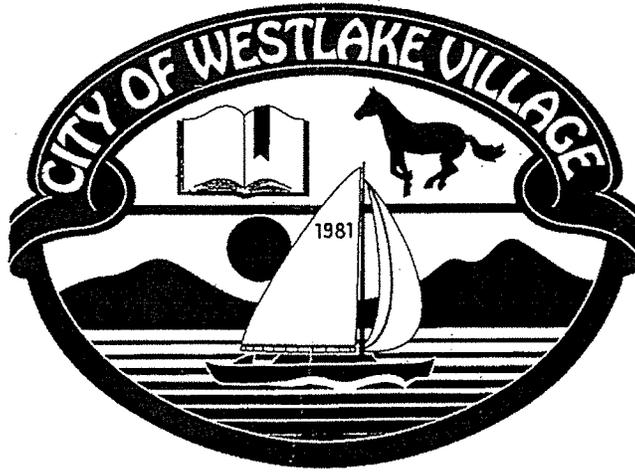


CITY OF WESTLAKE VILLAGE

California

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2013



CITY OF WESTLAKE VILLAGE

California

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2013

Prepared by:
Robert S. Biery
City Treasurer/Finance Officer

CITY OF WESTLAKE VILLAGE

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2013

(With Independent Auditor's Report Thereon)

CITY OF WESTLAKE VILLAGE
 Comprehensive Annual Financial Report
 June 30, 2013

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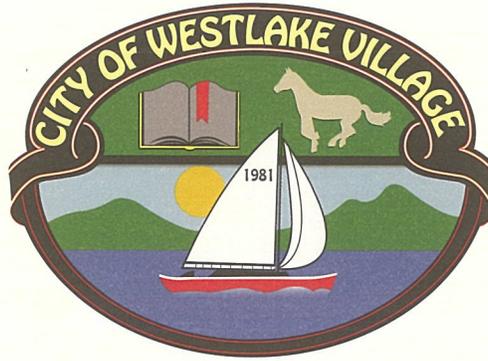
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MARK RUTHERFORD
Mayor

NED E DAVIS
Mayor Pro Tem

SUSAN McSWEENEY
Councilmember

PHILIPPA KLESSIG
Councilmember

BRAD HALPERN
Councilmember

December 27, 2013

The Citizens
City of Westlake Village:

The Comprehensive Annual Financial Report (CAFR) of the City of Westlake Village (the City) for the fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All material, statements and disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

City Management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

This report has been prepared according to the Government Accounting Standards Board (GASB) Statement No. 34 – *Basic Financial Statement and Management's Discussion and Analysis for Standard Local Governments*. This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it.

This report includes all funds of the City. The City provides a full range of services. These services include police protection; public services; the construction and maintenance of highways, streets, and infrastructure; recreational facilities and activities; and cultural events.

The Reporting Entity and its Services

The City is a general law municipality operating on a contract basis in which day to day services of local government are provided through contracts with Los Angeles County and private organizations. The City's elected officials have a continuing financial accountability over its component entity, the Westlake Village Library Financing Corporation, a nonprofit benefit corporation. The City Council appoints the governing board of the Corporation, and as such has a continuing financial accountability over the Corporation. Accordingly, the Corporation's activities are included in the City's reporting entity.

The residents of Westlake Village elect a five-member City Council to oversee the City's operations and to guide the future development of the community. Council members are elected at large for overlapping four-year terms. Each year the Council selects two of its members to serve as Mayor and Mayor Pro Tem. The Council appoints a City Manager to supervise daily City operations and contract services. The Council also acts as the Planning Commission.

The City Manager initiates the preparation of the annual budget in March. Council workshops are held to discuss priorities, programs and projects for staff direction. The budget is adopted by Council in June prior to the beginning of the fiscal year July 1st. City Council approves appropriations at the department and fund level and may amend the budget at any time during the fiscal year by motion. The level of budgetary control is at the overall fund level. The City Manager and selected management staff are responsible for maintaining expenses within category levels approved by City Council.

Economic Condition and Outlook

The City of Westlake Village is located in the northwestern part of Los Angeles County, thirty-eight miles northwest of downtown Los Angeles. Incorporated on December 11, 1981, the City has a population of approximately 8,341 with a total land area of 5.4 square miles. As an indication of the economic vitality of Westlake Village, incomes throughout the City are substantially higher than statewide, with a current estimated median household income of \$113,852 compared to the Statewide average of \$61,632. The City's population has one of the highest percentages of college graduates in the state. Over 60 percent of the population 25 years and over has a high degree of educational attainment (Bachelors and over), which is a potential draw for technical/professional industries seeking a skilled labor force. The City's property tax base totals \$2.81 billion in 2013 and the estimated median single family residential value is \$650,000. The tax base is also diverse, with the 10 leading taxpayers accounting for 17.63% of total assessed value (AV).

The City has felt the impacts of the recent economic recession, however, the employment picture in Westlake Village is stable. While county unemployment figures are 10.2%, the unemployment rate for Westlake Village is 5.5%. Professional, Scientific and Technical and Finance and Insurance forms the largest sectors in the City. The highly educated work force can conveniently travel to such areas as the Los Angeles Civic Center, the Wilshire financial district, the South Bay, and the San Fernando Valley. Westlake Village has a large and diversified business community.

Shopping centers are conveniently located and contain a wide variety of items. The area's industrial base is classified as "high tech." Within a 15-mile radius of Westlake Village are a host of high-tech manufacturers, R&D firms, corporate headquarters, including Dole Food Company, K-Swiss, Guitar Center and Bank of America to name just a few businesses. Westlake Village is an actual net importer of jobs; its local diversified employment base offers roughly 8,440 jobs for its population of 8,341. Leading employers include Bank of America (650 employees), Four Seasons Hotel (500), Move, Inc. (385), iPayment, Inc. (355), and Dole Foods (335). There are also many peripheral computer organizations and print-oriented businesses. Thus the prospects of relatively stable employment opportunities remain for our residents.

Total sales tax increased from about \$3.18 million in 2012 to \$3.68 million in 2013. Per capita taxable sales in 2013 averaged an estimated \$43,700 per capita, a higher level than in any of the nearby cities.

Population growth is essentially limited to in-fill only as the City is primarily built out with few remaining undeveloped parcels of land available for housing development. The population of the City is expected to expand to approximately 8,500. Since the City has an excellent balance between houses and jobs, economic stability is expected to be maintained even with a limited population growth.

Westlake Village's financial performance has been very strong. For 2013, general fund operating revenues exceeded operating expenditures by \$3.28 million. Included in fund balance are restricted funds of \$1.0 million, committed funds of \$1.8 million and unassigned funds of \$14.0 million available for contingencies and capital projects. The outlook reflects the expectation of continued strong financial performance with high general fund balances, along with manageable debt needs in the foreseeable future.

Major Initiatives

Since incorporation, the City Council has been able to set aside funding for capital improvement projects. Although incorporated in 1981, the development of the community began in the late 1960's. The City Council realized that the streets and sidewalks would need major improvements and maintenance; hence, an on-going three to five-year plan was devised. Since these programs were anticipated, the money was already established in a special fund for the improvements. A review of the capital outlay category reflects how these expenditures were made. These aforementioned improvements allow the City to maintain the quality of streets and sidewalk infrastructure.

Although largely built out, the City has identified a handful of potential new capital projects as a result of a strategic and capital planning initiative. A community park facility, and some major road improvements estimated to cost \$32 million in total are proceeding. These projects are expected to be funded from a variety of sources, including existing reserves, future surpluses, and a bond financing debt issue. Debt levels are manageable, with overall net overlapping debt per capita levels at \$7,813, and overall net debt on a market value basis at 2.32% of market value.

The City is a contract city, which contracts with various public and private entities for services as needed. Therefore, it can expand to meet its needs through contracts. The City has a staff of ten full-time employees to handle most of the day-to-day needs.

Police programs remained constant during the year; however, the increased programs implemented over the last several years through the Sheriff's Department continued to have a positive influence in this community. The City also continued its responsibilities for the administration of the Landscaping and Lighting Districts. The special assessments and the portion of the property taxes recorded for these programs are received by the City and defray the costs for the provision of services associated with these two special districts.

In 2002, the City completed construction on a permanent City Hall and Library totaling approximately 26,000 square feet at the southeast corner of Agoura Road and Oak Crest Drive. The project was completed and officially opened to the public in early 2002. Financing for the new buildings included a combination of bonds (Certificates of Participation) and a contribution from the City's General Fund reserves.

Other Information

Independent Audit

The City Council requires an annual audit by independent certified public accountants. The accounting firm of Moss, Levy & Hartzheim, LLP was selected by the City Council. Their report is included in the financial section of this report.

Awards

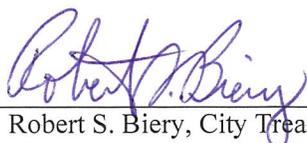
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the twenty sixth consecutive year that the City has received this prestigious 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 accounting principles generally accepted and applicable legal requirements.

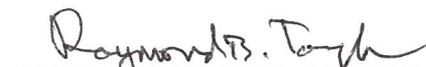
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

In closing, we would like to note that without the leadership and support of the City Council and the City Manager, the cooperation of the various departments and our auditors, Moss, Levy & Hartzheim, LLP, preparation of this report would not have been possible. Also, special thanks to Cindy Borchard, Deputy Finance Officer, Jay Siegel, CPA and Hadley Hui, CPA, for their extensive work in the preparation of this report.

Respectfully submitted,


Robert S. Biery, City Treasurer


Raymond B. Taylor, City Manager

CITY OF WESTLAKE VILLAGE

City Officials

City Council

PHILIPPA KLESSIG

MAYOR

ROBERT SLAVIN

MAYOR PRO TEM

NED DAVIS

COUNCIL MEMBER

SUSAN McSWEENEY

COUNCIL MEMBER

MARK RUTHERFORD

COUNCIL MEMBER

Administrative Officials

RAYMOND B. TAYLOR

CITY MANAGER

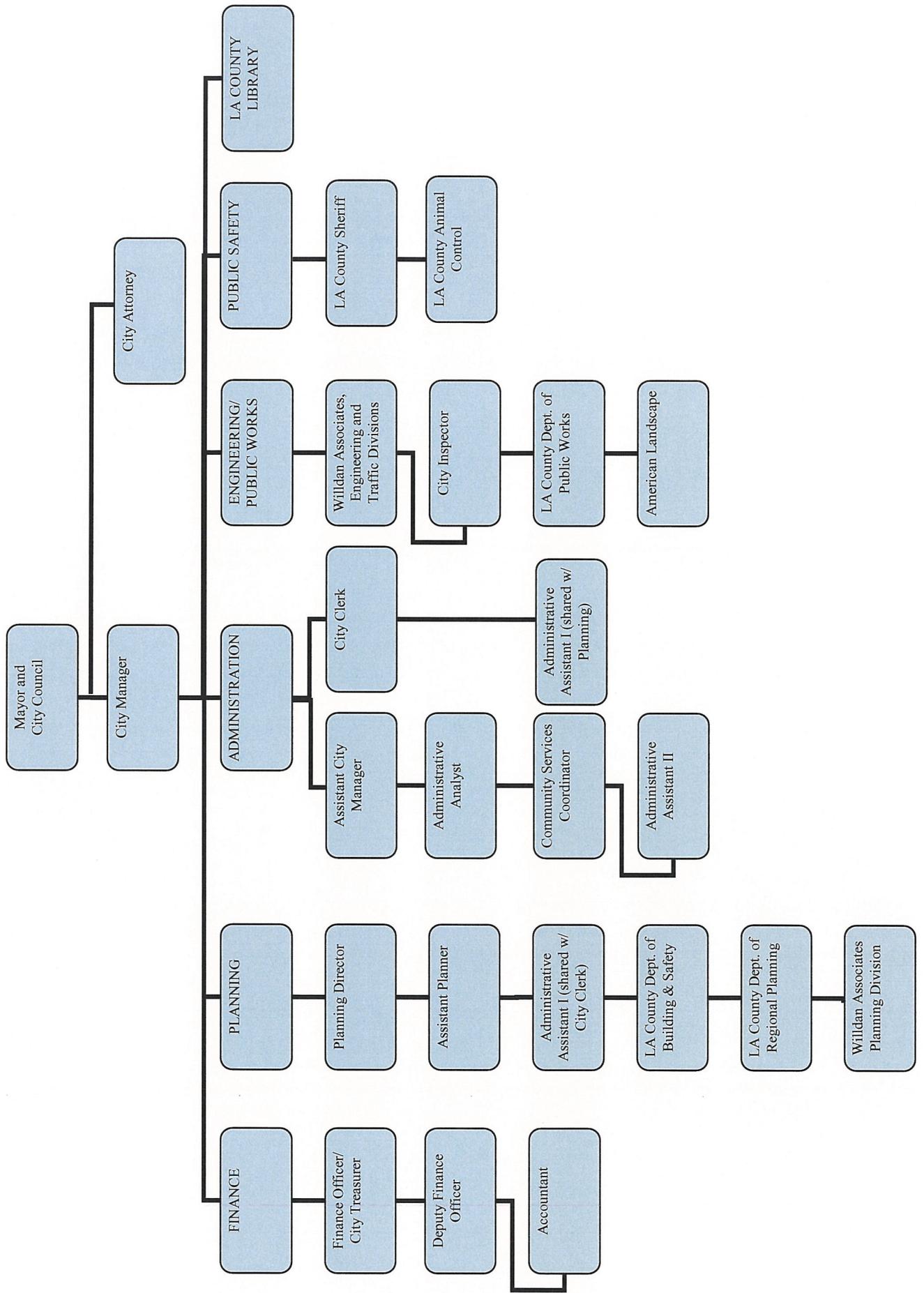
ROBERT S. BIERY

CITY TREASURER

TERENCE BOGA

CITY ATTORNEY

CITY OF WESTLAKE VILLAGE ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**City of Westlake Village
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

FINANCIAL SECTION



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

433 NORTH CAMDEN DRIVE, SUITE 730
BEVERLY HILLS, CA 90210
TEL: 310.273.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 HANNUM, SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

Independent Auditor's Report

To the Honorable Mayor and Members
of the City Council of the City of Westlake Village
Westlake Village, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Westlake Village, California (City) as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 1 of the notes to the basic financial statements effective July 1, 2012, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60 – *Accounting and Financial Reporting for Service Concession Arrangements*, GASB Statement No. 61 – *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and GASB Statement No. 63 – *Financial*

Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. 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 on pages 3 through 10, the budgetary comparison schedules for the General Fund and the Arterial System special revenue fund, and schedule of funding progress – other post - retirement health care benefits plan on pages 39 through 41 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

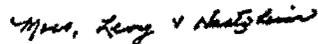
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s financial statements as a whole. The Introductory Section, Debt Service Fund Budgetary Comparison Schedule, Combining Financial Statements and Budgetary Comparison Schedules of the Non-major Governmental Funds, Agency Fund financial statement, and the Statistical Section listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Debt Service Fund Budgetary Comparison Schedule, Combining Financial Statements and Budgetary Comparison Schedules of the Non-major Governmental Funds, and Agency Fund financial statement are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 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 Debt Service Fund Budgetary Comparison Schedule, Combining Financial Statements and Budgetary Comparison Schedules of the Non-major Governmental Funds, and Agency Fund financial statements are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2013, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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.



Moss, Levy & Hartzheim, LLP
Culver City, California
December 27, 2013

CITY OF WESTLAKE VILLAGE
Management's Discussion and Analysis
June 30, 2013

Introduction

This section of the City's Annual Financial Report provides a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with their reading of the City's financial statements beginning on page 11.

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34). GASB 34 established new financial reporting standards for state and local governments throughout the United States. The new requirements not only restructure the format of information traditionally presented in the annual report, but also create new information that must be presented. The purpose of this reporting model is to make annual reports more comprehensive and easier to understand.

The 2012-13 fiscal year is the tenth year the City transitioned into this reporting format.

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 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 liabilities, with the difference between the two 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 most recent 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, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The *governmental activities* of the City include general government, public safety, public services, parks and recreation, and interest on long-term debt. While some governmental agencies have governmental and business-type activities, the City of Westlake Village records all activities under governmental activities.

CITY OF WESTLAKE VILLAGE
Management's Discussion and Analysis
June 30, 2013

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund Financial Statements. A fund is a grouping 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. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental 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 fund 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 this fiscal year. Such information may be useful in evaluating the City'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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund 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 three (3) major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Arterial System Special Revenue Fund, and Debt Service Fund. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements in the nonmajor governmental funds section* of this report.

The City adopts an annual appropriated budget for the General and Special Revenue funds. A budgetary comparison is provided for all funds with an annually adopted budget. The budgetary comparison statement for the General Fund and Arterial System Special Revenue Fund are located in the basic financial statements on pages 39 and 40. The budgetary comparison for the Debt Service Fund is located in the Supplementary Information section of the report. The nonmajor governmental fund budgetary comparisons are located in the *Nonmajor Governmental Funds* section of the report. The basic governmental fund financial statements can be found on pages 13 through 16 of this report.

Proprietary Funds. The City maintains no proprietary funds.

Fiduciary Funds. 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 of Westlake Village's own programs. The City reports only one fiduciary fund and it is an Agency Fund.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18 through 38 of this report.

CITY OF WESTLAKE VILLAGE
Management's Discussion and Analysis
June 30, 2013

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to basic financial statements. Combining and individual fund statements and schedules can be found on pages 43 through 62 of this report.

Government-Wide Financial Analysis

Statement of Net Position

Net position is a good indicator of the City's financial position. As of June 30, 2013, the net position of the City was \$39.9 million, which is an increase of \$75,946 from the prior fiscal year.

Summary of Net Position

June 30, 2012 and June 30, 2013

	Governmental activities	
	6/30/12	6/30/13
Assets:		
Current and other assets	\$ 20,928,284	\$ 22,274,507
Capital assets	37,342,906	35,930,919
Total assets	58,271,190	58,205,426
Liabilities:		
Current and other liabilities	2,188,046	2,133,653
Long-term liabilities	16,271,434	16,184,117
Total liabilities	18,459,480	18,317,770
Net assets:		
Invested in capital assets, net of related debt	30,133,189	28,867,144
Restricted – Debt service	968,283	969,327
Public services	87,035	1,119,509
Streets and roads	426,748	669,238
Public safety	8,935	8,960
Lighting and landscaping	665,527	645,014
Unrestricted	7,521,993	7,608,464
Total net assets	\$ 39,811,710	\$ 39,887,656

CITY OF WESTLAKE VILLAGE
Management's Discussion and Analysis
June 30, 2013

Summary of Changes in Net Position

Fiscal Years Ended June 30, 2012 and June 30, 2013

	Governmental activities	
	6/30/12	6/30/13
Revenues:		
Program revenues:		
Charges for services	\$ 1,699,756	\$ 2,170,087
Operating grants and contributions	5,691,977	2,505,241
General revenues		
Property taxes	1,872,718	2,199,796
Sales taxes	3,235,291	3,601,641
Utility franchise fees	388,064	388,266
Transient occupancy taxes	2,613,480	2,623,291
Motor vehicle in-lieu of taxes	734,362	715,125
Investment earnings	47,767	56,155
Total revenues	16,283,415	14,259,602
Expenses:		
General government	2,862,096	2,770,018
Public safety	2,071,972	2,161,829
Public services	9,356,797	6,201,329
Parks and recreation	1,156,770	2,338,716
Interest on long-term debt	719,439	711,764
Total expenses	16,167,074	14,183,656
Increase (decrease) in net assets	116,341	75,946
Net assets, beginning of fiscal year	39,695,369	39,811,710
Net assets, end of fiscal year	\$ 39,811,710	\$ 39,887,656

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by \$39,887,656 at June 30, 2013. Sales taxes improved with the addition of new businesses and property tax receipts also improved due to repayment from a loan to the State. Operating grants and contributions decreased primarily due to a large construction grant that was received last year.

A large portion of the City's net assets, \$28,867,144, reflects its investment in capital assets (e.g., land, buildings, infrastructure, office furniture, and equipment, and the like), less depreciation and less any related debt used to acquire those assets that are still outstanding. 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 its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not normally used to liquidate these liabilities.

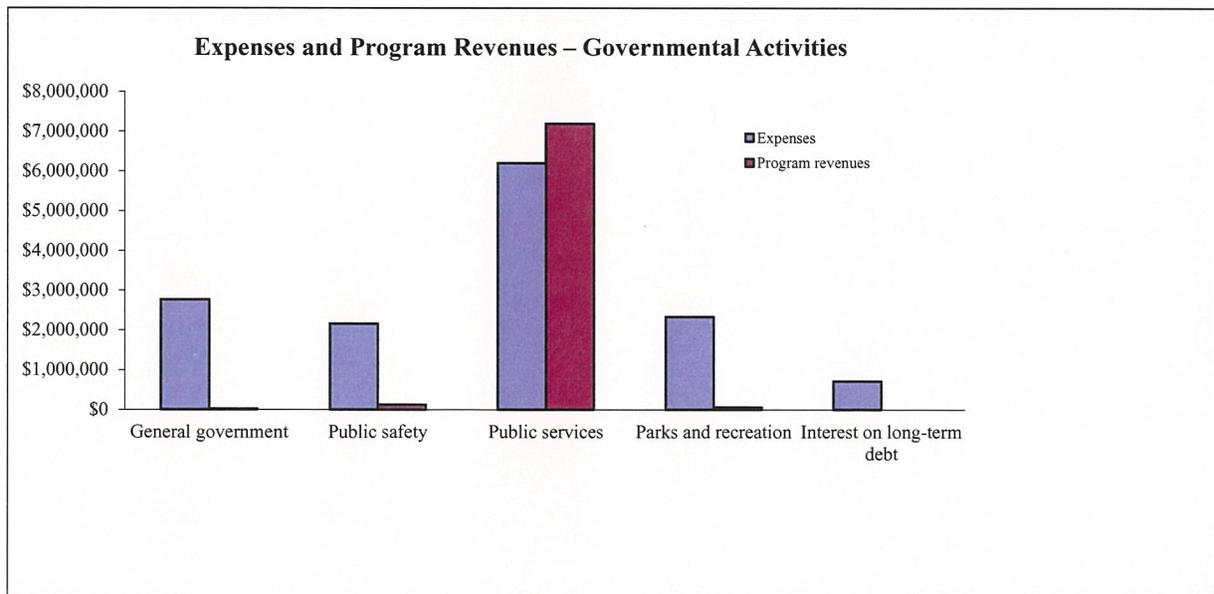
CITY OF WESTLAKE VILLAGE
Management's Discussion and Analysis
June 30, 2013

Another portion of the City's net assets represent resources that are subject to external restrictions on how they may be used, which is \$969,327 for repayment of long-term debt, \$1,119,509 for public services, \$669,238 for streets and roads, \$8,960 for public safety, and \$645,014 for lighting and landscaping.

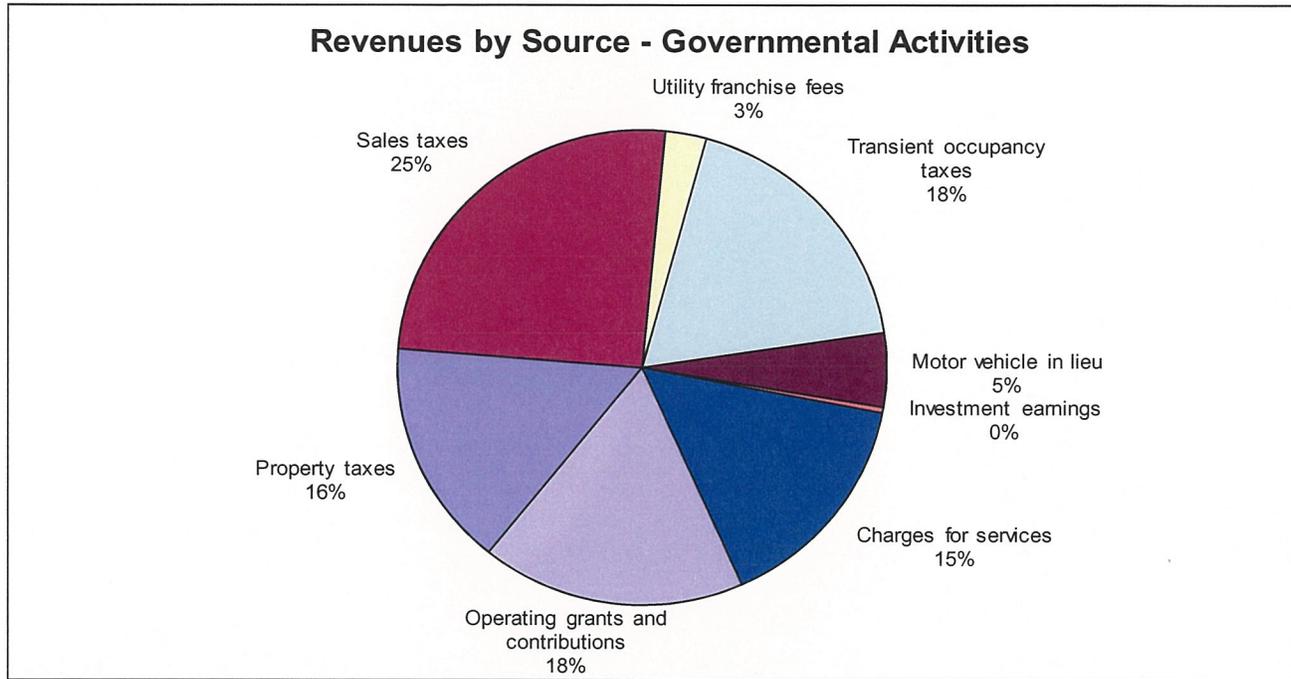
The remaining portion of the City's net assets is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. At June 30, 2013 unrestricted net assets totaled \$7,608,464.

The City's net assets increased by \$75,946 during the fiscal year. Key elements of this increase are as follows:

- Total governmental funds revenues for fiscal year 2013 was \$15,726,260
- Total governmental funds expenditures for fiscal year 2013 was \$12,793,472
- Thus provided a net increase in fund balances of \$2,932,788 as of June 30, 2013
- Capital project expenditures less current year depreciation and prior year non-capitalized less depreciation (decrease of \$1,411,987); deferred income (decrease of \$1,516,658); net decrease long-term liabilities (decrease of \$71,803) during fiscal year 2013, provides a net decrease to net assets of \$2,856,842.
- With the increase in fund balances of \$2,932,788 and the decrease in net assets of \$2,856,842, the total change in net assets is an increase of \$75,946 for fiscal year 2013.



CITY OF WESTLAKE VILLAGE
Management's Discussion and Analysis
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Financial Analysis of the City's 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 may be useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,204,807, an increase of \$2,932,788 in comparison with the prior fiscal year. Of the \$19.2 million in fund balances at fiscal year end 2012-13, \$3,457,211 is Restricted to indicate that it is not available for appropriation because it had already been restricted for a variety of purposes. \$1,811,336 is Committed for specific capital projects and building replacement. The remaining unassigned \$13,936,260 is available for spending at the government's discretion.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was \$16,881,078, with \$1,020,831 Restricted, \$1,811,336 Committed and the remaining \$14,048,911 Unassigned. As a measure of General Fund liquidity, it may be useful to compare the total fund balance to total fund expenditures. At June 30, 2013, fund balance was 186% of total General Fund expenditures and transfers out of \$9,060,355.

CITY OF WESTLAKE VILLAGE

Management's Discussion and Analysis

June 30, 2013

The Arterial System Finance Program (ASFP) Fund utilizes monies, received from developers for future improvements of certain roads and highways. The Arterial System fund currently has a fund balance of \$281,611. Taken as a whole, the Nonmajor Governmental Funds (Special Revenue Funds) decreased fund balance by \$59,700 for 2012-13, as compared to an increase of \$62,304 in 2011-12. The 2012-13 decrease relates to an increase in various street and road improvement projects.

General Fund Budgetary Highlights

The General Fund budget to actual report can be found on page 39. Increases between the original budget and the final amended budget were \$119,149 due to the addition of minor capital projects.

Year-to-date revenue totaled \$10.7 million, representing 120% of the annual budget with 100% of the budget year completed. Total General Fund revenues were more than their budget amounts by \$1,804,080. The major increases were in sales taxes and licenses and permits due to a new commercial development. Total revenue for 2012-13 was more than total revenue for 2011-12 by \$733,335.

General Fund expenditures and transfers out totaled \$9.1 million, which was \$2.9 million less than the final annual budget, which totaled \$12.0 million.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental activities amounts to \$35,930,919 (net of accumulated depreciation of \$27,443,149) as of June 30, 2013. This investment in capital assets includes land, buildings and structures, infrastructure, furniture and equipment, and land improvements.

**Capital Assets
(Net of Accumulated Depreciation)
As of June 30, 2012 and June 30, 2013**

	Governmental activities	
	<u>6/30/12</u>	<u>6/30/13</u>
Land	\$ 5,017,999	\$ 5,017,999
Buildings and improvements	6,866,464	6,669,991
Equipment	310,977	141,268
Office furniture	3,664	16,581
Parks	2,722,986	2,707,779
Infrastructure:		
Sewers	362,737	335,701
Streets	14,202,459	13,577,909
Storm Drains	501,189	491,063
Curbs/Gutters/Sidewalks	1,048,617	971,441
Bridges	603,440	575,080
Traffic signals	550,215	491,839
Medians	5,152,159	4,934,268
Total	<u>\$ 37,342,906</u>	<u>\$ 35,930,919</u>

CITY OF WESTLAKE VILLAGE
Management's Discussion and Analysis
June 30, 2013

Additional information on the City's capital assets can be found in notes to the basic financial statements on page 27 of this report.

Major capital asset events during the current fiscal year included the following:

Governmental Activities

- Significant freeway interchange project \$1.01 million, street overlay and landscaping projects \$0.39 million, and park project \$1.02 million.

Debt Administration. At the end of the current fiscal year, the City had total long-term debt outstanding of \$14,985,000 which represents certificates of participation issued for the purchase of land, and the construction of the City hall and library complex on the land and the development of a park site.

Outstanding Debt

As of June 30, 2012 and June 30, 2013

	Governmental activities	
	6/30/12	6/30/13
Long term indebtedness:		
Certificates of participation	\$ 15,310,000	\$ 14,985,000
	\$ 15,310,000	\$ 14,985,000

Additional information on the City of Westlake Village's long-term debt can be found in note 5 (page 28) of this report.

Next Year's Budget

The General fund operating budget for fiscal year 2013-2014 was increased by 2.30% from the previous year. Salary and benefits are estimated to adjust upward by 6.27%. A large capital project is anticipated to be completed. It is anticipated that the City will remain in good financial condition throughout the fiscal year and beyond.

Request for Information

This financial report is designed to provide a general overview of the City's finances for readers of the financial statements. Questions concerning any of the information in this report or request for additional financial information should be addressed to the City Treasurer, 31200 Oak Crest Drive, Westlake Village, CA 91361. This report is also available online at the City's website at www.wlv.org.

BASIC FINANCIAL STATEMENTS

CITY OF WESTLAKE VILLAGE

Statement of Net Position

June 30, 2013

	Governmental activities
Assets	
Cash and investments (note 2)	\$ 17,021,668
Restricted cash held with fiscal agent (note 2)	2,044,281
Due from other governmental units	2,388,967
Accounts and interest receivable	359,573
Notes receivable	31,293
Deferred charges, net	428,725
Capital assets (note 4):	
Nondepreciable	5,017,999
Depreciable, net	30,912,920
Total assets	<u>58,205,426</u>
Liabilities	
Accounts payable and accrued liabilities	2,079,530
Accrued interest payable	54,123
Noncurrent liabilities (note 5):	
Due within one year	477,400
Due in more than one year	15,706,717
Total liabilities	<u>18,317,770</u>
Net Position	
Net investment in capital assets	28,867,144
Restricted for:	
Debt service	969,327
Public services	1,119,509
Streets and roads	669,238
Public safety	8,960
Lighting and landscaping	645,014
Unrestricted	7,608,464
Total net position	<u>\$ 39,887,656</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WESTLAKE VILLAGE

Statement of Activities

Fiscal Year Ended June 30, 2013

		<u>Program revenues</u>		Net (expense) revenue and changes in net position
	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Governmental activities</u>
Function/program activities:				
Governmental activities:				
General government	\$ 2,770,018	\$ 12,055	\$ —	\$ (2,757,963)
Public safety	2,161,829	17,140	100,025	(2,044,664)
Public services	6,201,329	2,113,519	2,384,763	(1,703,047)
Parks and recreation	2,338,716	27,373	20,453	(2,290,890)
Interest on long-term debt	711,764	—	—	(711,764)
Total governmental activities	<u>\$ 14,183,656</u>	<u>\$ 2,170,087</u>	<u>\$ 2,505,241</u>	<u>(9,508,328)</u>
General revenues-unrestricted:				
Taxes:				
Property taxes				2,199,796
Sales taxes				3,601,641
Utility franchise fees				388,266
Transient occupancy taxes				2,623,291
Motor vehicle in-lieu of taxes, for general purpose				715,125
Investment earnings				56,155
Total general revenues				<u>9,584,274</u>
Change in net position				75,946
Net position, beginning of fiscal year				<u>39,811,710</u>
Net position, end of fiscal year				<u>\$ 39,887,656</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WESTLAKE VILLAGE

Balance Sheet

Governmental Funds

June 30, 2013

Assets	General Fund	Arterial System Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and investments (note 2)	\$ 15,667,268	\$ —	\$ —	\$ 1,354,400	\$ 17,021,668
Restricted cash held with fiscal agent (note 2)	1,020,831	—	1,023,450	—	2,044,281
Due from other governmental units	1,006,333	1,132,068	—	250,566	2,388,967
Due from other funds (note 3)	383,947	—	—	—	383,947
Accounts and interest receivable	322,360	—	—	37,213	359,573
Notes receivable	31,293	—	—	—	31,293
Total assets	\$ 18,432,032	\$ 1,132,068	\$ 1,023,450	\$ 1,642,179	\$ 22,229,729
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,519,661	\$ 61,903	\$ —	\$ 497,966	\$ 2,079,530
Due to other funds (note 3)	—	357,633	—	26,314	383,947
Unearned revenue	31,293	430,921	—	99,231	561,445
Total liabilities	1,550,954	850,457	—	623,511	3,024,922
Fund balances:					
Restricted	1,020,831	281,611	1,023,450	1,131,319	3,457,211
Committed	1,811,336	—	—	—	1,811,336
Unassigned	14,048,911	—	—	(112,651)	13,936,260
Total fund balances	16,881,078	281,611	1,023,450	1,018,668	19,204,807
Total liabilities and fund balances	\$ 18,432,032	\$ 1,132,068	\$ 1,023,450	\$ 1,642,179	\$ 22,229,729

The notes to the financial statements are an integral part of this statement.

CITY OF WESTLAKE VILLAGE

Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position

June 30, 2013

Fund balances – total governmental funds (page 13):		\$	19,204,807
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.			35,930,919
Costs of issuance of long-term debt are recorded as expenditures in the governmental funds under the modified accrual basis, however, these costs are capitalized and amortized in the government-wide statements.			428,725
Unearned revenue is defined in the governmental funds because it is not collected (within 60 days) soon enough after the end of the fiscal year to pay current expenditures (modified accrual), but in the government-wide statements it is recorded as revenue under the full accrual method.			561,445
Long-term liabilities, including certificates of participation, are not due and payable in the current period.			
Certificates of participation	\$	(14,985,000)	
Accrued interest payable		(54,123)	
Compensated absences		(284,803)	
Net OPEB obligation		(914,314)	(16,238,240)
Net position of governmental activities (page 11)		\$	<u>39,887,656</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WESTLAKE VILLAGE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2013

	<u>General Fund</u>	<u>Arterial System Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Sales taxes	\$ 3,648,677	\$ —	\$ —	\$ 257,995	\$ 3,906,672
Property taxes	2,199,796	—	—	—	2,199,796
Transient occupancy taxes	2,623,291	—	—	—	2,623,291
Motor vehicle license fees	715,125	—	—	—	715,125
Utility franchise fees	388,266	—	—	—	388,266
Licenses and permits	837,117	—	—	—	837,117
Fines and forfeitures	5,251	—	—	65,870	71,121
Charges for current services	109,177	—	—	1,216,915	1,326,092
Intergovernmental	—	2,302,493	—	1,163,952	3,466,445
Interest	56,155	—	—	7,027	63,182
Other revenue	71,040	58,113	—	—	129,153
Total revenues	<u>10,653,895</u>	<u>2,360,606</u>	<u>—</u>	<u>2,711,759</u>	<u>15,726,260</u>
Expenditures:					
Current:					
General government	2,120,363	—	—	—	2,120,363
Public safety	2,022,130	—	—	100,000	2,122,130
Public services	1,699,487	1,011,658	—	1,892,028	4,603,173
Parks and recreation	459,984	—	—	779,431	1,239,415
Capital outlay	1,687,141	—	—	—	1,687,141
Debt service:					
Principal	—	—	325,000	—	325,000
Interest	—	—	696,250	—	696,250
Total expenditures	<u>7,989,105</u>	<u>1,011,658</u>	<u>1,021,250</u>	<u>2,771,459</u>	<u>12,793,472</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,664,790</u>	<u>1,348,948</u>	<u>(1,021,250)</u>	<u>(59,700)</u>	<u>2,932,788</u>
Other financing sources (uses):					
Transfers in	—	50,000	1,021,250	—	1,071,250
Transfers out	(1,071,250)	—	—	—	(1,071,250)
Total other financing sources (uses)	<u>(1,071,250)</u>	<u>50,000</u>	<u>1,021,250</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>1,593,540</u>	<u>1,398,948</u>	<u>—</u>	<u>(59,700)</u>	<u>2,932,788</u>
Fund balances (deficit), beginning of fiscal year	15,287,538	(1,117,337)	1,023,450	1,078,368	16,272,019
Fund balances, end of fiscal year	<u>\$ 16,881,078</u>	<u>\$ 281,611</u>	<u>\$ 1,023,450</u>	<u>\$ 1,018,668</u>	<u>\$ 19,204,807</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WESTLAKE VILLAGE

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to
Statement of Activities

Fiscal Year Ended June 30, 2013

Net change in fund balances – total governmental funds (page 15)		\$ 2,932,788
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay and other capital projects 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:		
Expenditures for capital assets	\$ 499,954	
Less current year depreciation	<u>(1,911,941)</u>	(1,411,987)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
Principal payments		325,000
Certain revenues are offset by unearned revenue in the governmental funds because they are not available to pay for current period expenditures. This amount represents the amount by which prior year unearned revenue exceeded current year.		(1,516,658)
Some expenses 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:		
Change in accrued interest	1,044	
Change in long-term compensated absences	(16,513)	
Amortization of deferred charges	<u>(16,558)</u>	(32,027)
Post-employment benefits are considered long-term liabilities and are not due and payable in the current period and therefore, are not reported in the governmental funds.		<u>(221,170)</u>
Change in net position of governmental activities (page 12)		<u><u>\$ 75,946</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF WESTLAKE VILLAGE
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2013

Assets		
Cash and investments (note 2)		\$ 5,332
Total assets		<u>\$ 5,332</u>
Liabilities		
Due to bondholder		\$ 5,332
Total liabilities		<u>\$ 5,332</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies

The accompanying basic financial statements of the City of Westlake Village, California (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The significant accounting policies of the City of Westlake Village are described below.

(a) Reporting Entity

The accompanying basic financial statements of the City of Westlake Village, California (as the primary government) include the financial activities of the City and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. The financial statements of these component units have been blended into the financial reporting entity as depicted in the accompanying basic financial statements.

The City's criteria for inclusion of a component unit entity in its basic financial statements is based upon the City's financial accountability over the organization and its functions and activities. Financial accountability is defined as the existence of financial interdependency and/or the ability to appoint governing boards, to designate management, to significantly influence operations, to approve operating budgets, or control day-to-day activities. The accompanying basic financial statements include all activities and reporting entities over which the City exercises financial accountability.

The basic financial statements of the City include the financial activities of the City and the Westlake Village Library Financing Corporation (the Corporation), a nonprofit benefit corporation. Although this organization is a separate legal entity, the City's elected officials have continuing financial and administrative accountability for its operations.

The Corporation has outstanding certificates of participation in the principal amount of \$14,985,000 on June 30, 2013. Each certificate represents a proportionate undivided interest in certain base rental payments to be made by the City as rent for a parcel of land upon which a City Hall and library facility has been constructed and two park sites with improvements. These certificates were issued in May, 2009, in the par amount of \$16,225,000. The properties and building are leased to the City by the Corporation pursuant to sublease agreements between the City and the Corporation. For financial reporting purposes, such lease transactions are eliminated. The financing obligations and related capital assets are carried at cost in the accompanying basic financial statements.

(b) Basis of Accounting and Nature of Funds

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the City. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All interfund services provided and used are not eliminated in the process of

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

consolidation. *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 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. *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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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. The Agency Fiduciary Funds have no measurement focus because they only report assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Net position is reported as restricted when constraints placed on their use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through local enabling legislation. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, transient occupancy taxes, franchise taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

Major Funds

The City reports the following major governmental funds:

- *General Fund* – This fund is used to account for all assets, liabilities, revenues, and expenditures, which are not accounted for in other funds. As a governmental fund type, the General Fund is controlled by the formal program budget adopted by the City Council. The City Manager is not authorized to transfer appropriations within the adopted budget. Subsequent to the adoption of the formal budget, the City Council may approve supplemental appropriations for nonbudgeted items.
- *Arterial System Fund* – This fund is used to account for fees collected from developers for the improvement of certain roads and highways, and grants related to those improvements.
- *Debt Service Fund* – This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt.

Additionally, the City reports the following fund type:

The Agency Fund accounts for assets held by the City as an agent for others. The City includes the amounts on hand collected for special assessment bond principal and interest payments.

(c) *Interfund Transactions*

In the course of normal operations, transactions occur among various City funds. Transfers (recurring) are recorded by the receiving fund as transfers in and as an addition to fund balance. Such transfers are recorded by the disbursing fund as transfers out and a reduction of fund balance.

(d) *Property Taxes*

The duties of assessing and collecting property taxes are performed by the Los Angeles County Assessor and Tax Collector. The City receives an allocation of property taxes collected by the County with respect to property located within the City limits. Tax levies cover the period from July 1 to June 30 of each year. All tax liens attach annually on the first day in January preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date.

Secured property taxes are levied against real property and are due and payable in two equal installments. The first installment is due on November 1 and becomes delinquent if not paid by December 10. The second installment is due on February 1 and becomes delinquent if not paid by April 10. Unsecured personal property taxes are due on July 1 each year. These taxes become delinquent if not paid by August 31.

The City considers property taxes as available and records revenues if they are collected within 60 days after year-end.

Property tax receivables are included in due from other governments.

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

(e) Capital Assets

Capital assets, which include land, land improvements, infrastructure assets (i.e. roads, bridges, sidewalks, and similar items), building, structures, equipment, and furniture, are reported in the applicable governmental activities columns in the accompanying government-wide financial statements. Capital assets are defined using guidelines established by the City. Such guidelines assert that assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year are to be considered capital assets. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on capital assets within the City is computed on a straight-line method using these estimated useful lives:

Building and improvements	45 years
Equipment	5 years
Office furniture	7 years
Parks	50 years
Infrastructure:	
Sewers	50 years
Streets	30 to 40 years
Storm drains	50 years
Overlay	20 years
Curbs/gutters/sidewalks	40 years
Bridges	50 years
Traffic signals	30 years
Medians	40 years

(f) Compensated Absences

All vacation and sick pay is accrued when incurred in the government-wide financial statement. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

(g) Appropriations and Budgetary Information

Budgetary control is an essential element in governmental financial reporting. The City is a general law city in the State of California and does not legally require a budget. However, the City Council annually reviews and adopts a budget for the General, Special Revenues and Debt Service Funds. Budget information for the General Fund and Arterial System Special Revenue Fund are included in the accompanying basic financial statements to facilitate a greater understanding of the City's operations. In addition, Nonmajor Special Revenue Funds budget schedules are included as

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

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Each year, the City Manager submits the proposed budget to the City Council. The City Council holds public hearings and the levying of taxes are set by the City Council within State limitations. The budgetary basis of accounting is consistent with accounting principles generally accepted in the United States of America applicable to the City’s basic financial statements.

The City Council adopted budget requires that expenditures not exceed appropriations in total for each fund. The City Manager is not authorized to transfer appropriations within the budget or to amend the budget without seeking the approval of the City Council, which has the sole authority to make appropriation adjustments to the budget during the year as deemed necessary. Such adjustments are included in the budget amounts in the accompanying basic financial statements.

Appropriations lapse at year-end and are made at the fund level. Expenditures in excess of appropriations for the year 2012-13 were as follows:

Special revenue funds:

Traffic safety	\$	20,926
Prop A local transit assistance		4,732
Solid waste		29,327
TDA article 3		1,329

The Traffic safety variance is due to increased costs for traffic engineering expenditures. The Solid waste variance is due to additional costs of the recycling program. The balance of the fund variances are not material.

(h) Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities to the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

(i) New Accounting Pronouncements

GASB Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements.”

For the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements.” The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is

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Notes to Basic Financial Statements

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an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of this Statement did not have an effect on these financial statements.

GASB Statement No. 61, “The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34.”

For the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 61, “The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34.” The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The implementation of this Statement did not have an effect on these financial statements.

GASB Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.”

For the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.” The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations, (2) Accounting Principles Board Opinions, and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure. The implementation of this Statement did not have an effect on these financial statements.

GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.”

For the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to establish guidance for reporting deferred outflows or resources, deferred inflows of resources, and net position in a statement of financial position. This Statement sets forth framework that specifies where deferred outflows of resources and deferred inflows of resources, as well as assets and liabilities should be displayed. This Statement also specifies how net position, no longer referred to as net assets, should be displayed. Implementation of the Statement is explained in Note 13 (a) Net Position.

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

(2) Cash and Investments

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

Statement of Net Position:	
Cash and investments	\$ 17,021,668
Restricted cash and investments held with fiscal agent	2,044,281
Fiduciary Funds:	
Cash and investments	<u>5,332</u>
Total Cash and Investments	<u>\$ 19,071,281</u>

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

Cash on hand	\$ 200
Deposits with financial institutions	1,363,479
Investments	
Local Agency Investment Pool (LAIF)	15,663,321
Cash and investments with fiscal agent	<u>2,044,281</u>
Total Cash and Investments	<u>\$ 19,071,281</u>

The City of Westlake Village's Statement of Investment Policy is reviewed and adopted by the City Council each year. The investment policy is more conservative and restrictive than the investment vehicles authorized by Section 53601 of the California Government Code. Investment vehicles not specifically mentioned in the City's investment policy are not authorized unless the policy is amended by the City Council or are approved as part of the provisions of the bond indentures. Any investment for a term longer than two years, and up to five years, shall require City Council approval on a case-by-case basis.

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements. The agreement specifies that any moneys held by the trustee will be invested, upon written request of the City, only in permitted investments. Permitted investments means to the extent then permitted by the general laws of the State of California applicable to investments by cities. The City has only directed the trustee to invest in authorized mutual funds.

The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk.

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

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June 30, 2013

to changes in market interest rates. The City manages its exposure to interest rate risk by limiting the investment options to LAIF, Certificates of Deposits, and Money Market Funds all with maturities of one year or less.

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. LAIF does not have a rating provided by a nationally recognized statistical rating organization. This fiscal agent funds held in money market funds were rated AAA at June 30, 2013.

Concentration of Credit Risk

The investment activities of the City are very limiting of credit risk by only allowing investing in LAIF and Certificates of Deposit.

Custodial Credit Risk

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 its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another 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 fair value of the pledged securities in the collateral pool must equal at least 110% 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% of the secured public deposits.

The City's deposits with financial institutions in excess of federal depository insurance limits are legally required by the California Government Code, to collateralize the City's deposits as noted above.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code 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). LAIF management has indicated that as of June 30, 2013, the amortized cost of the pool was \$58,812,406,570 and the estimated fair value of the pool was \$58,852,094,221. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

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Notes to Basic Financial Statements

June 30, 2013

(3) Interfund Receivables, Payables, and Transfers

(a) Due From and To Other Funds

Interfund receivables/payables balances as of June 30, 2013 are as follows:

<u>Fund type</u>	<u>Due from</u>	<u>Due to</u>
Major funds:		
General fund	\$ 383,967	\$ —
Arterial system fund	—	357,633
Nonmajor governmental funds:		
Grant funds	—	8,992
TDA article 3 fund	—	527
Park maintenance fund	—	16,795
	<u>\$ 383,967</u>	<u>\$ 383,947</u>

The amount loaned by the general fund to other governmental funds is to provide short-term loans to fund operations of those funds.

(b) Transfers In and Out

Transfers in and out balances as of June 30, 2013 are as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
Major funds:		
General fund	\$ —	\$ 1,071,250
Arterial system fund	50,000	—
Debt service fund	1,021,250	—
	<u>\$ 1,071,250</u>	<u>\$ 1,071,250</u>

The amount transferred out of the General Fund to other governmental funds is to provide resources for repayment of certificates of participation and a shared portion of the transient occupancy taxes to the Arterial System Fund.

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

(4) Capital Assets

A summary of changes in the capital assets for the fiscal year ended June 30, 2013 follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Capital assets, not being depreciated:				
Land	\$ 5,017,999	\$ —	\$ —	\$ 5,017,999
Capital assets, being depreciated:				
Buildings and improvements	8,827,525	—	—	8,827,525
Equipment	2,156,057	79,061	—	2,235,118
Office furniture	203,350	19,345	—	222,695
Parks	4,099,069	69,034	—	4,168,103
Infrastructure				
Sewers	1,351,788	—	—	1,351,788
Streets	24,922,897	303,584	—	25,226,481
Storm drains	1,952,797	28,930	—	1,981,727
Curbs/gutters/sidewalks	4,438,714	—	—	4,438,714
Bridges	1,418,010	—	—	1,418,010
Traffic signals	1,751,284	—	—	1,751,284
Medians	6,734,624	—	—	6,734,624
Total capital assets, being depreciated	<u>57,856,115</u>	<u>499,954</u>	<u>—</u>	<u>58,356,069</u>
Total capital assets	<u>62,874,114</u>	<u>499,954</u>	<u>—</u>	<u>63,374,068</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,961,061)	(196,473)	—	(2,157,534)
Equipment	(1,845,080)	(248,770)	—	(2,093,850)
Office furniture	(199,686)	(6,428)	—	(206,114)
Parks	(1,376,083)	(84,241)	—	(1,460,324)
Infrastructure				
Sewers	(989,051)	(27,036)	—	(1,016,087)
Streets	(10,720,438)	(928,134)	—	(11,648,572)
Storm drains	(1,451,608)	(39,056)	—	(1,490,664)
Curbs/gutters/sidewalks	(3,390,097)	(77,176)	—	(3,467,273)
Bridges	(814,570)	(28,360)	—	(842,930)
Traffic signals	(1,201,069)	(58,376)	—	(1,259,445)
Medians	(1,582,465)	(217,891)	—	(1,800,356)
Total accumulated depreciation	<u>(25,531,208)</u>	<u>(1,911,941)</u>	<u>—</u>	<u>(27,443,149)</u>
Total capital assets, being depreciated, net	<u>32,324,907</u>	<u>(1,411,987)</u>	<u>—</u>	<u>30,912,920</u>
Governmental activities capital assets, net	<u>\$ 37,342,906</u>	<u>\$ (1,411,987)</u>	<u>\$ —</u>	<u>\$ 35,930,919</u>

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$	411,972
Public safety		39,699
Public services		1,376,029
Parks and recreation		84,241
		<u>84,241</u>
Total depreciation expense	\$	<u>1,911,941</u>

(5) Long-Term Debt

The following is a summary of changes in the long-term debt for the fiscal year ended June 30, 2013:

Governmental activities	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Amount due within one year
Debt long-term liabilities:					
Certificates of participation:					
2009 Certificates of Participation	\$ 15,310,000	\$ —	\$ (325,000)	\$ 14,985,000	\$ 335,000
Other long-term liabilities:					
Compensated absences	268,290	128,472	(111,959)	284,803	142,400
Net OPEB obligation	693,144	226,000	(4,830)	914,314	—
Total governmental activities – long- term liabilities	<u>\$ 16,271,434</u>	<u>\$ 354,472</u>	<u>\$ (441,789)</u>	<u>\$ 16,184,117</u>	<u>\$ 477,400</u>

On May 21, 2009, the Corporation issued \$16,225,000 of Certificates of Participation (COP) to refinance the outstanding 1997 COP's and the 2000 COP's. In addition, \$8,000,000 from the net proceeds will be used to fund a portion of the costs of construction of a new community park and various other capital improvements. The 2009 COP's have interest rates ranging from 2.00% to 5.00% and mature in annual installments of \$325,000 in 2013 to \$970,000 in 2039. The total amount of the debt of \$14,985,000 is outstanding June 30, 2013.

At June 30, 2013, the City's management believes it is in compliance with bond covenants related to the 2009 COP's. Continuing disclosure documents are provided to the Bond Trustee in compliance with the bond sublease agreements, which include an annual audited financial statement.

Compensated absences are recorded in accordance with GAAP. General fund resources have been used to liquidate the liability for compensated absences.

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

Principal and interest payments are due on the certificates of participation as follows:

2009 Certificates of Participation			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2014	\$ 335,000	\$ 688,125	\$ 1,023,125
2015	345,000	678,075	1,023,075
2016	355,000	666,862	1,021,862
2017	365,000	654,438	1,019,438
2018	380,000	642,119	1,022,119
2019-2023	2,120,000	2,984,844	5,104,844
2024-2028	2,610,000	2,491,856	5,101,856
2029-2033	3,300,000	1,803,750	5,103,750
2034-2038	4,205,000	893,750	5,098,750
2039	970,000	48,500	1,018,500
	<u>\$ 14,985,000</u>	<u>\$ 11,552,319</u>	<u>\$ 26,537,319</u>

(6) Retirement Plan

(a) Plan Description

The City's defined benefit pension plan, California Public Employees' Retirement Systems (CalPERS), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS is part of the Public Agency portion of the California Public Employees' Retirement System, a cost-sharing multiple-employer defined benefit plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

(b) Funding Policy

Active plan members in CalPERS are required to contribute 8% of their annual covered salary. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits plan for its members. The current plan provides a qualified employee a 3% at 60 years of age retirement benefit. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2012-13 was 14.627%, and for 2013-14 it will be 15.084% for miscellaneous employees. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

(c) Annual Pension Cost

For fiscal year 2012-13, the City’s annual employer pension cost and the amount actually contributed by the City was \$229,810. Included in that total, the City contributed \$66,764 on behalf of the employees to cover their 8% required contribution and in addition the employees contributed \$14,488. The required contribution for fiscal year 2012-13 was determined as part of the June 30, 2010 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay.

Three-Year Trend Information for CalPERS

<u>Fiscal year</u>	<u>Annual pension cost</u>	<u>Percentage of APC</u>	<u>Net pension obligation</u>
06/30/11	\$ 125,603	100.0 %	\$ —
06/30/12	139,907	100.0 %	—
06/30/13	148,558	100.0 %	—

(7) Deferred Compensation Plan

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all government employees at their option, permits participants to defer a portion of their salary until future years. Contributions to the fund are invested by an external trustee, ICMA Retirement Corporation, and are not available to participants until termination, retirement, death, or unforeseeable emergency. Arrangements may include a lump-sum payout or a distribution of benefits over a specified number of years. Authorized investments for the plan are limited to guaranteed investment contracts purchased from insurance companies and various investment funds provided by the external trustee. In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for IRC Section 457 – Deferred Compensation*, investments of the deferred compensation plan of \$1,207,270 have been excluded from the basic financial statements at June 30, 2013. The City also offers a 401 Qualified Plan through ICMA which investments totaling \$107,878 have been excluded from the basic financial statements at June 30, 2013.

(8) Other Post-Retirement Benefits

Effective July 1, 2009, the City implemented GASB Statement No. 45, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions by State and Local Governmental Employers*.

Plan Description

In addition to the pension benefits defined in Note (6), the City provides post-retirement health care benefits to all full time employees in accordance with the City’s contract with the Public Employees’ Retirement System (PERS) for participation in the State of California Public Employees’ Medical and Hospital Care Act.

To qualify for post retirement health insurance benefits, the employee must retire from the City, have five years of service immediately preceding retirement and be at least 50 years old. The City’s contribution for each retiree is the same as full time employees. These benefits will be financed on a “pay as you go basis.”

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

As of June 30, 2013, there were three retired employees. The City expended \$4,830 for retiree health insurance during the fiscal year ended June 30, 2013.

Funding Policy

The City's adopted policy is to contribute an amount sufficient to pay the current fiscal year's premium. For fiscal year 2012-13, the City contributed \$4,830, which consisted of current premiums, but did not include any additional prefunding of benefits. Options for prefunding of benefits will be considered during fiscal year 2013-14.

Annual OPEB and Net Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	\$ 227,000
Interest on net OPEB Obligation	29,000
Adjustment to annual required contribution	<u>(30,000)</u>
Annual OPEB cost (expense)	226,000
Contributions made	<u>(4,830)</u>
Increase in net OPEB obligation	221,170
Net OPEB obligation – beginning of fiscal year	<u>693,144</u>
Net OPEB obligation – end of fiscal year	<u>\$ 914,314</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2013 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contribution</u>	<u>Net pension obligation</u>
6/30/11	\$ 199,000	6.06 %	\$ 491,384
6/30/12	213,000	5.28 %	693,144
6/30/13	226,000	2.14 %	914,314

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

Funded Status and Funding Progress

As of July 1, 2010, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,267,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,267,000. The covered payroll (annual payroll of active employees covered by the plan) for the current year was \$1,015,647. The ratio of the UAAL to the covered payroll was 124.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. 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.

In the June 30, 2010 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.25 percent investment rate of return, which is the expected long-term investment returns on plan assets, an annual PPO healthcare cost trend factor of 8.00%, an annual 3.25 percent aggregate payroll increase, and an annual 3.00 percent general inflation increase. The actuarial value of assets is not applicable (no assets as of the initial valuation date). The UAAL is being amortized as a flat percentage of covered payroll on a closed basis. The remaining amortization period at June 30, 2010 was thirty years.

(9) Commitments and Contingencies

(a) Commitments

The City has contracted with the County of Los Angeles for various services, principally law enforcement. The contract is cancelable upon 60-days notice as of the first day of July of any year and includes a 5-year option to renew. This contract was renewed for 5 years through June 30, 2014. Expenditures under the contract for the year ended June 30, 2013 were \$1,986,656, and estimated expenditures under the new contract for the year ending June 30, 2014 are \$2,037,119.

The City contracts for animal control services through Fiscal Year 2016/2017 with the County of Los Angeles. The contract is cancelable with 30-days written notice and includes a 5-year option to renew. Rates are adjusted annually and are billed as incurred.

CITY OF WESTLAKE VILLAGE

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The City also contracts for landscaping with a current contract that began March 1, 2004 with the term ending June 30, 2016. The contractual commitments total \$580,761 for the year ending June 30, 2014.

(b) Contingencies

The claims for damages alleged against the City are referred to a claims adjuster through the California Joint Powers Insurance Authority (CJPIA) (See note 11). Management believes that there is minimal exposure to the City related to these matters and that no case exceeds existing liability coverage.

There are certain legal actions pending against the City which have arisen in the normal course of operations. The ultimate resolution of pending legal actions is not expected to have a material impact, if any, on the general purpose financial statements or results of operations of the City.

(10) Special Assessment Bonds

On September 2, 1988, the City sponsored the issuance of special assessment bonds to finance the widening of the Lindero Canyon Road bridge. On September 1, 2005, the City issued Limited Obligation Refunding Improvement Bonds (Reassessment and Refunding 2005) in the amount of \$205,100 to refund Improvement Bonds issued for this bridge improvement. These refunded bonds were purchased by the City with an advance from the City's General Fund reserves. These refunded bonds were paid off during this fiscal year. These bonds were issued under the 1913 and the 1915 Improvement Bond Acts and are obligations against the properties in the assessment district. An allocation from assessments collected from properties in the assessment district will no longer be assessed. The bonds were not indebtedness of the City, and the City was not liable for their repayment, but is only acting on behalf of the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if necessary. Accordingly, these special assessment bonds payable have been excluded from the accompanying basic financial statements.

(11) Risk Management

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement:

The City of Westlake Village is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Authority's Board operates through a nine-member Executive Committee.

Description of Self-Insurance Programs of the Authority:

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding

CITY OF WESTLAKE VILLAGE

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June 30, 2013

claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variance credibility factor is determined for each member, which established the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. The \$2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$25 million per occurrence. This \$25 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate.

Property Insurance The City of Westlake Village participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City of Westlake Village to the Authority. The City's property currently has all-risk property insurance protection in the amount of \$17,191,190. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Workers Compensation The City of Westlake Village also participates in the workers' compensation pool administered by the Authority. In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to the statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Pollution Legal Liability Insurance The City of Westlake Village participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Crime Insurance The City of Westlake Village purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

Adequacy of Protection During the past three fiscal years, none of the above programs of protection have experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2012-13.

(12) Grant Funds

The City has the following grants which are accounted for in a nonmajor governmental fund:

	<u>Beginning fund balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Ending fund balance</u>
Citizens Options for Public Safety (COPS)	\$ —	\$ 100,000	\$ (100,000)	\$ —
Community Development Block Grant (CDBG)	—	24,252	(24,252)	—
California Law Enforcement Equipment Program (CLEEP)	8,935	25	—	8,960
Measure R (2)	(54,727)	797,931	(859,835)	(116,631)
County Grant	—	—	(4,980)	(4,980)
	<u>\$ (45,792)</u>	<u>\$ 922,208</u>	<u>\$ (989,067)</u>	<u>\$ (112,651)</u>

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

(13) Net Position and Fund Balances

(a) Net Position

GASB Statement No. 63 requires that the differences between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

In the government-wide financial statements and fiduciary fund financial statements, net position is reported in three categories: net investment in capital assets, restricted and unrestricted. Net position that is net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position represents the portion of net position that has external constraints placed on it by parties outside of the City, such as creditors, grantors, contributors, or laws and regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

Net investment in capital assets describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted net position describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, redevelopment funds restricted for low-and-moderate income purposes, and gas tax funds for street construction.

Unrestricted net position describes the portion of net position which is not restricted as to use.

(b) Fund Balances

As of June 30, 2013, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the governing board is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through resolutions approved by the governing board. These committed amounts cannot be used for any other purpose unless the

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

City Council removes or changes the specified use through the same type of formal action taken to establish the commitment.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City’s adopted policy, only the governing board or director may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

(14) Restricted Net Position

Restricted net position is subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation. Restricted net position at June 30, 2013 are as follows:

	<u>Governmental</u>
<u>Debt Service</u>	
2009 certificates of participation	<u>\$969,327</u>
<u>Public services</u>	
Park projects	1,020,831
Air quality management	47,178
Solid waste	<u>51,500</u>
	1,119,509
<u>Streets and roads</u>	
Construction and maintenance	<u>669,238</u>
<u>Public safety</u>	<u>8,960</u>
<u>Special districts</u>	
Lighting	365,791
Landscaping	<u>279,223</u>
	<u>645,014</u>
Total restricted net position	<u><u>\$3,412,048</u></u>

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2013

(15) Fund Balances

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. (see Note 13 for a description of these categories). A detailed schedule of fund balances at June 30, 2013 is as follows:

	General Fund	Arterial System Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Restricted for:					
Park projects	\$ 1,020,831	\$ —	\$ —	\$ —	\$ 1,020,831
Debt service	—	—	1,023,450	—	1,023,450
Streets and roads	—	281,611	—	387,627	669,238
Public services	—	—	—	98,678	98,678
Street lighting	—	—	—	365,791	365,791
Landscaping	—	—	—	279,223	279,223
Total restricted fund balances	<u>1,020,831</u>	<u>281,611</u>	<u>1,023,450</u>	<u>1,131,319</u>	<u>3,457,211</u>
Committed to:					
Building replacement	439,700	—	—	—	439,700
Capital projects	1,371,636	—	—	—	1,371,636
Total committed fund balances	<u>1,811,336</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,811,336</u>
Unassigned					
Unassigned	14,048,911	—	—	(112,651)	13,936,260
Total unassigned	<u>14,048,911</u>	<u>—</u>	<u>—</u>	<u>(112,651)</u>	<u>13,936,260</u>
Total fund balances	<u>\$ 16,881,078</u>	<u>\$ 281,611</u>	<u>\$ 1,023,450</u>	<u>\$ 1,018,668</u>	<u>\$ 19,204,807</u>

(16) Subsequent Events

Management of the City has evaluated subsequent events through December 27, 2013, the date of these financial statements were available to be issued, and has determined there were no material events requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WESTLAKE VILLAGE

Budgetary Comparison Schedule

General Fund

Fiscal Year Ended June 30, 2013

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Sales taxes	\$ 2,928,200	\$ 2,928,200	\$ 3,648,677	\$ 720,477
Property taxes	1,849,700	1,849,700	2,199,796	350,096
Transient occupancy taxes	2,404,865	2,404,865	2,623,291	218,426
Motor vehicle license fees	725,000	725,000	715,125	(9,875)
Utility franchise fees	380,000	380,000	388,266	8,266
Licenses and permits	300,000	300,000	837,117	537,117
Fines and forfeitures	4,000	4,000	5,251	1,251
Charges for current services	133,050	158,050	109,177	(48,873)
Interest	50,000	50,000	56,155	6,155
Other revenue	50,000	50,000	71,040	21,040
Total revenues	8,824,815	8,849,815	10,653,895	1,804,080
Expenditures:				
Current:				
General government	3,262,480	3,262,480	2,120,363	1,142,117
Public safety	2,037,395	2,037,395	2,022,130	15,265
Public services	1,784,235	1,806,735	1,699,487	107,248
Parks and recreation	472,440	472,440	459,984	12,456
Capital outlay	3,287,730	3,384,379	1,687,141	1,697,238
Total expenditures	10,844,280	10,963,429	7,989,105	2,974,324
Excess (deficiency) of revenues over (under) expenditures	(2,019,465)	(2,113,614)	2,664,790	4,778,404
Other financing sources (uses):				
Transfers out	(1,071,250)	(1,071,250)	(1,071,250)	—
Total other financing sources (uses)	(1,071,250)	(1,071,250)	(1,071,250)	—
Net change in fund balance	(3,090,715)	(3,184,864)	1,593,540	4,778,404
Fund balance, beginning of fiscal year	15,287,538	15,287,538	15,287,538	—
Fund balance, end of fiscal year	\$ 12,196,823	\$ 12,102,674	\$ 16,881,078	\$ 4,778,404

CITY OF WESTLAKE VILLAGE
 Budgetary Comparison Schedule
 Arterial System Fund – Special Revenue Fund
 Fiscal Year Ended June 30, 2013

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 5,760,960	\$ 5,760,960	\$ 2,302,493	\$ (3,458,467)
Other revenue	—	—	58,113	58,113
Total revenues	<u>5,760,960</u>	<u>5,760,960</u>	<u>2,360,606</u>	<u>(3,400,354)</u>
Expenditures:				
Current:				
Public services	<u>5,760,960</u>	<u>5,760,960</u>	<u>1,011,658</u>	<u>4,749,302</u>
Total expenditures	<u>5,760,960</u>	<u>5,760,960</u>	<u>1,011,658</u>	<u>4,749,302</u>
Excess (deficiency) of revenues over (under) expenditures	—	—	1,348,948	1,348,948
Other financing sources:				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>—</u>
Net change in fund balance	50,000	50,000	1,398,948	1,348,948
Fund balance (deficit), beginning of fiscal year	<u>(1,117,337)</u>	<u>(1,117,337)</u>	<u>(1,117,337)</u>	<u>—</u>
Fund balance, end of fiscal year	<u>\$ (1,067,337)</u>	<u>\$ (1,067,337)</u>	<u>\$ 281,611</u>	<u>\$ 1,348,948</u>

CITY OF WESTLAKE VILLAGE, CALIFORNIA

Schedule of Funding Progress – Other Post-Retirement Health Care Benefits

June 30, 2013

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL As a % of Covered Payroll</u>
06/30/07	\$ —	\$ 1,746,000	\$ 1,746,000	0 %	\$ 792,000	220.5 %
06/30/10	—	1,267,000	1,267,000	0 %	1,039,000	121.9 %

SUPPLEMENTARY INFORMATION

MAJOR DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE

CITY OF WESTLAKE VILLAGE

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

Debt Service Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
Revenues:			
Interest	\$ —	\$ —	\$ —
Total revenues	<u>—</u>	<u>—</u>	<u>—</u>
Expenditures:			
Debt service:			
Principal	325,000	325,000	—
Interest	<u>696,250</u>	<u>696,250</u>	<u>—</u>
Total expenditures	<u>1,021,250</u>	<u>1,021,250</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,021,250)</u>	<u>(1,021,250)</u>	<u>—</u>
Other financing sources (uses):			
Transfers in	<u>1,021,250</u>	<u>1,021,250</u>	<u>—</u>
Total other financing sources (uses)	<u>1,021,250</u>	<u>1,021,250</u>	<u>—</u>
Net change in fund balance	—	—	—
Fund balance, beginning of fiscal year	<u>1,023,450</u>	<u>1,023,450</u>	<u>—</u>
Fund balance, end of fiscal year	<u>\$ 1,023,450</u>	<u>\$ 1,023,450</u>	<u>\$ —</u>

**COMBINING, INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

CITY OF WESTLAKE VILLAGE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2013

(with comparative totals as of June 30, 2012)

Assets	Special Revenue Funds	Total Nonmajor Governmental Funds	
		2013	2012
Cash and investments	\$ 1,354,400	\$ 1,354,400	\$ 1,158,098
Due from other governmental units	250,566	250,566	913,108
Accounts receivable	37,213	37,213	34,326
Total assets	\$ 1,642,179	\$ 1,642,179	\$ 2,105,532
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 497,966	\$ 497,966	\$ 520,765
Due to other funds	26,314	26,314	396,521
Unearned revenue	99,231	99,231	109,878
Total liabilities	623,511	623,511	1,027,164
Fund balances:			
Restricted	1,131,319	1,131,319	1,133,095
Unassigned	(112,651)	(112,651)	(54,727)
Total fund balances	1,018,668	1,018,668	1,078,368
Total liabilities and fund balances	\$ 1,642,179	\$ 1,642,179	\$ 2,105,532

CITY OF WESTLAKE VILLAGE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Fiscal Year Ended June 30, 2013

(With Comparative Totals for Fiscal Year Ended June 30, 2012)

	Special Revenue Funds	Total Nonmajor Governmental Funds	
		2013	2012
Revenues:			
Sales taxes	\$ 257,995	\$ 257,995	\$ 241,144
Fines and forfeitures	65,870	65,870	79,211
Charges for current services	1,216,915	1,216,915	1,169,211
Intergovernmental	1,163,952	1,163,952	1,237,652
Interest	7,027	7,027	4,163
Total revenues	<u>2,711,759</u>	<u>2,711,759</u>	<u>2,731,381</u>
Expenditures:			
Current:			
Public safety	100,000	100,000	100,000
Public services	1,892,028	1,892,028	1,843,280
Parks and recreation	779,431	779,431	725,796
Total expenditures	<u>2,771,459</u>	<u>2,771,459</u>	<u>2,669,076</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(59,700)</u>	<u>(59,700)</u>	<u>62,305</u>
Other financing sources (uses):			
Transfers out	<u>—</u>	<u>—</u>	<u>(1)</u>
Total other financing sources and (uses)	<u>—</u>	<u>—</u>	<u>(1)</u>
Net change in fund balances	(59,700)	(59,700)	62,304
Fund balances, beginning of fiscal year	<u>1,078,368</u>	<u>1,078,368</u>	<u>1,016,064</u>
Fund balances, end of fiscal year	<u>\$ 1,018,668</u>	<u>\$ 1,018,668</u>	<u>\$ 1,078,368</u>

SPECIAL REVENUE FUNDS

CITY OF WESTLAKE VILLAGE
Special Revenue Funds
June 30, 2013

State Gas Tax Fund and Roadway and Traffic Fund

These funds are used to account for gas tax revenues and their restricted uses as specified by the California Streets and Highways Code.

Traffic Safety Fund

This fund accounts for revenues received from the Los Angeles County Municipal Courts. Such revenues represent the City's share of vehicle code violations distributed from the County's Traffic Safety Fund and are to be used for traffic safety purposes.

Proposition A Local Transit Assistance Fund

The County electorate approved a 1½% sales tax to be used for local transit purposes. This fund accounts for the City's portion of receipts from this tax and the related restricted uses.

Traffic Signalization Fund

This fund accounts for assessments collected from developers to be used for the construction of new traffic signals in the City.

Air Quality Management Fund

This fund is used to account for revenues received from the South Coast Air Quality Management District to reduce air pollution from mobile sources and may only be used to reduce trip miles.

Solid Waste Fund

This fund accounts for fees collected by refuse haulers and remitted to the City to offset costs for the provision of integrated waste management consultant services designed to develop a Source Reduction and Recycling Element (pursuant to the State by requirements of Assembly Bill 939).

Grant Funds include the following:

Citizens Options for Public Safety (COPS) Fund

This fund is established under Assembly Bill 3229 to account for related revenues and expenditures.

California Law Enforcement Equipment Program (CLEEP) Fund

This fund is to account for revenue and expenditures for the CLEEP Program.

Community Development Block Grant Fund

This fund is to account for revenue and expenditures for federal Housing and Community Development Act funds received through the County of Los Angeles Community Development Commission.

Measure R Fund

This fund was established to account for receipts and expenditures for public transit tax paid by the County of Los Angeles.

FEMA Fund

This fund was established to account for disaster relief funds to mitigate hazards incurred by the City.

CITY OF WESTLAKE VILLAGE
Special Revenue Funds
June 30, 2013

Transportation Development Act (TDA) Article 3 Fund

This fund accounts for monies received under Article 3 of the TDA. The fund can be expended only for transportation purposes (including streets and sidewalks).

Street Lighting Fund

This fund accounts for assessments collected from homeowners to be used for the electricity and maintenance costs to operate street lights in certain sections of the City. This fund also accounts for revenue and expenditures for the Energy Commission loan from the State of California.

Landscaping Fund

This fund accounts for assessments collected from homeowners to be used to maintain landscaping in the City.

Park Maintenance Fund

This fund accounts for assessments collected and administered by Los Angeles County Regional Park and Open Space District to fund incurred maintenance costs associated with proposition fund projects. The full title is Los Angeles County Proposition A – Park Maintenance and Service Fund.

CITY OF WESTLAKE VILLAGE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013

	<u>State Gas Tax Fund</u>	<u>Roadway and Traffic Fund</u>	<u>Traffic Safety Fund</u>	<u>Proposition A Local Transit Assistance Fund</u>	<u>Traffic Signalization Fund</u>	<u>Air Quality Management Fund</u>
Assets:						
Cash and investments	\$ 50,817	\$ 32,443	\$ 3,760	\$ 103,199	\$ 320,500	\$ 44,557
Due from other governmental units	18,693	—	7,560	—	—	2,621
Accounts receivable	—	—	1,160	—	—	—
Total assets	<u>\$ 69,510</u>	<u>\$ 32,443</u>	<u>\$ 12,480</u>	<u>\$ 103,199</u>	<u>\$ 320,500</u>	<u>\$ 47,178</u>
Liabilities and fund balances:						
Liabilities:						
Accounts payable	\$ 26,481	\$ 8,345	\$ 12,480	\$ 103,199	\$ —	\$ —
Due to other funds	—	—	—	—	—	—
Unearned revenue	—	—	—	—	—	—
Total liabilities	<u>26,481</u>	<u>8,345</u>	<u>12,480</u>	<u>103,199</u>	<u>—</u>	<u>—</u>
Fund balances:						
Restricted	43,029	24,098	—	—	320,500	47,178
Unassigned	—	—	—	—	—	—
Total fund balances (deficit)	<u>43,029</u>	<u>24,098</u>	<u>—</u>	<u>—</u>	<u>320,500</u>	<u>47,178</u>
Total liabilities and fund balances	<u>\$ 69,510</u>	<u>\$ 32,443</u>	<u>\$ 12,480</u>	<u>\$ 103,199</u>	<u>\$ 320,500</u>	<u>\$ 47,178</u>

Solid Waste Fund	Grants Funds	TDA Article 3 Fund	Street Lighting Fund	Landscaping Fund	Park Maintenance Fund	Totals
\$ 38,127	\$ —	\$ —	\$ 376,178	\$ 384,819	\$ —	\$ 1,354,400
5,000	115,561	527	27,406	52,745	20,453	250,566
36,053	—	—	—	—	—	37,213
<u>\$ 79,180</u>	<u>\$ 115,561</u>	<u>\$ 527</u>	<u>\$ 403,584</u>	<u>\$ 437,564</u>	<u>\$ 20,453</u>	<u>\$ 1,642,179</u>
\$ 27,680	\$ 119,989	\$ —	\$ 37,793	\$ 158,341	\$ 3,658	\$ 497,966
—	8,992	527	—	—	16,795	26,314
—	99,231	—	—	—	—	99,231
<u>27,680</u>	<u>228,212</u>	<u>527</u>	<u>37,793</u>	<u>158,341</u>	<u>20,453</u>	<u>623,511</u>
51,500	—	—	365,791	279,223	—	1,131,319
—	(112,651)	—	—	—	—	(112,651)
<u>51,500</u>	<u>(112,651)</u>	<u>—</u>	<u>365,791</u>	<u>279,223</u>	<u>—</u>	<u>1,018,668</u>
<u>\$ 79,180</u>	<u>\$ 115,561</u>	<u>\$ 527</u>	<u>\$ 403,584</u>	<u>\$ 437,564</u>	<u>\$ 20,453</u>	<u>\$ 1,642,179</u>

CITY OF WESTLAKE VILLAGE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Special Revenue Funds

Fiscal Year Ended June 30, 2013

	<u>State Gas Tax Fund</u>	<u>Roadway and Traffic Fund</u>	<u>Traffic Safety Fund</u>	<u>Proposition A Local Transit Assistance Fund</u>	<u>Traffic Signalization Fund</u>
Revenues:					
Sales taxes	\$ —	\$ 120,901	\$ —	\$ 137,094	\$ —
Fines and forfeitures	—	—	65,870	—	—
Charges for current services	—	—	20,545	58,657	—
Intergovernmental	205,179	—	—	—	—
Interest	140	208	11	173	826
Total revenues	<u>205,319</u>	<u>121,109</u>	<u>86,426</u>	<u>195,924</u>	<u>826</u>
Expenditures:					
Current:					
Public safety	—	—	—	—	—
Public services	221,525	127,942	86,426	212,832	—
Parks and recreation	—	—	—	—	—
Total expenditures	<u>221,525</u>	<u>127,942</u>	<u>86,426</u>	<u>212,832</u>	<u>—</u>
Net change in fund balances	(16,206)	(6,833)	—	(16,908)	826
Fund balances (deficit), beginning of fiscal year	<u>59,235</u>	<u>30,931</u>	<u>—</u>	<u>16,908</u>	<u>319,674</u>
Fund balances (deficit), end of fiscal year	<u>\$ 43,029</u>	<u>\$ 24,098</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 320,500</u>

Air Quality Management Fund	Solid Waste Fund	Grants Funds	TDA Article 3 Fund	Street Lighting Fund	Landscaping Fund	Park Maintenance Fund	Totals
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 257,995
—	—	—	—	—	—	—	65,870
—	155,706	—	—	313,548	668,459	—	1,216,915
10,012	—	921,983	6,325	—	—	20,453	1,163,952
112	140	26	4	2,215	3,172	—	7,027
<u>10,124</u>	<u>155,846</u>	<u>922,009</u>	<u>6,329</u>	<u>315,763</u>	<u>671,631</u>	<u>20,453</u>	<u>2,711,759</u>
—	—	100,000	—	—	—	—	100,000
—	154,327	109,437	6,329	268,225	684,532	20,453	1,892,028
—	—	779,431	—	—	—	—	779,431
—	154,327	988,868	6,329	268,225	684,532	20,453	2,771,459
10,124	1,519	(66,859)	—	47,538	(12,901)	—	(59,700)
37,054	49,981	(45,792)	—	318,253	292,124	—	1,078,368
<u>\$ 47,178</u>	<u>\$ 51,500</u>	<u>\$ (112,651)</u>	<u>\$ —</u>	<u>\$ 365,791</u>	<u>\$ 279,223</u>	<u>\$ —</u>	<u>\$ 1,018,668</u>

CITY OF WESTLAKE VILLAGE

State Gas Tax Fund – Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual

Fiscal Year Ended June 30, 2013

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 237,060	\$ 237,060	\$ 205,179	\$ (31,881)
Interest	—	—	140	140
Total revenues	<u>237,060</u>	<u>237,060</u>	<u>205,319</u>	<u>(31,741)</u>
Expenditures:				
Current:				
Public services	<u>252,500</u>	<u>252,500</u>	<u>221,525</u>	<u>30,975</u>
Total expenditures	<u>252,500</u>	<u>252,500</u>	<u>221,525</u>	<u>30,975</u>
Net change in fund balance	(15,440)	(15,440)	(16,206)	(766)
Fund balance, beginning of fiscal year	<u>59,235</u>	<u>59,235</u>	<u>59,235</u>	<u>—</u>
Fund balance, end of fiscal year	<u>\$ 43,795</u>	<u>\$ 43,795</u>	<u>\$ 43,029</u>	<u>\$ (766)</u>

CITY OF WESTLAKE VILLAGE

Roadway and Traffic Fund – Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual

Fiscal Year Ended June 30, 2013

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Sales taxes	\$ 110,700	\$ 110,700	\$ 120,901	\$ 10,201
Interest	—	—	208	208
Total revenues	<u>110,700</u>	<u>110,700</u>	<u>121,109</u>	<u>10,409</u>
Expenditures:				
Current:				
Public services	<u>141,100</u>	<u>141,100</u>	<u>127,942</u>	<u>13,158</u>
Total expenditures	<u>141,100</u>	<u>141,100</u>	<u>127,942</u>	<u>13,158</u>
Net change in fund balance	(30,400)	(30,400)	(6,833)	23,567
Fund balance, beginning of fiscal year	<u>30,931</u>	<u>30,931</u>	<u>30,931</u>	<u>—</u>
Fund balance, end of fiscal year	<u>\$ 531</u>	<u>\$ 531</u>	<u>\$ 24,098</u>	<u>\$ 23,567</u>

CITY OF WESTLAKE VILLAGE

Traffic Safety Fund – Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual

Fiscal Year Ended June 30, 2013

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 65,500	\$ 65,500	\$ 65,870	\$ 370
Charges for current services	—	—	20,545	20,545
Interest	—	—	11	11
Total revenues	<u>65,500</u>	<u>65,500</u>	<u>86,426</u>	<u>20,926</u>
Expenditures:				
Current:				
Public services	<u>65,500</u>	<u>65,500</u>	<u>86,426</u>	<u>(20,926)</u>
Total expenditures	<u>65,500</u>	<u>65,500</u>	<u>86,426</u>	<u>(20,926)</u>
Net change in fund balance	—	—	—	—
Fund balance, beginning of fiscal year	—	—	—	—
Fund balance, end of fiscal year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

CITY OF WESTLAKE VILLAGE

Proposition A Local Transit Assistance Fund – Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual

Fiscal Year Ended June 30, 2013

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Sales taxes	\$ 125,700	\$ 125,700	\$ 137,094	\$ 11,394
Charges for current services	73,000	73,000	58,657	(14,343)
Interest	—	—	173	173
Total revenues	<u>198,700</u>	<u>198,700</u>	<u>195,924</u>	<u>(2,776)</u>
Expenditures:				
Current:				
Public services	<u>208,100</u>	<u>208,100</u>	<u>212,832</u>	<u>(4,732)</u>
Total expenditures	<u>208,100</u>	<u>208,100</u>	<u>212,832</u>	<u>(4,732)</u>
Net change in fund balance	(9,400)	(9,400)	(16,908)	(7,508)
Fund balance, beginning of fiscal year	<u>16,908</u>	<u>16,908</u>	<u>16,908</u>	<u>—</u>
Fund balance, end of fiscal year	<u>\$ 7,508</u>	<u>\$ 7,508</u>	<u>\$ —</u>	<u>\$ (7,508)</u>

CITY OF WESTLAKE VILLAGE

Traffic Signalization Fund – Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual

Fiscal Year Ended June 30, 2013

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ —	\$ —	\$ —	\$ —
Interest	—	—	826	826
Total revenues	—	—	826	826
Fund balance, beginning of fiscal year	319,674	319,674	319,674	—
Fund balance, end of fiscal year	\$ 319,674	\$ 319,674	\$ 320,500	\$ 826

CITY OF WESTLAKE VILLAGE

Air Quality Management Fund – Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual

Fiscal Year Ended June 30, 2013

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 10,012	\$ 12
Interest	—	—	112	112
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>10,124</u>	<u>124</u>
Net change in fund balance	10,000	10,000	10,124	124
Fund balance, beginning of fiscal year	<u>37,054</u>	<u>37,054</u>	<u>37,054</u>	<u>—</u>
Fund balance, end of fiscal year	<u>\$ 47,054</u>	<u>\$ 47,054</u>	<u>\$ 47,178</u>	<u>\$ 124</u>

CITY OF WESTLAKE VILLAGE

Solid Waste Fund – Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual

Fiscal Year Ended June 30, 2013

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Charges for current services	\$ 165,000	\$ 165,000	\$ 155,706	\$ (9,294)
Interest	—	—	140	140
Total revenues	<u>165,000</u>	<u>165,000</u>	<u>155,846</u>	<u>(9,154)</u>
Expenditures:				
Current:				
Public services	<u>125,000</u>	<u>125,000</u>	<u>154,327</u>	<u>(29,327)</u>
Total expenditures	<u>125,000</u>	<u>125,000</u>	<u>154,327</u>	<u>(29,327)</u>
Net change in fund balance	40,000	40,000	1,519	(38,481)
Fund balance, beginning of fiscal year	—	—	49,981	49,981
Fund balance, end of fiscal year	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 51,500</u>	<u>\$ 11,500</u>

CITY OF WESTLAKE VILLAGE

Grant Funds – Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual

Fiscal Year Ended June 30, 2013

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 7,881,495	\$ 7,168,949	\$ 921,983	\$ (6,246,966)
Interest	25	—	26	26
Total revenues	<u>7,881,520</u>	<u>7,168,949</u>	<u>922,009</u>	<u>(6,246,940)</u>
Expenditures:				
Current:				
Public safety	100,000	100,000	100,000	—
Public services	100,345	100,345	109,437	(9,092)
Parks and recreation	1,511,900	1,511,900	779,431	732,469
Total expenditures	<u>1,712,245</u>	<u>1,712,245</u>	<u>988,868</u>	<u>723,377</u>
Net change in fund balance	6,169,275	5,456,704	(66,859)	(5,523,563)
Fund balance (deficit), beginning of fiscal year	<u>(45,792)</u>	<u>(45,792)</u>	<u>(45,792)</u>	<u>—</u>
Fund balance (deficit), end of fiscal year	<u>\$ 6,123,483</u>	<u>\$ 5,410,912</u>	<u>\$ (112,651)</u>	<u>\$ (5,523,563)</u>

CITY OF WESTLAKE VILLAGE

TDA Article 3 Fund – Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual

Fiscal Year Ended June 30, 2013

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 6,325	\$ 1,325
Interest	—	—	4	4
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>6,329</u>	<u>1,329</u>
Expenditures:				
Current:				
Public services	<u>5,000</u>	<u>5,000</u>	<u>6,329</u>	<u>(1,329)</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>6,329</u>	<u>(1,329)</u>
Net change in fund balance	—	—	—	—
Fund balance, beginning of fiscal year	—	—	—	—
Fund balance, end of fiscal year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

CITY OF WESTLAKE VILLAGE

Street Lighting Fund – Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual

Fiscal Year Ended June 30, 2013

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Charges for current services	\$ 315,400	\$ 315,400	\$ 313,548	\$ (1,852)
Interest	2,000	2,000	2,215	215
Total revenues	<u>317,400</u>	<u>317,400</u>	<u>315,763</u>	<u>(1,637)</u>
Expenditures:				
Current:				
Public services	<u>331,000</u>	<u>331,000</u>	<u>268,225</u>	<u>62,775</u>
Total expenditures	<u>331,000</u>	<u>331,000</u>	<u>268,225</u>	<u>62,775</u>
Net change in fund balance	<u>(13,600)</u>	<u>(13,600)</u>	<u>47,538</u>	<u>61,138</u>
Fund balance, beginning of fiscal year	<u>318,253</u>	<u>318,253</u>	<u>318,253</u>	<u>—</u>
Fund balance, end of fiscal year	<u><u>\$ 304,653</u></u>	<u><u>\$ 304,653</u></u>	<u><u>\$ 365,791</u></u>	<u><u>\$ 61,138</u></u>

CITY OF WESTLAKE VILLAGE

Landscaping Fund – Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual

Fiscal Year Ended June 30, 2013

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Charges for current services	\$ 680,350	\$ 680,350	\$ 668,459	\$ (11,891)
Interest	—	—	3,172	3,172
Total revenues	<u>680,350</u>	<u>680,350</u>	<u>671,631</u>	<u>(8,719)</u>
Expenditures:				
Current:				
Public services	<u>691,420</u>	<u>691,420</u>	<u>684,532</u>	<u>6,888</u>
Total expenditures	<u>691,420</u>	<u>691,420</u>	<u>684,532</u>	<u>6,888</u>
Net change in fund balance	<u>(11,070)</u>	<u>(11,070)</u>	<u>(12,901)</u>	<u>(1,831)</u>
Fund balance, beginning of fiscal year	<u>292,124</u>	<u>292,124</u>	<u>292,124</u>	<u>—</u>
Fund balance, end of fiscal year	<u>\$ 281,054</u>	<u>\$ 281,054</u>	<u>\$ 279,223</u>	<u>\$ (1,831)</u>

CITY OF WESTLAKE VILLAGE

Park Maintenance Fund – Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual

Fiscal Year Ended June 30, 2013

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 21,600	\$ 21,600	\$ 20,453	\$ (1,147)
Total revenues	21,600	21,600	20,453	(1,147)
Expenditures:				
Current:				
Public services	21,600	21,600	20,453	1,147
Total expenditures	21,600	21,600	20,453	1,147
Net change in fund balance	—	—	—	—
Fund balance, beginning of fiscal year	—	—	—	—
Fund balance, end of fiscal year	\$ —	\$ —	\$ —	\$ —

CITY OF WESTLAKE VILLAGE

Agency Funds

June 30, 2013

Agency Funds are used to account for assets held by the City in a fiduciary capacity for other governmental units, private organizations or individuals. Agency funds include the following:

Special Assessment Bonds

Refer to Note 10 for further explanation.

CITY OF WESTLAKE VILLAGE
Statement of Changes in Assets and Liabilities
Agency Fund
Fiscal Year Ended June 30, 2013

	<u>Balance at June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
Assets:				
Cash and investments	\$ 46,119	\$ 879	\$ 41,666	\$ 5,332
Due from other governments	1,200	—	1,200	—
Total assets	<u>\$ 47,319</u>	<u>\$ 879</u>	<u>\$ 42,866</u>	<u>\$ 5,332</u>
Liabilities:				
Due to bondholder	<u>\$ 47,319</u>	<u>\$ 879</u>	<u>\$ 42,866</u>	<u>\$ 5,332</u>
Total liabilities	<u>\$ 47,319</u>	<u>\$ 879</u>	<u>\$ 42,866</u>	<u>\$ 5,332</u>

STATISTICAL SECTION

Statistical Section

This part of the City of Westlake Village's Comprehensive Annual Financial Report provides detailed information to better understand the data presented within the financial statements, note disclosures, and required supplementary information.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	66
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax and property tax.	74
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	79
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place and to help make comparisons over time with other governments.	83
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	85

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

CITY OF WESTLAKE VILLAGE
NET POSITION BY COMPONENT

Last Ten Fiscal Years
(*accrual basis of accounting*)

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities:				
Invested in capital assets, net of related debt	\$ 23,082,151	\$ 22,730,129	\$ 22,289,475	\$ 26,318,375
Restricted	395,873	398,971	401,788	402,820
Unrestricted	17,536,060	18,893,173	20,340,614	20,272,899
Total governmental activities net position	<u>\$ 41,014,084</u>	<u>\$ 42,022,273</u>	<u>\$ 43,031,877</u>	<u>\$ 46,994,094</u>
Primary government:				
Invested in capital assets, net of related debt	\$ 23,082,151	\$ 22,730,129	\$ 22,289,475	\$ 26,318,375
Restricted	395,873	398,971	401,788	402,820
Unrestricted	17,536,060	18,893,173	20,340,614	20,272,899
Total primary government net position	<u>\$ 41,014,084</u>	<u>\$ 42,022,273</u>	<u>\$ 43,031,877</u>	<u>\$ 46,994,094</u>

Source: City of Westlake Village

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 28,159,353	\$ 26,508,843	\$ 21,594,707	\$ 29,449,353	\$ 30,133,189	\$ 28,867,144
1,562,219	10,544,951	2,231,720	2,226,418	2,156,528	3,412,048
20,313,477	10,355,009	17,241,543	8,019,598	7,521,993	7,608,464
<u>\$ 50,035,049</u>	<u>\$ 47,408,803</u>	<u>\$ 41,067,970</u>	<u>\$ 39,695,369</u>	<u>\$ 39,811,710</u>	<u>\$ 39,887,656</u>
\$ 28,159,353	\$ 26,508,843	\$ 21,594,707	\$ 29,449,353	\$ 30,133,189	\$ 28,867,144
1,562,219	10,544,951	2,231,720	2,226,418	2,156,528	3,412,048
20,313,477	10,355,009	17,241,543	8,019,598	7,521,993	7,608,464
<u>\$ 50,035,049</u>	<u>\$ 47,408,803</u>	<u>\$ 41,067,970</u>	<u>\$ 39,695,369</u>	<u>\$ 39,811,710</u>	<u>\$ 39,887,656</u>

CITY OF WESTLAKE VILLAGE

CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Expenses:				
Governmental activities:				
General government	\$ 1,957,832	\$ 1,893,635	\$ 2,341,904	\$ 2,460,601
Public safety	1,646,333	1,621,861	1,738,637	1,845,524
Public services	3,475,600	4,827,803	6,010,825	2,515,533
Parks and recreation	334,373	413,792	496,711	448,823
Interest on long-term debt	408,865	402,026	394,948	387,606
Total governmental activities expenses	<u>\$ 7,823,003</u>	<u>\$ 9,159,117</u>	<u>\$ 10,983,025</u>	<u>\$ 7,658,087</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	137,063	34,183	77,105	123,201
Public safety	28,701	51,647	48,866	36,769
Public services	2,921,716	3,159,836	3,591,306	2,083,167
Parks and recreation	21,419	23,542	19,938	32,756
Operating grants and contributions	344,716	343,783	696,303	486,743
Total governmental activities program revenues	<u>\$ 3,453,615</u>	<u>\$ 3,612,991</u>	<u>\$ 4,433,518</u>	<u>\$ 2,762,636</u>
Net (Expense) Revenue:				
Governmental activities				
Total net (expense) revenue	<u>\$ (4,369,388)</u>	<u>\$ (5,546,126)</u>	<u>\$ (6,549,507)</u>	<u>\$ (4,895,451)</u>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	1,460,214	1,382,745	1,496,312	1,726,146
Sales taxes	3,029,171	3,224,709	3,509,637	3,769,570
Transient occupancy taxes	648,214	681,650	680,158	1,277,285
Utility franchise fees	254,115	248,280	287,280	316,932
Motor vehicle in-lieu of taxes	413,529	612,087	812,152	673,937
Investment earnings	256,994	404,844	773,572	1,093,798
Total governmental activities	<u>\$ 6,062,237</u>	<u>\$ 6,554,315</u>	<u>\$ 7,559,111</u>	<u>\$ 8,857,668</u>
Change in net position				
Governmental activities	<u>\$ 1,692,849</u>	<u>\$ 1,008,189</u>	<u>\$ 1,009,604</u>	<u>\$ 3,962,217</u>

Source: City of Westlake Village

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 2,180,910	\$ 2,115,081	\$ 2,688,543	\$ 2,939,139	\$ 2,862,096	\$ 2,770,018
1,923,971	2,026,364	2,038,568	2,099,779	2,071,972	2,161,829
4,368,840	9,943,934	7,019,167	7,171,470	9,356,797	6,201,329
1,197,261	555,694	8,687,592	2,855,987	1,156,770	2,338,716
379,761	422,319	706,253	722,810	719,439	711,764
<u>\$ 10,050,743</u>	<u>\$ 15,063,392</u>	<u>\$ 21,140,123</u>	<u>\$ 15,789,185</u>	<u>\$ 16,167,074</u>	<u>\$ 14,183,656</u>
100,733	97,288	144,137	15,256	22,161	12,055
25,429	32,456	32,394	22,698	20,607	17,140
1,961,569	1,895,459	2,595,191	1,627,279	1,627,116	2,113,519
29,643	23,760	32,900	33,489	29,872	27,373
805,212	841,881	3,951,484	4,361,555	5,691,977	2,505,241
<u>\$ 2,922,586</u>	<u>\$ 2,890,844</u>	<u>\$ 6,756,106</u>	<u>\$ 6,060,277</u>	<u>\$ 7,391,733</u>	<u>\$ 4,675,328</u>
<u>\$ (7,128,157)</u>	<u>\$ (12,172,548)</u>	<u>\$ (14,384,017)</u>	<u>\$ (9,728,908)</u>	<u>\$ (8,775,341)</u>	<u>\$ (9,508,328)</u>
1,853,865	1,990,082	1,655,567	1,876,474	1,872,718	2,199,796
3,744,533	3,215,815	2,903,915	2,871,035	3,235,291	3,601,641
2,549,744	2,293,232	2,220,481	2,394,427	2,613,480	2,623,291
341,298	426,307	365,511	377,499	388,064	388,266
740,061	790,490	778,112	771,911	734,362	715,125
939,611	465,207	119,598	64,961	47,767	56,155
<u>\$ 10,169,112</u>	<u>\$ 9,181,133</u>	<u>\$ 8,043,184</u>	<u>\$ 8,356,307</u>	<u>\$ 8,891,682</u>	<u>\$ 9,584,274</u>
<u>\$ 3,040,955</u>	<u>\$ (2,991,415)</u>	<u>\$ (6,340,833)</u>	<u>\$ (1,372,601)</u>	<u>\$ 116,341</u>	<u>\$ 75,946</u>

CITY OF WESTLAKE VILLAGE
 FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
General fund:				
Reserved	\$ —	\$ —	\$ —	\$ —
Unreserved	12,289,956	14,221,568	15,398,711	15,479,481
Nonspendable	—	—	—	—
Restricted	—	—	—	—
Committed	—	—	—	—
Unassigned	—	—	—	—
Total general fund	<u>\$ 12,289,956</u>	<u>\$ 14,221,568</u>	<u>\$ 15,398,711</u>	<u>\$ 15,479,481</u>
All other governmental funds:				
Reserved				
Debt service funds	\$ 429,424	\$ 431,934	\$ 434,143	\$ 434,525
Arterial system fund	—	—	—	—
Restricted	—	—	—	—
Committed	—	—	—	—
Unreserved, reported in:				
Special revenue funds	5,386,398	4,823,434	5,105,980	4,974,666
Unassigned	—	—	—	—
Total all other governmental funds	<u>\$ 5,815,822</u>	<u>\$ 5,255,368</u>	<u>\$ 5,540,123</u>	<u>\$ 5,409,191</u>
Total governmental funds	<u>\$ 18,105,778</u>	<u>\$ 19,476,936</u>	<u>\$ 20,938,834</u>	<u>\$ 20,888,672</u>

Source: City of Westlake Village

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 1,162,430	\$ 8,000,249	\$ 1,445,372	\$ —	\$ —	\$ —
15,999,731	16,316,232	14,863,029	—	—	—
—	—	—	2,100	—	—
—	—	—	1,095,831	1,095,831	1,020,831
—	—	—	5,569,730	1,666,330	1,811,336
—	—	—	8,761,505	12,525,377	14,048,911
<u>\$ 17,162,161</u>	<u>\$ 24,316,481</u>	<u>\$ 16,308,401</u>	<u>\$ 15,429,166</u>	<u>\$ 15,287,538</u>	<u>\$ 16,881,078</u>
\$ 430,789	\$ 1,062,131	\$ 1,023,450	\$ —	\$ —	\$ —
—	1,731,543	—	—	—	—
—	—	—	2,054,434	2,156,545	2,436,380
—	—	—	458,158	—	—
4,519,135	1,562,303	1,267,408	—	—	—
—	—	—	(14,920)	(1,172,064)	(112,651)
<u>\$ 4,949,924</u>	<u>\$ 4,355,977</u>	<u>\$ 2,290,858</u>	<u>\$ 2,497,672</u>	<u>\$ 984,481</u>	<u>\$ 2,323,729</u>
<u>\$ 22,112,085</u>	<u>\$ 28,672,458</u>	<u>\$ 18,599,259</u>	<u>\$ 17,926,838</u>	<u>\$ 16,272,019</u>	<u>\$ 19,204,807</u>

CITY OF WESTLAKE VILLAGE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Revenues:				
Sales taxes	\$ 3,029,171	\$ 3,224,709	\$ 3,509,637	\$ 3,769,570
Property taxes	1,460,214	1,382,745	1,496,312	1,726,146
Transient occupancy taxes	648,214	681,650	680,158	1,277,285
Motor vehicle license fees	413,529	612,087	812,152	673,937
Utility franchise fees	254,115	248,280	287,280	316,932
Licenses and permits	1,388,174	2,108,285	1,506,255	961,802
Fines and forfeitures	87,038	63,533	89,761	78,194
Charges for current services	1,520,812	1,031,139	1,883,821	1,106,457
Intergovernmental	344,716	343,783	696,303	460,743
Interest	256,994	404,844	773,572	1,093,798
Other revenue	112,875	66,251	257,378	155,440
Total revenues	9,515,852	10,167,306	11,992,629	11,620,304
Expenditures:				
Current:				
General government	1,689,182	1,504,325	1,565,622	2,059,025
Public safety	1,619,013	1,594,541	1,711,317	1,814,715
Public services	2,975,632	3,394,077	3,722,603	3,445,197
Parks and recreation	273,541	356,007	389,323	384,864
Capital outlay	888,609	1,384,584	2,581,310	3,403,406
Debt service:				
Principal retirement	155,000	160,000	165,000	175,000
Interest and fiscal charges	409,434	402,614	395,556	388,256
Cost of issuance	—	—	—	—
Total expenditures	8,010,411	8,796,148	10,530,731	11,670,463
Excess (deficiency) of revenues over (under) expenditures	1,505,441	1,371,158	1,461,898	(50,159)
Other financing sources (uses):				
Transfers in	562,123	557,792	546,495	542,018
Transfers out	(562,123)	(557,792)	(546,495)	(542,018)
Proceeds from issuance of debt	—	—	—	—
Original issue discount	—	—	—	—
Total other financing sources (uses)	—	—	—	—
Net change in fund balances	\$ 1,505,441	\$ 1,371,158	\$ 1,461,898	\$ (50,159)
Debt service as a percentage of noncapital expenditures	7.9%	7.6%	7.1%	6.8%

Source: City of Westlake Village

		Fiscal Year									
		2008	2009	2010	2011	2012	2013				
\$	3,744,533	\$	3,198,339	\$	2,868,591	\$	3,054,967	\$	3,419,208	\$	3,906,672
	1,853,865		1,990,082		1,655,567		1,876,474		1,872,718		2,199,796
	2,549,744		2,293,232		2,220,481		2,394,427		2,613,480		2,623,291
	740,061		790,490		778,112		771,911		734,362		715,125
	341,298		426,307		365,511		377,499		388,064		388,266
	777,820		665,719		546,610		391,098		387,092		837,117
	75,322		79,422		83,175		67,381		84,897		71,121
	1,153,841		1,651,081		4,304,126		1,281,184		1,299,469		1,326,092
	771,636		376,263		582,887		3,982,407		3,989,234		3,466,445
	939,611		465,207		119,598		71,305		51,930		63,182
	143,967		118,359		321,088		231,700		333,268		129,153
	<u>13,091,698</u>		<u>12,054,501</u>		<u>13,845,746</u>		<u>14,500,353</u>		<u>15,173,722</u>		<u>15,726,260</u>
	1,547,764		1,685,669		1,961,507		2,308,424		2,230,648		2,120,363
	1,912,578		1,989,297		2,001,385		2,057,719		2,032,860		2,122,130
	4,248,633		5,298,521		8,774,473		6,242,985		7,757,793		4,603,173
	460,267		475,933		448,328		926,826		1,077,009		1,239,415
	3,133,577		4,423,837		9,689,709		2,617,170		2,706,781		1,687,141
	185,000		7,310,127		297,846		310,000		320,000		325,000
	380,466		372,964		745,697		709,650		703,450		696,250
	—		230,456		—		—		—		—
	<u>11,868,285</u>		<u>21,786,804</u>		<u>23,918,945</u>		<u>15,172,774</u>		<u>16,828,541</u>		<u>12,793,472</u>
	1,223,413		(9,732,303)		(10,073,199)		(672,421)		(1,654,819)		2,932,788
	548,515		746,816		1,215,225		1,141,469		1,073,451		1,071,250
	(548,515)		(746,816)		(1,215,225)		(1,141,469)		(1,073,451)		(1,071,250)
	—		16,225,000		—		—		—		—
	—		(266,333)		—		—		—		—
	<u>—</u>		<u>15,958,667</u>		<u>—</u>		<u>—</u>		<u>—</u>		<u>—</u>
\$	<u>1,223,413</u>	\$	<u>6,226,364</u>	\$	<u>(10,073,199)</u>	\$	<u>(672,421)</u>	\$	<u>(1,654,819)</u>	\$	<u>2,932,788</u>
	6.5%		44.3%		7.3%		8.1%		7.2%		9.2%

CITY OF WESTLAKE VILLAGE
 ASSESSED VALUE AND ESTIMATED ACTUAL
 VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year Ended June 30	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	Total Direct Tax Rate
2004	\$ 1,839,143,906	\$ 110,175,436	\$ (16,177,000)	\$ 1,933,142,342	0.0874%
2005	1,976,233,331	112,346,038	(16,429,000)	2,072,150,369	0.0874%
2006	2,143,240,334	108,844,155	(16,371,600)	2,235,712,889	0.0874%
2007	2,345,440,492	112,296,067	(16,308,600)	2,441,427,959	0.0870%
2008	2,558,882,493	211,708,883	(16,342,200)	2,754,249,176	0.0865%
2009	2,803,839,874	201,323,159	(16,461,200)	2,988,701,833	0.0867%
2010	2,769,071,294	203,721,984	(16,462,600)	2,956,330,678	0.0866%
2011	2,704,975,886	168,406,558	(16,338,000)	2,857,044,444	0.0867%
2012	2,687,683,771	197,542,654	(16,156,000)	2,869,070,425	0.0871%
2013	2,687,341,784	139,911,124	(15,859,200)	2,811,393,708	0.0871%

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at a time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above. The County does not provide breakout of residential, commercial and industrial assessed values to the cities.

Source: HdL Coren & Cone, Los Angeles County Assessor, 2003/04 - 2012/13 Combined Tax Rolls

CITY OF WESTLAKE VILLAGE

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(Rate per \$100 of assessed value)

Last Ten Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City Direct Rate:	<u>0.0874</u>	<u>0.0874</u>	<u>0.0874</u>	<u>0.0870</u>	<u>0.0865</u>	<u>0.0867</u>	<u>0.0866</u>	<u>0.0867</u>	<u>0.0871</u>	<u>0.0871</u>
Overlapping Rates:										
Las Virgenes Unified School District	0.0299	0.0288	0.0270	0.0281	0.0490	0.0499	0.0544	0.0611	0.0696	0.0714
Los Angeles Community College District	0.0198	0.0181	0.0143	0.0215	0.0088	0.0221	0.0231	0.0403	0.0353	0.0376
Los Angeles County Flood Control District	0.0005	0.0002	0.0000	0.0001	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Metropolitan Water District	0.0061	0.0058	0.0052	0.0047	0.0045	0.0043	0.0043	0.0037	0.0037	0.0035
Las Virgenes Municipal Water District	0.0024	0.0024	--	--	--	--	--	--	--	--
County of Los Angeles	0.0010	0.0009	0.0008	0.0007	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
General	<u>1.0000</u>									
Total Direct Rate	<u>1.0597</u>	<u>1.0562</u>	<u>1.0474</u>	<u>1.0550</u>	<u>1.0623</u>	<u>1.0763</u>	<u>1.0818</u>	<u>1.1051</u>	<u>1.1086</u>	<u>1.1125</u>

Note: In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of school and water district bonds.

Because basic and debt rates vary by tax rate area individual rates cannot be summed. The Total Direct Rate is the weighted average of all individual direct rates applied by the City.

Source: HdL Coren & Cone, Los Angeles County Auditor-Controller "Taxpayers' Guide 2012-13"

CITY OF WESTLAKE VILLAGE
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT AND NINE YEARS AGO

Taxpayer	2013		2004	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value ¹	Taxable Assessed Value	Percent of Total City Taxable Assessed Value ²
Dole Food Company Inc	\$ 167,059,718	5.94%		
Russell Ranch Road II LLC	45,500,000	1.62%		
Arden Realty LP	43,798,620	1.56%		
Bank of America NA	43,273,106	1.54%		
Lindero Headquarters Company Inc	42,930,605	1.53%		
CH Realty IV North Ranch LP	35,935,928	1.28%		
Teachers Insurance and Annuity Associates	35,700,000	1.27%		
Westlake Wellbeing Properties LLC	35,583,185	1.27%		
Westlake HHG Hotel Development	24,259,909	0.86%		
Guitar Center Inc	21,729,761	0.77%		
Lindero Headquarters Company Inc			\$ 72,994,069	3.78%
Miller Brothers Russell Ranch Road LLC			27,642,000	1.43%
Westlake North Associates LLC			26,237,762	1.36%
Countrywide Home Loans Inc			20,884,768	1.08%
4333 SB Park LLC Et Al			18,500,000	0.96%
Westlake Village Marketplace LLC			16,726,811	0.87%
Julius E Nasch Co Trust			14,489,681	0.75%
Costco Wholesale Corporation			13,432,647	0.69%
Carramerica Realty Corporation			13,162,160	0.68%
Dunsin Delphi LP			12,929,849	0.67%
	<u>\$ 495,770,832</u>	<u>17.64%</u>	<u>\$ 236,999,747</u>	<u>12.26%</u>

(1) 2012/13 Local Taxable Assessed Valuation: \$ 2,811,393,708
 (2) 2003/04 Local Taxable Assessed Valuation: \$ 1,933,142,342

Source: HdL Coren & Cone, Los Angeles County Assessor, 2012/13 Combined Tax Rolls

CITY OF WESTLAKE VILLAGE
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2004	\$ 1,225,565	\$ 1,169,915	95.46%	\$ N/A	\$ N/A	N/A
2005	1,311,512	1,250,643	95.36%	N/A	N/A	N/A
2006	1,416,814	1,274,007	89.92%	N/A	1,274,007	89.92%
2007	1,547,949	1,427,414	92.21%	48,494	1,475,909	95.35%
2008	1,743,808	1,587,313	91.03%	72,898	1,660,210	95.21%
2009	1,894,820	1,732,279	91.42%	69,052	1,801,331	95.07%
2010	1,876,126	1,727,965	92.10%	77,113	1,805,078	96.21%
2011	1,815,118	1,692,153	93.23%	74,220	1,766,373	97.31%
2012	1,824,859	1,662,752	91.12%	121,819	1,784,571	97.79%
2013	1,791,190	1,728,298	96.49%	47,862	1,776,161	99.16%

Source: Los Angeles County Auditor-Controller

CITY OF WESTLAKE VILLAGE
SALES TAX COLLECTIONS BY CATEGORY

Last Ten Fiscal Years

Fiscal Year	Economic Category						Totals
	Business to Business	Construction	Food Products	General Retail	Miscellaneous	Transportation	
2004	\$ 503,315	\$ 288,435	\$ 302,129	\$ 1,380,383	\$ 42,726	\$ 139,962	\$ 2,656,950
2005	463,254	240,785	342,366	1,459,207	50,601	158,845	2,715,058
2006	424,766	245,814	356,388	1,557,504	70,703	185,901	2,841,076
2007	464,984	267,752	490,792	1,554,297	112,052	206,182	3,096,059
2008	395,394	273,744	569,959	1,511,439	64,297	213,535	3,028,368
2009	343,667	229,692	536,035	1,352,932	25,966	160,317	2,648,609
2010	256,403	181,206	528,601	1,281,202	25,414	160,031	2,432,857
2011	288,558	192,547	567,863	1,306,589	26,594	183,191	2,565,342
2012	393,924	191,298	592,869	1,701,071	37,115	184,333	3,100,610
2013	293,628	212,819	651,510	1,745,181	28,534	190,162	3,121,834

Notes: Sales shown reflect Benchmark Year Ending Second Quarter (Collected Third Quarter) for each fiscal year. Sales tax collections by category are not available on a fiscal year basis.

The local sales tax rate for the City is 1% and does not apply to general food grocery items.

It is not possible to identify the principal sales tax payers.

Source: MBIA MuniServices Company

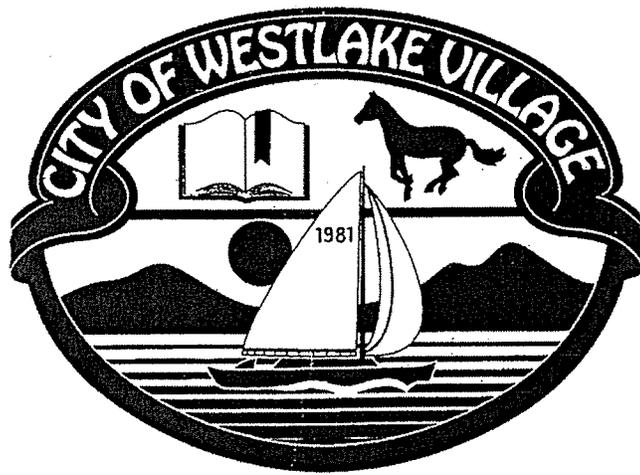
CITY OF WESTLAKE VILLAGE
RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities	Percentage of Personal Income (1)	Debt per Capita
	Certificates of Participation	Loans	Operating Lease			
2004	\$ 7,970,000	\$ 150,417	\$ -	\$ 8,120,417	1.84%	\$ 929
2005	7,810,000	128,112	-	7,938,112	1.72%	901
2006	7,645,000	105,132	-	7,750,132	1.62%	877
2007	7,470,000	81,458	-	7,551,458	1.50%	856
2008	7,285,000	57,072	-	7,342,072	1.42%	834
2009	16,225,000	31,945	-	16,256,945	3.12%	1,847
2010	15,940,000	-	-	15,940,000	3.12%	1,806
2011	15,630,000	-	-	15,630,000	2.60%	1,762
2012	15,310,000	-	-	15,310,000	2.93%	1,845
2013	14,985,000	-	-	14,985,000	2.73%	1,797

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(1) See Demographic and Economic Statistic Schedule for personal income and population data.

Source: City of Westlake Village



CITY OF WESTLAKE VILLAGE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 2013

<u>Jurisdiction</u>	<u>Gross debt outstanding</u>	<u>Percentage applicable to City of Westlake Village (2)</u>	<u>Debt June 30, 2013</u>
<u>Overlapping tax and assessment debt:</u>			
Los Angeles County Flood Control District	\$ 19,770,000	0.260 %	\$ 51,402
Metropolitan Water District	165,085,000	0.134	221,214
Los Angeles Community College District	3,712,555,000	0.472	17,523,260
Las Virgenes Joint Unified School District	164,058,238	15.660	25,691,520
Los Angeles County Regional Park and Open Space Assessment District	<u>142,870,000</u>	0.258	<u>368,605</u>
Total overlapping tax and assessment debt	<u>4,204,338,238</u>		<u>43,856,001</u>
<u>Overlapping general fund obligation debt:</u>			
Los Angeles County General Fund Obligations	1,729,437,327	0.258	4,461,948
Los Angeles County Superintendent of Schools Certificates of Participation	10,377,239	0.258	26,773
Las Virgenes Joint Unified School District Certificates of Participation	<u>11,720,000</u>	15.660	<u>1,835,352</u>
Total overlapping general fund obligation debt	<u>1,751,534,566</u>		<u>6,324,073</u>
Subtotal, overlapping debt	5,955,872,804		50,180,074
<u>City direct debt:</u>			
City of Westlake Village Certificates of Participation	<u>14,985,000</u>	100.000	<u>14,985,000</u>
Gross combined total debt (1)			\$ <u><u>65,165,074</u></u>
Net combined total debt			\$ <u><u>65,150,905</u></u>

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

(2) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: California Municipal Statistics, Incorporated

CITY OF WESTLAKE VILLAGE
LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	Fiscal Year			
	2004	2005	2006	2007
Assessed valuation	\$ 1,916,965,342	\$ 2,055,721,369	\$ 2,235,712,889	\$ 2,441,427,959
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 479,241,336	\$ 513,930,342	\$ 558,928,222	\$ 610,356,990
Debt limit percentage	15%	15%	15%	15%
Debt limit	\$ 71,886,200	\$ 77,089,551	\$ 83,839,233	\$ 91,553,548
Total net debt applicable to the limit: Certificates of participation	<u>\$ 7,970,000</u>	<u>\$ 7,810,000</u>	<u>\$ 7,645,000</u>	<u>\$ 7,470,000</u>
Legal debt margin	<u>\$ 63,916,200</u>	<u>\$ 69,279,551</u>	<u>\$ 76,194,233</u>	<u>\$ 84,083,548</u>
Total debt applicable to the limit as a percentage of debt limit	11.1%	10.1%	9.1%	8.2%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City Finance Department

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 2,754,249,176	\$ 2,988,701,833	\$ 2,956,330,678	\$ 2,857,044,444	\$ 2,869,070,425	\$ 2,811,393,708
25%	25%	25%	25%	25%	25%
\$ 688,562,294	\$ 747,175,458	\$ 739,082,670	\$ 714,261,111	\$ 717,267,606	\$ 702,848,427
15%	15%	15%	15%	15%	15%
\$ 103,284,344	\$ 112,076,319	\$ 110,862,400	\$ 107,139,167	\$ 107,590,141	\$ 105,427,264
<u>\$ 7,285,000</u>	<u>\$ 16,225,000</u>	<u>\$ 15,940,000</u>	<u>\$ 15,630,000</u>	<u>\$ 15,310,000</u>	<u>\$ 14,985,000</u>
<u>\$ 95,999,344</u>	<u>\$ 95,851,319</u>	<u>\$ 94,922,400</u>	<u>\$ 91,509,167</u>	<u>\$ 92,280,141</u>	<u>\$ 90,442,264</u>
7.1%	14.5%	14.4%	14.6%	14.2%	14.2%

CITY OF WESTLAKE VILLAGE
 DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (In Thousands) (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>School Enrollment (Elementary Only) (2)</u>	<u>Unemployment Rate (1)</u>
2004	8,745	\$ 440,826	\$ 50,409	582	3.4%
2005	8,806	460,932	52,343	566	3.2%
2006	8,840	479,199	54,208	540	2.8%
2007	8,826	502,900	56,979	552	2.5%
2008	8,807	518,039	58,821	521	2.7%
2009	8,800	521,373	59,247	514	4.0%
2010	8,825	511,079	57,913	502	6.3%
2011	8,872	600,146	67,645	495	7.0%
2012	8,300	522,958	63,007	435	6.7%
2013	8,341	549,764	65,911	425	5.5%

Sources:

- (1) HdL, Coren & Cone
- (2) Las Virgenes Unified School District

CITY OF WESTLAKE VILLAGE

PRINCIPAL EMPLOYERS

Current Year and Eight Years Ago

2013		2006	
Employer	Number of Employees	Employer	Number of Employees
Bank of America	650	Countrywide	1,150
Four Seasons Hotel	500	Costco Wholesale Corp	300
Move, Inc.	385	Valueclick, Inc.	273
iPayment, Inc.	355	K-Swiss, Inc.	248
Dole Food Co., Inc.	335	Dole Food Co., Inc.	175
Costco Wholesale Corp	290	Guitar Center, Inc.	170
Oaks Christian School	250	Westlake Village Inn	150
Valueclick, Inc.	230	Digital Insight	150
Westlake Village Inn	230	Agilent Technologies, Inc.	150
Securitas Security Services USA, Inc.	223	Thousand Oaks Printing Spclts.	140
Total	<u>3,448</u>		<u>2,906</u>

Note: Data for nine years ago (2005) is not available.

Source: Greater Conejo Valley Chamber of Commerce 2012-2013 Business Census

CITY OF WESTLAKE VILLAGE
 FULL-TIME AND PART-TIME CITY EMPLOYEES
 BY FUNCTION

Last Ten Fiscal Years

<u>Function</u>	Full-Time and Part-Time Employees as of June 30									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government	5	6	7	7	7	9	9	9	9	9
Public services	4	4	4	4	4	4	4	4	4	4
Parks and recreation	1	1	1	1	1	1	1	1	1	1
Total	10	11	12	12	12	14	14	14	14	14

Note: General Government includes 2 part-time positions and Public Services includes 2 part-time positions.

Source: City of Westlake Village Budget

CITY OF WESTLAKE VILLAGE

OPERATING INDICATORS
BY FUNCTION

Last Eight Fiscal Years

Function	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
Police:								
Arrests								
Adult	58	75	86	82	75	94	128	119
Juvenile	8	7	11	5	7	4	2	11
Traffic citations issued	2,585	2,348	2,027	1,889	2,037	1,538	1,198	981
Part I Crimes	166	194	164	143	153	164	172	165
Fire:								
Number of fire service calls	287	293	302	270	271	256	274	274
Number of emergency medical calls	383	416	483	448	495	522	541	532
Public services:								
Building								
Total Permits	283	271	201	185	162	172	156	214
Valuation	85,337,444	18,361,969	6,229,160	7,074,148	8,001,935	5,864,703	5,972,877	18,441,975
Street								
Overlay	6.7 lane miles	7.5 lane miles	7.6 lane miles	7.7 lane miles	6.9 lane miles	0.0 lane miles	6.4 lane miles	0.0 lane miles
Slurry	0.0 lane miles	2.3 lane miles	2.1 lane miles	10.7 lane miles	3.9 lane miles	0.0 lane miles	5.4 lane miles	7.1 lane miles
Library:								
Volumes in collection	37,730	39,986	41,510	42,112	43,804	44,656	46,454	51,521
Total volumes borrowed	131,322	135,600	152,012	150,882	159,489	165,704	164,647	160,628
Transit:								
Bus passes sold	431	464	399	354	314	290	304	252
Dial-a-ride	3,563	3,142	2,970	2,658	2,781	2,911	1,936	1,936
Airport shuttle	303	639	511	315	260	231	224	203

Note: This information is not available for prior years.

Source: City of Westlake Village

CITY OF WESTLAKE VILLAGE

CAPITAL ASSET STATISTICS
BY FUNCTION

Last Ten Fiscal Years

<u>Function</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Public safety:					
Police stations ¹					
Fire stations ²					
Public works:					
Streets (miles)	29.50	29.50	29.50	29.50	29.50
Streetlights	1,147	1,147	1,147	1,147	1,193
Traffic signals	15	15	15	15	15
Parks and recreation:					
Parks	5	5	5	5	5
Acreage	19.18	19.18	19.18	19.18	19.33
Libraries ³					

- Notes: 1 Contract for Police Services with County of Los Angeles. Services provided from facilities outside the City.
- 2 Fire Services provided by County of Los Angeles Fire District. Services provided from facilities in and out of City.
- 3 Library Services provided by County of Los Angeles Library System. Services provided in a City-owned facility.

Source: City of Westlake Village

Fiscal Year				
2009	2010	2011	2012	2013

29.50	29.50	29.50	29.50	29.50
1,193	1,193	1,193	1,193	1,193
15	15	15	15	15
5	5	5	5	5
19.33	19.33	19.33	19.33	19.33

