

**CITY OF THOUSAND OAKS**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year ended June 30, 2019**

	Liability Insurance	Workers' Compensation Insurance	Vision Insurance	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 466,730	452,572	47,507	966,809
Cash payments for goods and services	(514,494)	(397,309)	(50,811)	(962,614)
Net cash provided by (used for) operating activities	<u>(47,764)</u>	<u>55,263</u>	<u>(3,304)</u>	<u>4,195</u>
<b>Cash flows from investing activities:</b>				
Interest received	79,961	115,979	1,196	197,136
Net cash provided by investing activities	<u>79,961</u>	<u>115,979</u>	<u>1,196</u>	<u>197,136</u>
Net increase (decrease) in cash and cash equivalents	32,197	171,242	(2,108)	201,331
Cash and cash equivalents, beginning of year	4,315,092	6,304,158	65,080	10,684,330
Cash and cash equivalents, end of year	<u>\$ 4,347,289</u>	<u>6,475,400</u>	<u>62,972</u>	<u>10,885,661</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 71,784	161,045	(2,423)	230,406
<b>Adjustments to reconcile operating income/(loss) to net cash provided by (used for) operating activities:</b>				
(Increase) in accounts/notes receivable	-	(15,023)	(2,109)	(17,132)
Increase (decrease) in accounts payables	(949)	(33,959)	1,228	(33,680)
(Decrease) in claims payable	(118,599)	(56,800)	-	(175,399)
Total adjustments	<u>(119,548)</u>	<u>(105,782)</u>	<u>(881)</u>	<u>(226,211)</u>
Net cash provided by (used for) operating activities	<u>\$ (47,764)</u>	<u>55,263</u>	<u>(3,304)</u>	<u>4,195</u>

See accompanying independent auditors' report.

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## 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, 2019**

	Strong Motion Instrumentation	County Flood Zone	Environment Impact Reports	Planning Security Deposits	Public Works Deposits
<b>Assets:</b>					
Cash and investments	\$ 7,511	1,170	16,777	1,261,398	2,026,417
Accounts receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
<b>Total assets</b>	<b>\$ <u>7,511</u></b>	<b><u>1,170</u></b>	<b><u>16,777</u></b>	<b><u>1,261,398</u></b>	<b><u>2,026,417</u></b>
<b>Liabilities:</b>					
Accounts payable	\$ 7,511	1,170	-	12,325	4,896
Deposits	-	-	16,777	1,249,073	2,021,521
<b>Total liabilities</b>	<b>\$ <u>7,511</u></b>	<b><u>1,170</u></b>	<b><u>16,777</u></b>	<b><u>1,261,398</u></b>	<b><u>2,026,417</u></b>

See accompanying independent auditors' report.

Public Access Television	Law Enforcement	COSCA	Misc. Flow Through	Total
2,355,351	167,712	1,678,325	440,753	7,955,414
86,707	687	2	311	87,707
-	807	8,298	2,148	11,253
<u>2,442,058</u>	<u>169,206</u>	<u>1,686,625</u>	<u>443,212</u>	<u>8,054,374</u>
-	3,464	-	8,253	37,619
<u>2,442,058</u>	<u>165,742</u>	<u>1,686,625</u>	<u>434,959</u>	<u>8,016,755</u>
<u>2,442,058</u>	<u>169,206</u>	<u>1,686,625</u>	<u>443,212</u>	<u>8,054,374</u>

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year ended June 30, 2019**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b><u>Strong Motion Instrumentation</u></b>				
Assets:				
Cash and investments	\$ 7,267	18,837	18,593	7,511
Total assets	<u>\$ 7,267</u>	<u>18,837</u>	<u>18,593</u>	<u>7,511</u>
Liabilities:				
Accounts payable	\$ 7,267	17,853	17,609	7,511
Due to other agencies	-	18,840	18,840	-
Total liabilities	<u>\$ 7,267</u>	<u>36,693</u>	<u>36,449</u>	<u>7,511</u>
<b><u>County Flood Zone</u></b>				
Assets:				
Cash and investments	\$ 41,104	19,610	59,544	1,170
Total assets	<u>\$ 41,104</u>	<u>19,610</u>	<u>59,544</u>	<u>1,170</u>
Liabilities:				
Accounts payable	\$ 41,104	19,610	59,544	1,170
Total liabilities	<u>\$ 41,104</u>	<u>19,610</u>	<u>59,544</u>	<u>1,170</u>
<b><u>Environment Impact Reports</u></b>				
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, 2019**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
(Continued ...)				
<b><u>Planning Security Deposits</u></b>				
Assets:				
Cash and investments	\$ 1,054,980	655,665	449,247	1,261,398
Total assets	<u>\$ 1,054,980</u>	<u>655,665</u>	<u>449,247</u>	<u>1,261,398</u>
Liabilities:				
Accounts payable	\$ 15,288	198,147	201,110	12,325
Deposits	1,039,692	656,277	446,896	1,249,073
Total liabilities	<u>\$ 1,054,980</u>	<u>854,424</u>	<u>648,006</u>	<u>1,261,398</u>
<b><u>Public Works Deposits</u></b>				
Assets:				
Cash and investments	\$ 2,089,188	276,627	339,398	2,026,417
Total assets	<u>\$ 2,089,188</u>	<u>276,627</u>	<u>339,398</u>	<u>2,026,417</u>
Liabilities:				
Accounts payable	\$ 46,567	273,228	314,899	4,896
Deposits	2,042,621	306,720	327,820	2,021,521
Total liabilities	<u>\$ 2,089,188</u>	<u>579,948</u>	<u>642,719</u>	<u>2,026,417</u>
<b><u>Public Access Television</u></b>				
Assets:				
Cash and investments	\$ 2,295,877	509,275	449,801	2,355,351
Accounts receivable	245,756	86,707	245,756	86,707
Total assets	<u>\$ 2,541,633</u>	<u>595,982</u>	<u>695,557</u>	<u>2,442,058</u>
Liabilities:				
Deposits	\$ 2,541,633	595,982	695,557	2,442,058
Total liabilities	<u>\$ 2,541,633</u>	<u>595,982</u>	<u>695,557</u>	<u>2,442,058</u>
(Continued ...)				

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year ended June 30, 2019**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
(Continued ...)				
<b><u>Law Enforcement</u></b>				
Assets:				
Cash and investments	\$ 177,955	67,993	78,236	167,712
Accounts receivable	-	687	-	687
Accrued interest receivable	822	2,321	2,336	807
Total assets	<u>\$ 178,777</u>	<u>71,001</u>	<u>80,572</u>	<u>169,206</u>
Liabilities:				
Accounts payable	\$ 14,996	67,843	79,375	3,464
Deposits	163,781	64,677	62,716	165,742
Total liabilities	<u>\$ 178,777</u>	<u>132,520</u>	<u>142,091</u>	<u>169,206</u>
<b><u>COSCA</u></b>				
Assets:				
Cash and investments	\$ 1,591,806	116,179	29,660	1,678,325
Accounts receivable	580	84,789	85,367	2
Accrued interest receivable	7,178	23,783	22,663	8,298
Total assets	<u>\$ 1,599,564</u>	<u>224,751</u>	<u>137,690</u>	<u>1,686,625</u>
Liabilities:				
Accounts payable	\$ -	6,430	6,430	-
Deposits	1,599,564	116,720	29,659	1,686,625
Total liabilities	<u>\$ 1,599,564</u>	<u>123,150</u>	<u>36,089</u>	<u>1,686,625</u>
(Continued ...)				

**CITY OF THOUSAND OAKS**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year ended June 30, 2019**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
(Continued ...)				
<b><u>Miscellaneous Flow Through</u></b>				
Assets:				
Cash and investments	\$ 429,778	47,358	36,383	440,753
Accounts receivable	-	311	-	311
Accrued interest receivable	1,924	6,206	5,982	2,148
Total assets	<u>\$ 431,702</u>	<u>53,875</u>	<u>42,365</u>	<u>443,212</u>
Liabilities:				
Accounts payable	\$ 4,822	69,583	66,152	8,253
Deposits	426,880	18,079	10,000	434,959
Total liabilities	<u>\$ 431,702</u>	<u>87,662</u>	<u>76,152</u>	<u>443,212</u>
<b><u>Total Agency Funds</u></b>				
Assets:				
Cash and investments	\$ 7,704,732	1,711,544	1,460,862	7,955,414
Accounts receivable	246,336	172,494	331,123	87,707
Accrued interest receivable	9,924	32,310	30,981	11,253
Total assets	<u>\$ 7,960,992</u>	<u>1,916,348</u>	<u>1,822,966</u>	<u>8,054,374</u>
Liabilities:				
Accounts payable	\$ 130,044	652,694	745,119	37,619
Due to other agencies	-	18,840	18,840	-
Deposits	7,830,948	1,758,455	1,572,648	8,016,755
Total liabilities	<u>\$ 7,960,992</u>	<u>2,429,989</u>	<u>2,336,607</u>	<u>8,054,374</u>

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# STATISTICAL SECTION

STATISTICAL SECTION

City of Thousand Oaks  
Year Ended June 30, 2019

## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These tables contain trend information over multiple years in order to better help the reader understand how the City's financial performance has changed over time.	145-154
<b>Revenue Capacity</b> These tables contain information regarding the City's largest own-source revenue, property tax and sales tax.	155-160
<b>Debt Capacity</b> These tables present information regarding the City's current debt requirements and the City's financial ability to issue additional debt in the future.	161-168
<b>Demographic and Economic Information</b> These tables present demographic and economic indicators that provide the reader a better understanding of the environment within which the City's activities take place and allow for comparison between cities.	169-170
<b>Operating Information</b> These tables provide information regarding the City's operations and resources in order to help the reader gain knowledge about how the City's financial statistics relate to the services the City provides.	171-174

Table 1

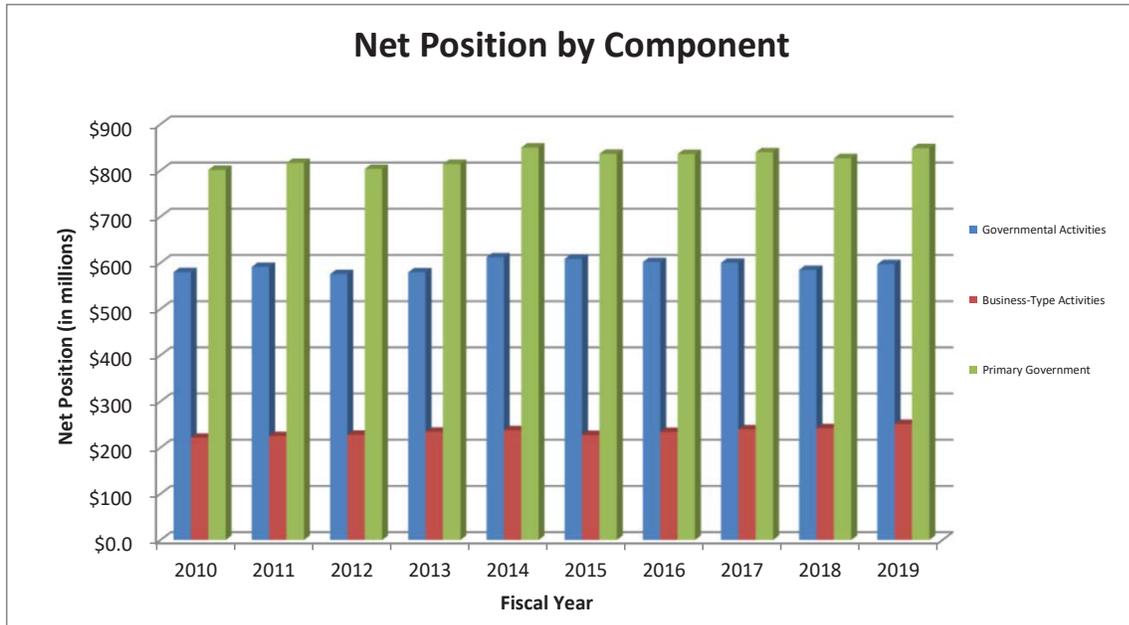
**CITY OF THOUSAND OAKS**

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

Page 1 of 2

	2010	2011	2012	2013
Governmental activities				
Net investments in capital assets	\$ 434,777,106	\$ 436,968,437	\$ 424,876,492	\$ 429,496,970
Restricted	38,654,458	46,508,324	38,380,982	36,275,259
Unrestricted	106,323,825	107,815,418	112,216,327	115,680,931
Total governmental activities net position	<u>\$ 579,755,389</u>	<u>\$ 591,292,179</u>	<u>\$ 575,473,801</u>	<u>\$ 581,453,160</u>
Business-type activities				
Net investments in capital assets	\$ 151,530,649	\$ 153,821,273	\$ 153,889,583	\$ 160,080,104
Restricted	2,018,609	2,196,556	2,093,726	28,017,654
Unrestricted	67,811,296	68,823,038	71,729,967	46,312,992
Total business-type activities net position	<u>\$ 221,360,554</u>	<u>\$ 224,840,867</u>	<u>\$ 227,713,276</u>	<u>\$ 234,410,750</u>
Primary government				
Net investments in capital assets	\$ 586,307,755	\$ 590,789,710	\$ 578,766,075	\$ 589,577,074
Restricted	40,673,067	48,704,880	40,474,708	64,292,913
Unrestricted	174,135,121	176,638,456	183,946,294	161,993,923
Total primary government net position	<u>\$ 801,115,943</u>	<u>\$ 816,133,046</u>	<u>\$ 803,187,077</u>	<u>\$ 815,863,910</u>

Source: City of Thousand Oaks



2014	2015	2016	2017	2018	2019
\$ 441,224,834	\$ 482,441,504	\$ 463,170,097	\$ 453,336,316	\$ 450,107,203	\$ 449,973,221
52,304,427	35,825,757	40,171,977	35,187,559	30,564,146	38,816,944
118,451,059	90,346,428	98,320,690	111,482,413	104,017,721	108,219,762
<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>	<u>\$ 597,009,927</u>
\$ 163,352,049	\$ 168,079,871	\$ 166,146,712	\$ 162,523,929	\$ 159,522,153	\$ 163,612,492
29,970,531	31,397,274	34,008,294	3,224,630	3,142,286	-
44,171,611	27,892,382	33,752,786	73,615,294	79,046,508	87,507,964
<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>	<u>\$ 251,120,456</u>
\$ 604,576,883	\$ 650,521,375	\$ 629,316,809	\$ 615,860,245	\$ 609,629,356	\$ 613,585,713
82,274,958	67,223,031	74,180,271	38,412,189	33,706,432	38,816,944
162,622,670	118,238,810	132,073,476	185,097,707	183,064,229	195,727,726
<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>	<u>\$ 848,130,383</u>

Table 2

## CITY OF THOUSAND OAKS

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

Page 1 of 4

	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Expenses</b>			
Governmental activities:			
General government	\$ 16,318,024	\$ 15,818,365	\$ 14,996,258
Public safety	26,917,106	27,165,601	27,853,732
Transportation	24,205,410	27,308,063	25,844,691
Community development	31,472,631	26,004,932	19,757,842
Culture and leisure	11,438,101	10,880,231	10,435,600
Interest on long-term debt	4,002,329	3,672,066	1,845,302
Total governmental activities expenses	<u>114,353,601</u>	<u>110,849,258</u>	<u>100,733,425</u>
Business-type activities:			
Water	18,690,402	19,430,010	20,779,897
Wastewater	18,795,351	18,565,664	19,022,278
Golf Course	5,099,519	4,923,681	4,918,517
Transportation	3,447,324	3,764,116	4,097,237
Solid Waste Management	1,332,067	1,424,288	1,571,469
Theatres	3,915,498	3,716,595	4,101,536
Total business-type activities expenses	<u>51,280,161</u>	<u>51,824,354</u>	<u>54,490,934</u>
Total primary government expenses	<u>\$165,633,762</u>	<u>\$162,673,612</u>	<u>\$ 155,224,359</u>
<b>Program Revenues</b>			
Governmental activities:			
Charges for services:			
General government	\$ 6,584,710	\$ 5,620,394	\$ 6,606,146
Public safety	643,054	518,740	849,732
Transportation	4,693,392	4,271,158	5,949,669
Community development	4,352,037	4,764,843	4,694,052
Culture and leisure	316,762	260,421	343,042
Operating grants and contributions	11,453,153	13,906,945	13,194,721
Capital grants and contributions	1,622,157	1,652,089	483,744
Total governmental activities program revenues	<u>29,665,265</u>	<u>30,994,590</u>	<u>32,121,106</u>
Business-type activities:			
Charges for services:			
Water	18,896,852	21,283,333	22,828,323
Wastewater	20,657,404	20,028,254	19,091,002
Golf Course	5,307,892	4,874,576	5,074,016
Transportation	396,405	301,075	457,938
Solid Waste Management	1,602,364	1,388,587	1,484,372
Theatres	3,191,463	3,142,176	3,155,208
Operating grants and contributions	3,620,080	3,989,932	4,057,467
Capital grants and contributions	225,179	175,441	1,068,810
Total business-type activities program revenues	<u>53,897,639</u>	<u>55,183,374</u>	<u>57,217,136</u>
Total primary government program revenues	<u>\$ 83,562,904</u>	<u>\$ 86,177,964</u>	<u>\$ 89,338,242</u>
<b>Net (expense)/revenue</b>			
Governmental activities	\$ (84,688,336)	\$ (79,854,668)	\$ (68,612,319)
Business-type activities	2,617,478	3,359,020	2,726,202
Total Primary government net expense	<u>\$ (82,070,858)</u>	<u>\$ (76,495,648)</u>	<u>\$ (65,886,117)</u>

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ 15,544,721	\$ 17,001,257	\$ 16,633,833	\$ 17,205,376	\$ 18,559,779	\$ 22,009,003	\$ 20,652,373
27,487,842	28,180,467	28,679,593	28,895,575	33,414,773	31,261,436	32,316,506
26,109,347	26,964,212	33,160,508	33,722,007	31,862,406	28,946,935	29,658,476
11,162,235	12,303,689	9,427,305	13,902,102	9,531,142	10,422,774	10,657,941
9,719,771	10,139,607	10,560,758	11,312,504	10,697,550	14,440,330	11,283,170
636,012	619,929	655,102	595,822	556,540	526,631	503,916
<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>	<u>105,072,382</u>
22,133,144	24,058,407	21,843,944	20,465,622	21,774,730	24,554,703	24,664,296
18,988,040	19,156,409	18,709,803	18,408,978	18,875,727	19,570,996	21,293,236
4,729,238	5,001,182	5,225,508	6,993,159	5,477,483	5,820,522	6,204,300
4,655,099	5,092,147	6,038,124	6,779,428	6,813,792	6,983,544	7,544,602
1,899,126	1,633,529	1,608,741	1,244,484	1,264,791	1,241,419	1,296,438
4,083,872	4,006,613	3,727,264	3,684,483	4,026,388	4,084,270	4,703,728
<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>65,706,600</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>	<u>\$170,778,982</u>
\$ 6,281,280	\$ 7,220,202	\$ 6,618,463	\$ 6,555,307	\$ 7,816,273	\$ 10,307,660	\$ 7,400,502
847,579	832,949	887,976	1,131,555	892,756	974,423	956,562
5,460,232	5,448,265	5,844,243	5,725,586	5,188,260	5,776,193	5,675,414
3,962,106	4,753,171	5,038,087	5,968,502	5,570,226	5,694,880	5,428,584
244,486	288,179	255,755	241,480	304,051	369,675	485,072
11,561,006	8,872,310	5,351,236	6,801,627	5,914,541	6,696,406	9,459,745
5,570,206	11,467,954	4,148,837	2,129,634	3,412,100	2,449,510	2,734,993
<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>	<u>32,140,872</u>
25,548,666	27,570,065	25,903,528	23,526,238	25,502,093	29,529,144	29,336,595
19,347,142	19,300,050	20,959,096	22,768,316	21,385,939	20,682,588	23,076,241
4,646,379	4,609,795	4,665,559	6,058,246	4,905,388	5,380,828	6,630,009
998,709	1,288,342	1,991,701	2,316,515	2,078,215	1,921,292	1,982,752
1,621,874	1,486,259	1,454,871	1,440,914	1,434,211	1,552,730	1,731,389
3,278,415	3,223,057	3,313,109	3,399,431	3,747,826	3,848,918	4,321,991
4,393,103	300,000	500,000	300,000	300,000	4,836,160	7,682,533
2,748,298	4,254,160	5,781,443	4,304,759	4,346,733	38,165	-
<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>74,761,510</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>	<u>\$106,902,382</u>
\$ (56,733,033)	\$ (56,326,131)	\$ (70,972,502)	\$ (77,079,695)	\$ (75,523,983)	\$ (75,338,362)	\$ (72,931,510)
6,094,067	3,083,441	7,415,923	6,538,265	5,467,494	5,534,371	9,054,910
<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>	<u>\$ (63,876,600)</u>

Table 2

## CITY OF THOUSAND OAKS

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

Page 3 of 4

<b>General Revenue and Other Changes in Net Position</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Governmental activities:			
Taxes			
Property tax	\$ 36,833,910	\$ 34,355,639	\$ 25,278,294
Property tax in-lieu of VLF	9,803,594	9,644,764	9,707,468
Sales tax	23,873,911	22,123,406	25,957,903
Transient occupancy tax	2,281,581	2,702,879	2,977,691
Franchise tax	5,200,169	5,790,082	5,984,921
Business tax	1,673,282	1,708,860	1,705,654
Property transfer tax	573,839	588,295	634,332
Other taxes	-	-	-
Unrestricted intergovernmental revenue	382,584	657,519	-
Proceeds from the sale of property	6,161,617	1,535,345	3,989,070
Miscellaneous Revenue	-	-	500,000
Unrestricted investment/interest earnings	1,595,797	931,529	1,342,253
Extraordinary item - RDA dissolution (1)	-	-	(25,137,438)
Extraordinary item - Asset transfer from Successor Agency (2)	-	-	-
Transfers	(123,548)	(121,293)	(146,207)
Total governmental activities	<u>88,256,736</u>	<u>79,917,025</u>	<u>52,793,941</u>
Business-type activities:			
Transfers	123,548	121,293	146,207
Total business-type activities	<u>123,548</u>	<u>121,293</u>	<u>146,207</u>
Total primary government	<u>\$ 88,380,284</u>	<u>\$ 80,038,318</u>	<u>\$ 52,940,148</u>
<b>Change in Net Position</b>			
Governmental activities	\$ 3,568,400	\$ 62,357	\$ (15,818,378)
Business-type activities	2,741,026	3,480,313	2,872,409
Total primary government	<u>\$ 6,309,426</u>	<u>\$ 3,542,670</u>	<u>\$ (12,945,969)</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 15 for more information on the dissolution.

(2) In fiscal year 2013-14, as directed by the California Department of Finance (DOF), 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

2013	2014	2015	2016	2017	2018	2019
\$ 14,829,441	\$ 15,568,174	\$ 16,142,673	\$ 16,952,325	\$ 17,874,024	\$ 18,724,121	\$ 19,635,884
9,772,778	10,090,869	10,641,639	11,139,579	11,606,510	12,168,229	12,701,511
25,197,744	27,497,621	29,664,075	25,721,479	29,136,957	30,230,035	31,310,487
3,162,291	3,528,776	3,921,765	4,671,343	4,538,143	4,750,931	5,081,257
6,204,829	6,649,679	6,936,019	6,689,427	6,473,304	6,600,816	6,749,345
1,840,690	1,793,854	1,940,876	2,009,687	2,000,963	2,053,459	2,082,845
734,488	850,572	988,600	1,194,435	1,075,442	1,060,355	1,041,157
-	17,298	28,832	29,306	26,998	30,302	27,830
121,989	-	53,361	54,339	59,298	69,197	62,495
1,378,420	378,435	-	-	-	12,479	153,254
-	135,240	178,120	59,877	1,142,403	10,015	17,903
91,728	1,318,781	1,189,635	1,606,973	(77,968)	136,904	6,742,997
-	-	-	-	-	-	-
-	4,611,540	43,428,316	-	-	-	-
60,108	14,338,221	-	-	11,433	(172,719)	(354,599)
<u>63,394,506</u>	<u>86,779,060</u>	<u>115,113,911</u>	<u>70,128,770</u>	<u>73,867,507</u>	<u>75,674,124</u>	<u>85,252,366</u>
(60,108)	-	-	-	(11,433)	172,719	354,599
(60,108)	-	-	-	(11,433)	172,719	354,599
<u>\$ 63,334,398</u>	<u>\$ 86,779,060</u>	<u>\$ 115,113,911</u>	<u>\$ 70,128,770</u>	<u>\$ 73,856,074</u>	<u>\$ 75,846,843</u>	<u>\$ 85,606,965</u>
\$ 6,661,473	\$ 30,452,929	\$ 44,141,409	\$ (6,950,925)	\$ (1,656,476)	\$ 335,762	\$ 12,434,016
6,033,959	3,083,441	7,415,923	6,538,265	5,456,061	5,707,090	9,409,509
<u>\$ 12,695,432</u>	<u>\$ 33,536,370</u>	<u>\$ 51,557,332</u>	<u>\$ (412,660)</u>	<u>\$ 3,799,585</u>	<u>\$ 6,042,852</u>	<u>\$ 21,843,525</u>

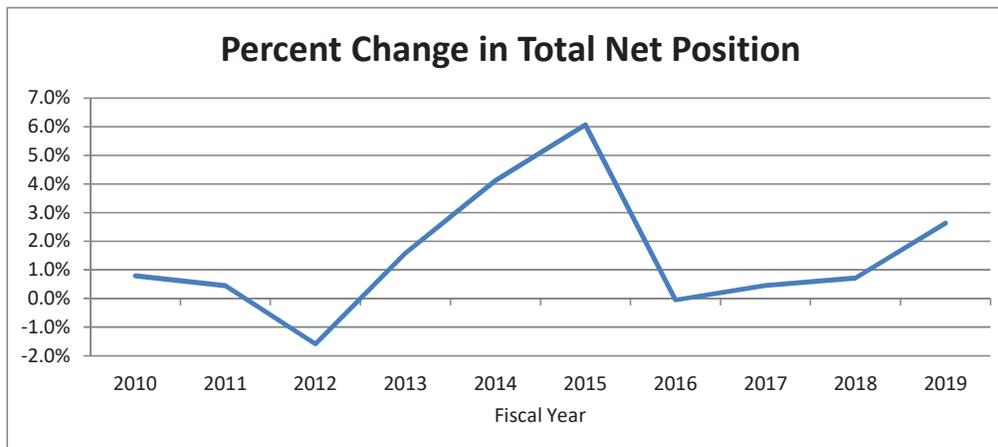


Table 3

**CITY OF THOUSAND OAKS**

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

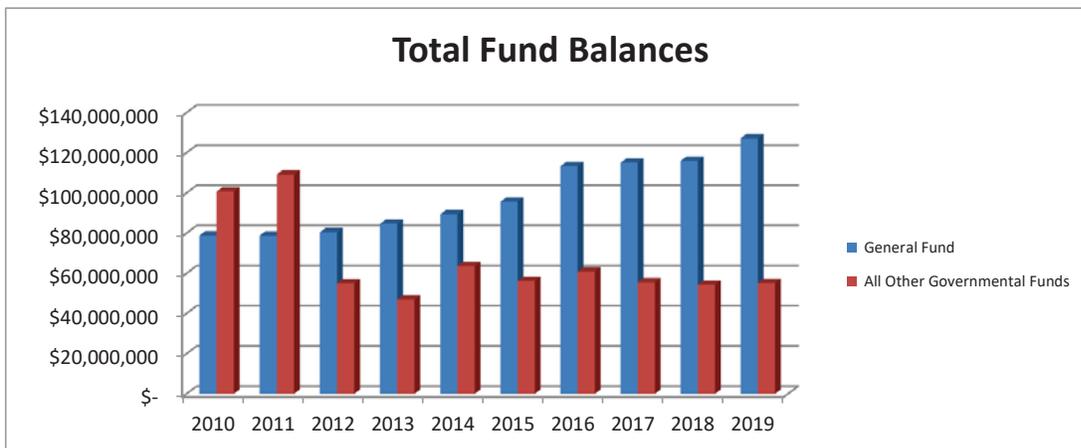
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	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>General Fund</b>				
Reserved	\$ 7,452,277	\$ -	\$ -	\$ -
Unreserved	71,441,836	-	-	-
Nonspendable	-	386,487	458,467	444,070
Restricted	-	-	-	-
Committed	-	30,382,360	29,133,665	32,150,306
Assigned	-	47,971,223	49,836,670	50,970,528
Unassigned	-	75,762	1,018,694	1,096,184
<b>Total General Fund</b>	<b>\$ 78,894,113</b>	<b>\$ 78,815,832</b>	<b>\$ 80,447,496</b>	<b>\$ 84,661,088</b>
<b>All other governmental funds</b>				
Reserved	\$ 35,259,948	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	18,554,270	-	-	-
Capital projects funds	46,906,091	-	-	-
Nonspendable	-	9,454,786	671,083	671,083
Restricted	-	65,811,852	33,496,970	25,270,524
Committed	-	16,273,358	1,484,061	1,643,144
Assigned	-	18,085,550	19,800,800	19,345,705
Unassigned	-	(383,659)	(404,032)	(38,159)
<b>Total all other governmental funds</b>	<b>\$ 100,720,309</b>	<b>\$ 109,241,887</b>	<b>\$ 55,048,882</b>	<b>\$ 46,892,297</b>

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



<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,925,151	3,945,620	3,911,863	2,236,692	2,269,250	2,317,357
-	-	-	-	-	18,222,316
30,679,785	41,296,049	36,627,164	49,360,297	40,743,359	37,881,913
53,756,465	48,584,436	62,654,198	61,225,142	72,064,828	68,175,670
1,033,728	1,878,673	2,399,689	2,317,700	1,000,000	615,196
<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>	<u>\$ 127,212,452</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
671,084	671,083	-	-	-	-
42,377,963	35,825,757	40,171,977	35,187,559	30,564,146	38,811,455
1,692,486	1,802,421	1,940,009	2,032,613	2,052,730	2,130,376
18,895,556	17,808,062	18,791,815	18,345,221	21,647,443	14,204,691
-	-	(26,699)	(54,303)	(7,040)	-
<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>	<u>\$ 55,146,522</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

	2010	2011	2012	2013
<b>Revenues</b>				
Taxes	\$ 76,920,440	\$ 78,791,255	\$ 69,974,247	\$ 61,184,148
Licenses and permits	4,319,610	4,829,204	5,044,995	5,101,683
Fines and forfeitures	1,356,890	1,245,879	1,252,050	1,170,876
Use of money and property	4,505,561	3,273,362	3,051,485	1,835,698
Charges for current services	9,876,944	9,660,891	10,758,658	11,047,312
Intergovernmental revenue	7,687,314	11,584,850	10,945,123	11,193,429
Other	3,271,990	2,325,759	3,719,494	1,970,848
Total revenues	107,938,749	111,711,200	104,746,052	93,503,994
<b>Expenditures</b>				
Current:				
General government	14,530,618	14,170,542	14,679,175	14,564,358
Public safety	26,684,654	26,999,458	27,622,423	27,336,083
Transportation	15,762,955	22,727,687	29,403,527	28,459,116
Community development	31,093,436	26,085,166	19,555,500	10,496,554
Culture and leisure	9,718,996	9,351,390	9,013,448	8,451,440
Debt service:				
Principal	4,560,000	4,875,000	4,910,000	520,000
Interest	4,034,636	3,585,683	2,090,329	637,312
Issuance cost	253,368	-	-	-
Payment to refunded bond escrow agent - prior	1,214,341	-	-	-
Capital outlay	3,416,204	6,846,658	14,535,378	7,081,193
Total expenditures	111,269,208	114,641,584	121,809,780	97,546,056
Excess (deficiency) of revenues over (under) expenditures	(3,330,459)	(2,930,384)	(17,063,728)	(4,042,062)
Other financing sources (uses)				
Extraordinary item (1)	-	-	(35,366,016)	-
Transfers in	8,428,849	7,159,053	8,167,067	5,271,869
Transfers out	(8,552,397)	(7,280,346)	(8,313,274)	(5,211,761)
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)	76,215	20,542	14,610	38,961
Special Item	-	-	-	-
Total other financing sources (uses)	1,383,506	(100,751)	(35,497,613)	99,069
Net change in fund balances	<u>\$ (1,946,953)</u>	<u>\$ (3,031,135)</u>	<u>\$ (52,561,341)</u>	<u>\$ (3,942,993)</u>
Debt service as a percentage of noncapital expenditures	8.1%	8.3%	7.5%	1.5%

## 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 15 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

2014	2015	2016	2017	2018	2019
\$ 65,652,130	\$ 66,697,613	\$ 70,964,086	\$ 70,353,513	\$ 74,014,030	\$ 77,555,321
5,858,997	6,424,536	7,189,317	6,766,102	7,098,983	6,490,525
1,201,226	1,138,646	1,047,754	1,070,992	1,226,704	1,000,774
3,664,767	3,084,840	4,405,485	1,362,034	1,808,784	8,724,718
11,051,746	11,411,961	11,943,215	13,522,017	13,388,778	12,553,890
16,588,309	8,685,090	8,291,953	5,520,776	5,749,365	8,899,698
3,003,278	2,204,224	2,120,846	2,590,830	5,495,691	2,617,982
<u>107,020,453</u>	<u>99,646,910</u>	<u>105,962,656</u>	<u>101,186,264</u>	<u>108,782,335</u>	<u>117,842,908</u>
15,237,607	17,193,554	17,734,964	17,984,450	20,549,299	18,738,211
28,007,014	28,629,008	28,756,519	33,281,120	31,123,639	32,143,045
26,492,614	30,645,163	25,023,202	23,217,710	20,901,692	23,047,091
11,704,339	9,588,092	12,868,799	9,824,408	10,361,447	10,336,754
8,704,663	9,321,044	9,891,599	9,896,139	13,118,303	9,754,875
535,000	560,000	580,000	600,000	630,000	650,000
621,712	656,969	597,755	559,040	528,206	505,812
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,098,366</u>	<u>4,385,257</u>	<u>2,143,483</u>	<u>1,740,264</u>	<u>5,754,757</u>	<u>10,312,975</u>
<u>100,401,315</u>	<u>100,979,087</u>	<u>97,596,321</u>	<u>97,103,131</u>	<u>102,967,343</u>	<u>105,488,763</u>
6,619,138	(1,332,177)	8,366,335	4,083,133	5,814,992	12,354,145
-	-	-	-	-	-
19,536,789	4,915,154	4,403,268	5,729,836	9,557,981	9,015,686
(5,198,568)	(4,915,154)	(4,403,268)	(5,718,403)	(9,730,700)	(9,370,285)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
447,243	112,061	6,291,579	86,339	12,479	24,712
-	-	-	-	-	-
<u>14,785,464</u>	<u>112,061</u>	<u>6,291,579</u>	<u>97,772</u>	<u>(160,240)</u>	<u>(329,887)</u>
<u>\$ 21,404,602</u>	<u>\$ (1,220,116)</u>	<u>\$ 14,657,914</u>	<u>\$ 4,180,905</u>	<u>\$ 5,654,752</u>	<u>\$ 12,024,258</u>
1.4%	1.4%	1.3%	1.3%	1.2%	1.3%

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	
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	-
2019	29,853,762,564	589,039,692	30,442,802,256	2,850,262,931	214,360,133	3,064,623,064	-

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 California State Supreme Court decision on Assembly Bill X1 26.

Source: Ventura County Auditor-Controller

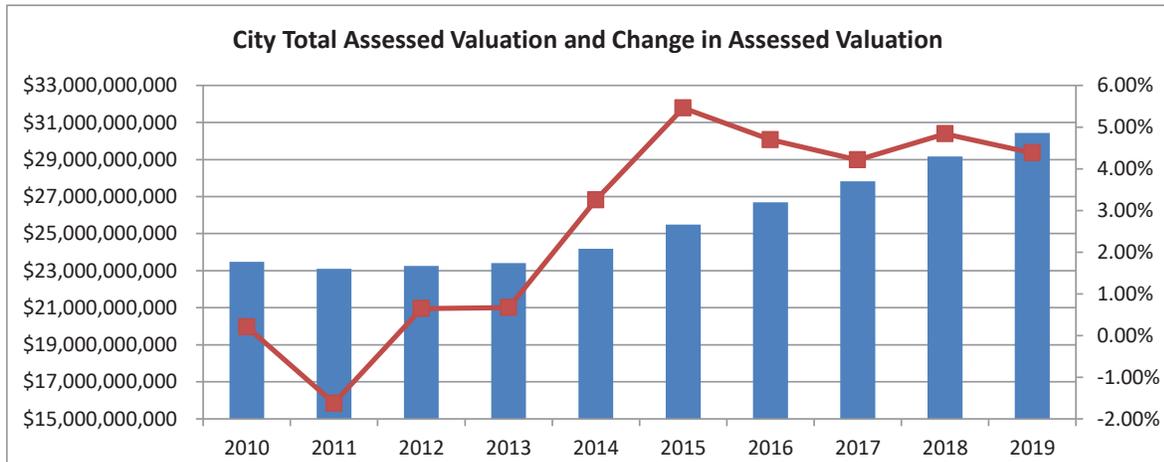


Table 6

**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)	
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
2019	-	1.000000	0.020900	0.015200	0.003500	1.039600

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

Taxpayer	2019			2010		
	Rank	Taxable Assessed Value (1)	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
AMGEN INC.	1	\$ 1,415,281,710	4.65%	1	\$ 1,206,751,016	5.14%
MACERICH OAKS LLC	2	357,287,357	1.17%	2	330,599,017	1.41%
BAXTER HEALTHCARE CORP.	3	258,694,650	0.85%	4	169,993,532	0.72%
LOS ROBLES HOSPITAL	4	211,237,132	0.69%	5	152,520,145	0.65%
UNIVERSITY VILLAGE TO CCRC LLC	5	169,698,036	0.56%		-	0.00%
ROIC CALIFORNIA LLC	6	127,761,120	0.42%		-	0.00%
DUESENBERG INVESTMENT CO.	7	126,226,772	0.41%	7	112,489,645	0.48%
ONE BAXTER WAY LP	8	110,000,000	0.36%	6	122,547,000	0.52%
WESTLAKE PARK PLACE INC	9	105,839,107	0.35%		-	0.00%
WOODLAKE MANOR LP	10	90,246,322	0.30%		-	0.00%
CONTINUING LIFE COMM TO LLC		-	0.00%	3	173,833,781	0.74%
WESTLAKE PLAZA CTR EAST LLC		-	0.00%	8	83,435,784	0.36%
SKYWORKS SOLUTIONS INC		-	0.00%	9	77,229,353	0.33%
REGENCY CENTERS LP		-	0.00%	10	70,679,114	0.30%
TOTAL		<u>\$ 2,972,272,206</u>	<u>9.76%</u>		<u>\$ 2,500,078,387</u>	<u>10.65%</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
2010	\$ 37,320,750	\$ 36,942,155	98.99%	\$ 79,635	\$ 37,021,790	99.20%
2011	35,517,611	35,219,996	99.16%	84,648	35,304,644	99.40%
2012	36,020,486	35,770,741	99.31%	82,138	35,852,879	99.53%
2013	35,541,638	35,311,933	99.35%	105,099	35,417,032	99.65%
2014	37,900,282	37,727,071	99.54%	173,211	37,900,282	100.00%
2015	39,875,934	39,710,082	99.58%	145,044	39,855,126	99.95%
2016	42,346,389	42,089,830	99.39%	29,400	42,119,230	99.46%
2017	45,148,364	44,555,401	98.69%	45,726	44,601,127	98.79%
2018	47,714,787	47,549,779	99.65%	165,008	47,714,787	100.00%
2019	49,936,497	49,766,021	99.66%	N/A	49,766,021	99.66%

Source: Ventura County Auditor-Controller

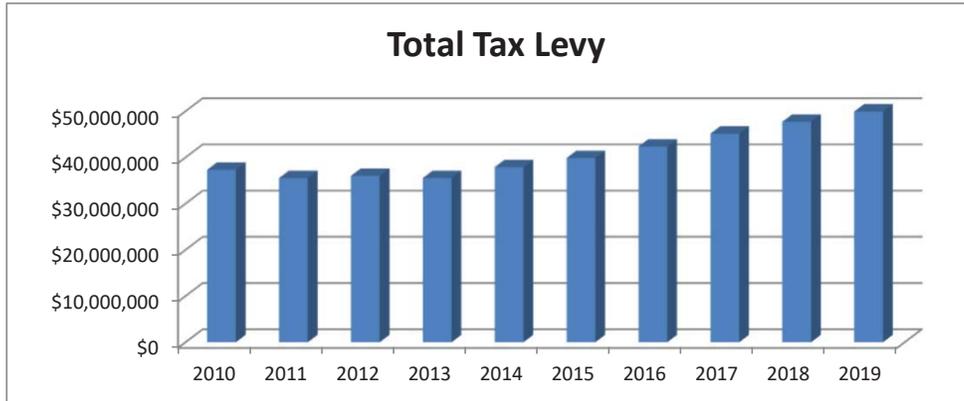


Table 9

**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>
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%
2019	-	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)
2009	\$118,606	\$ 176,490	\$ 94,405	\$ 246,060	\$ 102,600	\$ 575,477	\$ 151,680	\$ 412,056	\$ 515,029	\$2,392,403	-
2010	121,944	181,187	93,091	252,305	97,770	605,900	169,709	426,024	496,409	2,444,339	-
2011	126,624	186,051	92,876	267,174	99,785	633,027	206,485	439,468	516,963	2,568,453	-
2012	130,175	185,207	95,751	286,385	102,679	689,807	220,282	439,270	520,425	2,669,981	-
2013	135,135	185,757	97,931	301,340	110,826	723,102	213,980	452,188	510,048	2,730,307	-
2014	137,718	171,953	104,993	309,383	116,109	779,819	207,189	468,498	564,595	2,860,257	-
2015	134,786	172,903	108,512	324,856	124,378	857,268	175,810	479,729	620,102	2,998,344	-
2016	132,750	167,712	111,289	336,018	125,530	864,638	155,546	458,628	616,444	2,968,555	-
2017	128,375	156,234	111,916	351,554	134,877	941,618	171,230	461,621	687,962	3,145,387	-
2018	126,688	151,074	113,555	357,304	141,581	923,273	199,188	458,878	741,555	3,213,096	-

(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 2019 not available.

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

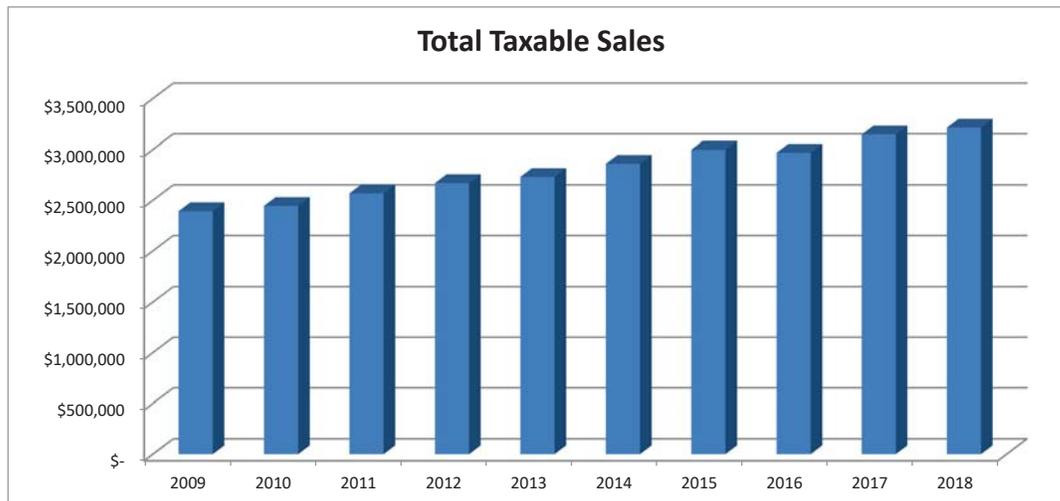


Table 11

**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)	Refunding Lease Revenue Bonds (3)
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
2019	-	-	11,348,748

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 California State Supreme Court decision on Assembly Bill X1 26. See Note 15 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 California State Supreme Court decision on Assembly Bill X1 26. See Note 15 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 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. These bonds were paid in full during fiscal year 2018-19.
- (6) See Table 16 for personal income and population data

Source: City of Thousand Oaks

<b>Business-type Activities</b>					
<b>Wastewater</b>	<b>Capital Lease (4)</b>	<b>Revenue Refunding Bonds (5)</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (6)</b>	<b>Debt Per Capita (6)</b>
\$ 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
7,619,364	409,610	-	19,377,722	0.3%	149.57

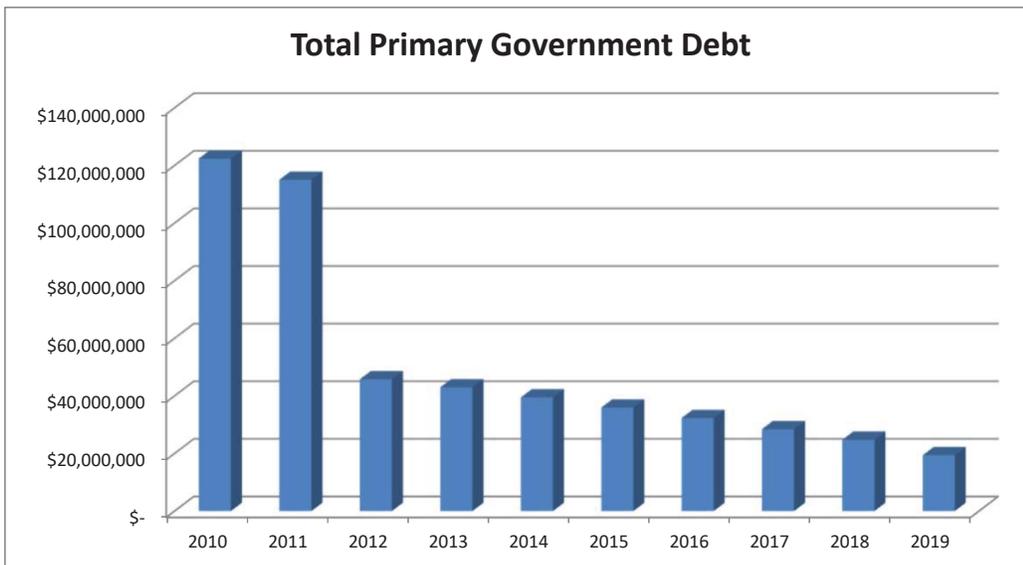


Table 12

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)
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
2019	11,348,748	-	11,348,748	0.04%	87.60

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 15 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, 2019

Jurisdiction	Net General Obligation Debt Outstanding	Percentage Applicable to City of Thousand Oaks (1)	Amount Applicable to City of Thousand Oaks June 30, 2019
<u>Overlapping Tax and Assessment Debt:</u>			
Metropolitan Water District	\$ 48,050,000	1.044 %	\$ 501,642
Ventura County Community College District	275,097,579	22.573 %	62,097,777
Conejo Valley Unified School District	94,534,279	90.301 %	85,365,399
City of Thousand Oaks Community Facilities Districts	19,299,000	100.000 %	19,299,000
<u>Overlapping General Fund Debt:</u>			
Ventura County General Fund Obligations	324,780,000	22.565 %	73,286,607
Ventura County Superintendent of Schools Certificates	9,220,000	22.565 %	2,080,493
Triunfo County Sanitation District Certificates of Participation	10,447,018	49.113 %	5,130,844
Subtotal overlapping and assessment debt			247,761,762
<u>City Direct Debt:</u>			
City of Thousand Oaks Revenue Lease Refunding Bonds	11,348,748	100.000 %	11,348,748
Subtotal direct debt			11,348,748
Total Direct and Overlapping Debt (2)			<u>\$ 259,110,510</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 866,528,344	\$ 872,161,962	\$ 872,161,962	\$ 878,029,725
Total net debt applicable to limit	<u>16,405,000</u>	<u>15,850,000</u>	<u>15,345,000</u>	<u>14,825,000</u>
Legal debt margin	<u>\$ 850,123,344</u>	<u>\$ 856,311,962</u>	<u>\$ 856,816,962</u>	<u>\$ 863,204,725</u>
Total net debt applicable to the limit as percentage of debt limit	1.89%	1.82%	1.76%	1.69%

Note:

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

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

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ 906,608,419	\$ 956,092,008	\$ 1,001,006,889	\$ 1,043,178,124	\$ 1,093,673,989	\$ 1,141,605,085
<u>14,290,000</u>	<u>13,730,000</u>	<u>13,150,000</u>	<u>12,550,000</u>	<u>11,920,000</u>	<u>11,348,748</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>	<u>\$ 1,130,256,337</u>

1.58%                      1.44%                      1.31%                      1.20%                      1.09%                      0.99%

**Legal Debt Margin Calculation for Fiscal Year 2018-19**

Assessed value	<u>\$ 30,442,802,256</u>
Debt limit (3.75% of total assessed value) (1)	1,141,605,085
Less net amount of debt applicable to debt limit	<u>11,348,748</u>
Legal debt margin	<u>\$ 1,130,256,337</u>

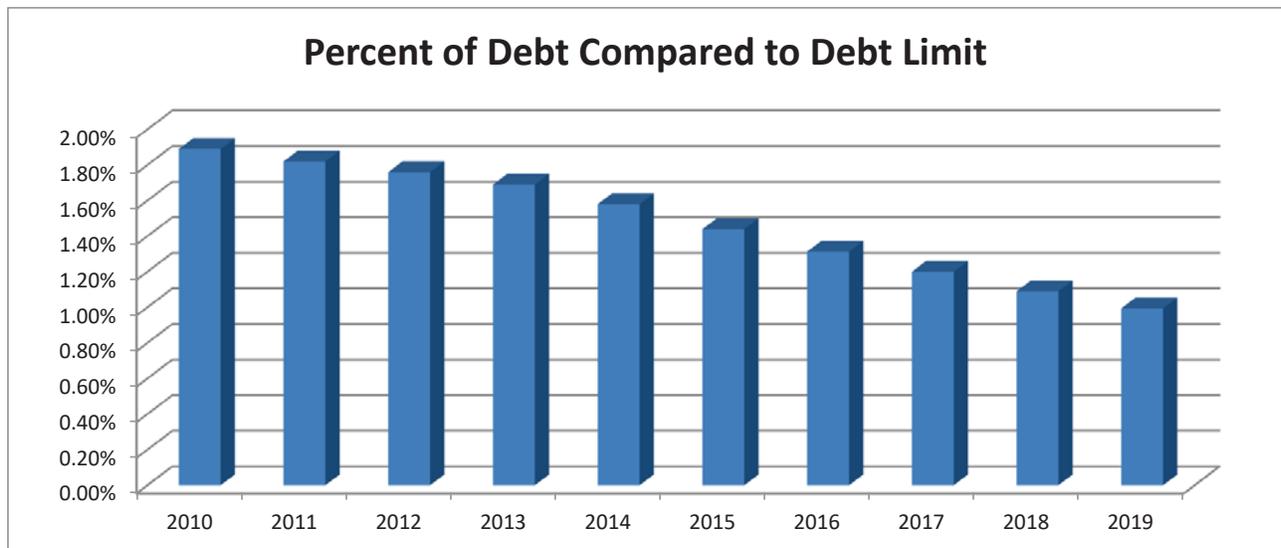


Table 15

**CITY OF THOUSAND OAKS**

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

Fiscal Year	Wastewater Revenue Refunding Bonds (6)					
	Gross Revenue(1)	Less: Operating Expenses(5)	Net Revenue Available for Debt Service	Debt Service		Coverage (2)
				Principal	Interest	
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
2019 (7)	23,076,241	15,244,005	7,832,236	2,705,000	42,244	2.85

Notes:

- (1) Gross revenue includes operating revenues, non-operating revenues, and operating transfers in.
- (2) Coverage reflects net revenue available divided by principal plus interest.
- (3) Issued two tax allocation bonds in fiscal year 2005-06 and one in fiscal year 2001-02.
- (4) The former Thousand Oaks Redevelopment Agency was dissolved as of February 1, 2012, through the California State Supreme Court decision on Assembly Bill X1 26. See Note 15 for more information on the dissolution.
- (5) Operating expenses do not include depreciation.
- (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.
- (7) The Revenue Refunding Bonds were paid in full in fiscal year 2018-19.

Source: City of Thousand Oaks

**Tax Allocation Bonds (4)**

<b>Property Tax Increment</b>	<b>Debt Service</b>		<b>Coverage (2)</b>
	<b>Principal (3)</b>	<b>Interest (3)</b>	
\$ 22,663,230	\$ 4,135,000	\$ 3,148,429	3.11
20,800,954	4,320,000	2,969,481	2.85
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Table 16

**CITY OF THOUSAND OAKS**

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

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>School Enrollment (1)</b>	<b>Unemployment Rate (2)</b>
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%
2019	129,557	7,152,010,214	55,204	18,440	2.3%

Notes:

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

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

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

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

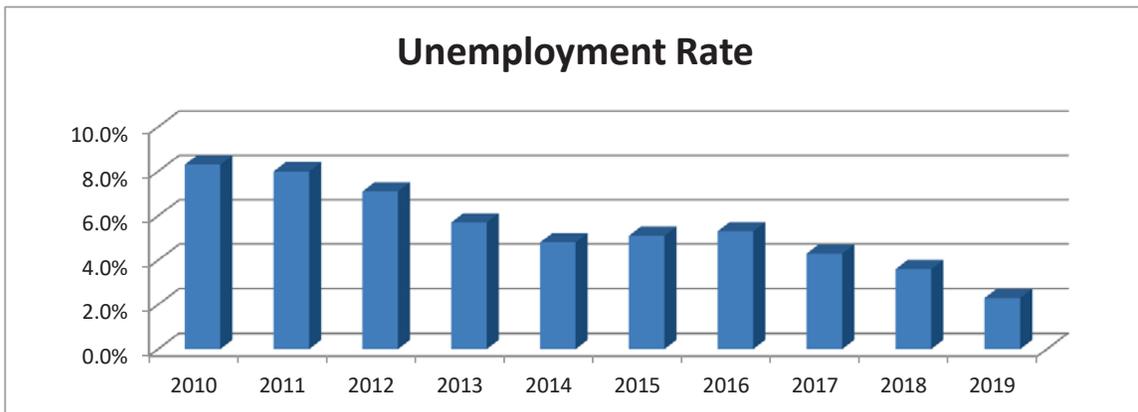


Table 17

**CITY OF THOUSAND OAKS**

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

<b>Employer</b>	<b>2019</b>			<b>2010</b>		
	<b>Rank</b>	<b>Employees</b>	<b>Percent of Total City Employment</b>	<b>Rank</b>	<b>Employees</b>	<b>Percent of Total City Employment</b>
Amgen Inc.	1	5,000	7.9%	1	6,600	9.3%
Conejo Valley Unified School District	2	3,200	5.1%	3	1,823	2.6%
Los Robles Regional Medical Center	3	1,543	2.4%	4	1,469	2.1%
Anthem Inc. (2)	4	1,002	1.6%	2	3,620	5.1%
California Lutheran University	5	1,117	1.8%	10	472	0.7%
Takeda (1)	6	700	1.1%	5	1,050	1.5%
Skyworks Solutions Inc.	7	670	1.1%	9	500	0.7%
PennyMac	8	643	1.0%		-	0.0%
City of Thousand Oaks	9	534	0.8%	7	623	0.9%
Sage Publications	10	477	0.8%		-	0.0%
Silver Star Automotive Group		-	0.0%	8	580	0.8%
Verizon		-	0.0%	6	717	1.0%
<b>Total</b>		<b>14,886</b>	<b>23.6%</b>		<b>17,454</b>	<b>24.5%</b>

Notes:

(1) Formally Baxter BioScience, Baxalta, and Shire

(2) Formally Anthem Blue Cross

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

Table 18

CITY OF THOUSAND OAKS

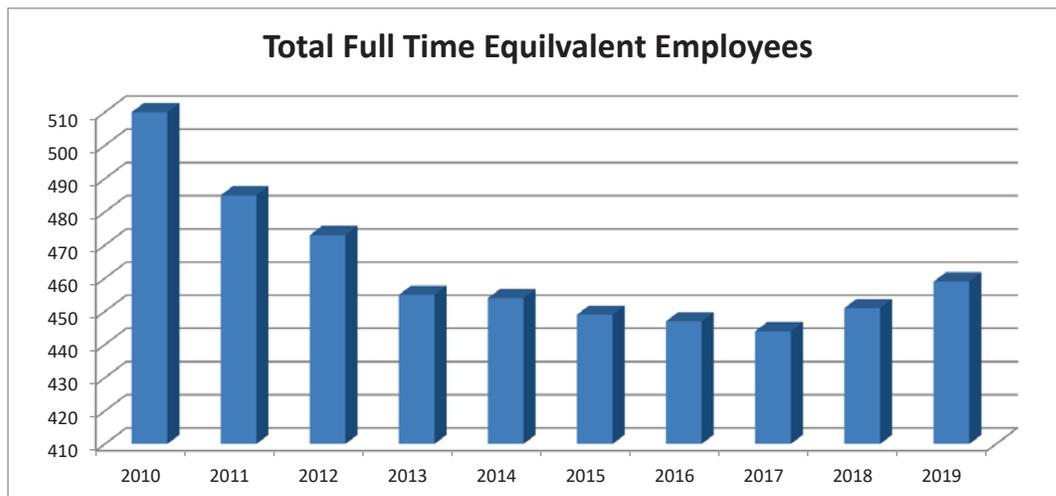
Full-time Equivalent City Government Employees by Function  
Last Ten Fiscal Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Central Administration	27	25	24	22	22	23	24	23	27	26
Finance	49	48	46	44	48	51	51	50	52	56
Legal	6	5	5	5	5	5	5	4	5	5
Police (1)	112	111	109	108	108	108	108	108	108	108
Community Development										
Building & Safety	29	27	20	18	17	18	19	20	16	16
Planning	32	27	32	27	26	23	25	25	25	26
Redevelopment (2)	5	5	0	0	0	0	0	0	0	0
Public Works										
Central Administration	81	80	83	78	74	72	73	75	74	73
Landscape	27	24	25	25	25	25	24	24	23	22
Streets & Highways	29	27	25	25	26	26	27	24	25	27
Wastewater	39	39	40	40	39	38	34	33	34	34
Water	10	13	12	12	12	13	12	16	17	16
Library	45	38	37	36	38	34	32	30	31	35
Cultural Affairs (3)	19	16	15	15	14	13	13	12	14	15
<b>Total (4)</b>	<b>510</b>	<b>485</b>	<b>473</b>	<b>455</b>	<b>454</b>	<b>449</b>	<b>447</b>	<b>444</b>	<b>451</b>	<b>459</b>

Notes:

- (1) The City contracts with the County of Ventura for police services.
- (2) The Agency was dissolved as of February 1, 2012, through the California State Supreme Court decision on Assembly Bill X1 26. See Note 15 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

<b>Function</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
General Government			
Business licenses	11,031	11,089	10,951
Building permits issued	1,777	2,017	2,216
Library			
Total volumes in collection	455,833	460,737	458,677
Police			
Physical arrests	3,034	2,852	2,829
Parking violations	5,186	4,176	5,487
Traffic violations	12,522	12,153	10,753
Highways and streets			
Potholes repaired	1,282	942	1,172
Streets repaved (miles) (1)	6.03	29.10	10.10
Water			
Services	16,907	16,924	16,974
Average daily consumption (gallons per household)	452.29	417.70	438.66
Gallons per day purchased from Calleguas Municipal Water District	10,601,420	9,804,111	10,397,607
Wastewater			
Services	37,873	37,921	38,053
Average daily sewage treatment (millions of gallons)	9.82	9.77	9.47

Notes:

(1) Street overlay only. No streets were repaved in fiscal years 2013-14, 2015-16 and 2018-19.

Source: City of Thousand Oaks

2013	2014	2015	2016	2017	2018	2019
11,746	11,685	11,784	12,226	11,772	12,264	11,650
2,373	2,941	3,040	3,197	2,865	2,717	2,753
461,448	466,965	452,307	432,615	408,598	402,010	391,368
2,753	3,129	2,733	2,962	2,939	3,134	3,021
5,325	4,469	3,811	3,716	3,559	3,733	2,838
10,576	9,613	9,127	10,617	8,361	10,182	7,718
623	1,312	606	317	248	342	232
8.99	0.00	7.35	0.00	24.36	51.40	0.00
16,995	17,020	17,054	17,088	17,180	17,191	17,208
454.00	479.00	412.00	332.00	336.00	381.80	350.52
10,876,296	11,419,977	9,616,188	8,006,750	8,287,315	9,269,388	8,484,116
38,130	38,165	38,194	38,241	38,352	38,365	38,389
9.17	8.93	8.47	7.61	8.29	7.94	8.52

Table 20

CITY OF THOUSAND OAKS

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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)	377	377	377	377	377	377	377	377	377	383
Streetlights (2)	7,841	7,829	7,836	7,846	7,845	7,861	7,886	7,936	7,954	7,919
Traffic signals (3)	137	137	140	144	154	154	154	154	154	157
Water:										
Water mains (miles) (4)	317	320	349	351	351	332	332	334	334	336
Fire hydrants (5)	1,964	1,964	1,965	1,970	1,967	1,982	1,984	1,976	2,006	2,005
Wastewater:										
Sanitary sewers (miles) (6)	560	563	409	409	413	415	415	415	409	415

Notes:

- (1) Fiscal year 2009-10 decrease is a result of an updated Pavement Management Study which revealed that 10 miles of local streets previously listed as City streets were actually private. Fiscal year 2018-19 increase is a result of an updated Pavement Management Study which revealed six miles of local streets were omitted on the previous study.
- (2) Fiscal year 2018-19 decrease due is a result of an updated inventory count provided by Southern California Edison.
- (3) Includes predestrian signals.
- (4) Fiscal year 2014-15 decrease due to deactivated water meters.
- (5) Includes privately owned hydrants representing less than 1.5% of hydrants citywide. Fiscal year 2016-17 decrease due to data corrections.
- (6) 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