

# **CITY OF WESTLAKE VILLAGE**

## **California**

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2014



# **CITY OF WESTLAKE VILLAGE**

## **California**

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2014

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

**CITY OF WESTLAKE VILLAGE**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2014**  
**(With Independent Auditor's Report Thereon)**

**CITY OF WESTLAKE VILLAGE**  
**Comprehensive Annual Financial Report**  
 June 30, 2014

**Table of Contents**

	<b>Page</b>
<b>Introductory Section</b>	
Letter of Transmittal .....	i
City Officials .....	iv
Organizational Chart .....	v
Certificate of Achievement for Excellence in Financial Reporting.....	vi
<b>Financial Section</b>	
Independent Auditor’s Report .....	1
Management’s Discussion and Analysis (Unaudited) .....	3
<b>Basic Financial Statements:</b>	
Statement of Net Position .....	12
Statement of Activities.....	13
Balance Sheet – Governmental Funds .....	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17
Statement of Fiduciary Assets and Liabilities – Agency Fund.....	18
Notes to Basic Financial Statements .....	19
<b>Required Supplementary Information (Unaudited)</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual (General Fund) .....	42
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual (Arterial System Fund – Special Revenue Fund).....	43
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual (Grants Funds – Special Revenue Fund).....	44
Schedule of Funding Progress – Other Post-Retirement Health Care Benefits .....	45
<b>Supplementary Information:</b>	
Major Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual (Debt Service Fund) .....	46

**CITY OF WESTLAKE VILLAGE**  
**Comprehensive Annual Financial Report**  
 June 30, 2014

**Table of Contents**

	<b>Page</b>
<b>Combining and Individual Fund Financial Statements and Schedules</b>	
<b>Non-major Governmental Funds:</b>	
Combining Balance Sheet .....	47
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	48
<b>Special Revenue Funds:</b>	
Combining Balance Sheet .....	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	52
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (State Gas Tax Fund) .....	54
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Roadway and Traffic Fund) .....	55
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Traffic Safety Fund) .....	56
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Proposition A Local Transit Assistance Fund).....	57
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Traffic Signalization Fund) .....	58
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Air Quality Management Fund) .....	59
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Solid Waste Fund) .....	60
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (TDA Article 3 Fund) .....	61
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Street Lighting Fund) .....	62
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Landscaping Fund).....	63
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Park Maintenance Fund) .....	64
<b>Agency Fund:</b>	
Statement of Changes in Assets and Liabilities .....	66

**CITY OF WESTLAKE VILLAGE**  
**Comprehensive Annual Financial Report**  
 June 30, 2014

**Table of Contents**

	<b>Page</b>
<b>Statistical Section (Unaudited)</b>	
<b>Financial Trends</b>	
Net Position by Component – Last Ten Fiscal Years.....	68
Changes in Net Position – Last Ten Fiscal Years.....	70
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	72
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	74
<b>Revenue Capacity</b>	
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years .....	76
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years.....	77
Principal Property Tax Payers – Current and Nine Years Ago .....	78
Property Tax Levies and Collections – Last Ten Fiscal Years.....	79
Sales Tax Collections by Major Category – Last Ten Fiscal Years.....	80
<b>Debt Capacity</b>	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years .....	81
Computation of Direct and Overlapping Debt – As of June 30, 2014.....	82
Legal Debt Margin Information – Last Ten Fiscal Years.....	83
<b>Demographic and Economic Information</b>	
Demographic and Economic Statistics – Last Ten Fiscal Years .....	85
Principal Employers – Current and Eight Years Ago.....	86
<b>Operating Information</b>	
Full-Time and Part-Time City Employees by Function – Last Ten Fiscal Years .....	87
Operating Indicators by Function – Last Nine Fiscal Years.....	88
Capital Asset Statistics by Function – Last Ten Fiscal Years .....	89



NED E DAVIS  
Mayor

SUSAN McSWEENEY  
Mayor Pro Tem

PHILIPPA KLESSIG  
Councilmember

BRAD HALPERN  
Councilmember

MARK RUTHERFORD  
Councilmember

December 18, 2014

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, 2014, 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

1<sup>st</sup>. 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 8,386 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 per capita personal income of \$63,242 compared to the Statewide average of \$48,434. The City's population has one of the highest percentages of college graduates in the state. Nearly 58 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 \$2.89 billion in 2014 and the estimated median single family residential value is \$765,000. The tax base is also diverse, with the 10 leading taxpayers accounting for 17.07% 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 7.9%, the unemployment rate for Westlake Village is 4.2%. 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 8,386. 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 \$3.68 million in 2013 to \$3.70 million in 2014. Per capita taxable sales in 2014 averaged an estimated \$44,120 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 2014, general fund operating revenues exceeded operating expenditures by \$3.16 million. Included in fund balance are restricted funds of \$1.0 million, committed funds of \$5.2 million and unassigned funds of \$12.7 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, grants and a bond financing debt issue. Debt levels are manageable, with overall net overlapping debt per capita levels at \$7,491, and overall net debt on a market value basis at 2.18% 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*

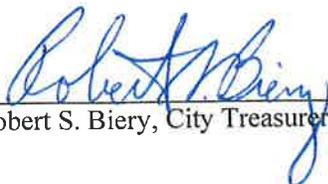
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the twenty seventh consecutive year that the City has received this 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.

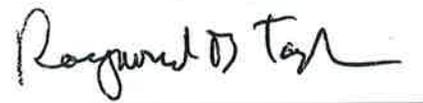
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

### *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, Mike Ogden, 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

MARK RUTHERFORD

NED E DAVIS

BRAD HALPERN

PHILIPPA KLESSIG

SUSAN MCSWEENEY

MAYOR

MAYOR PRO TEM

COUNCIL MEMBER

COUNCIL MEMBER

COUNCIL MEMBER

Administrative Officials

RAYMOND B. TAYLOR

ROBERT S. BIERY

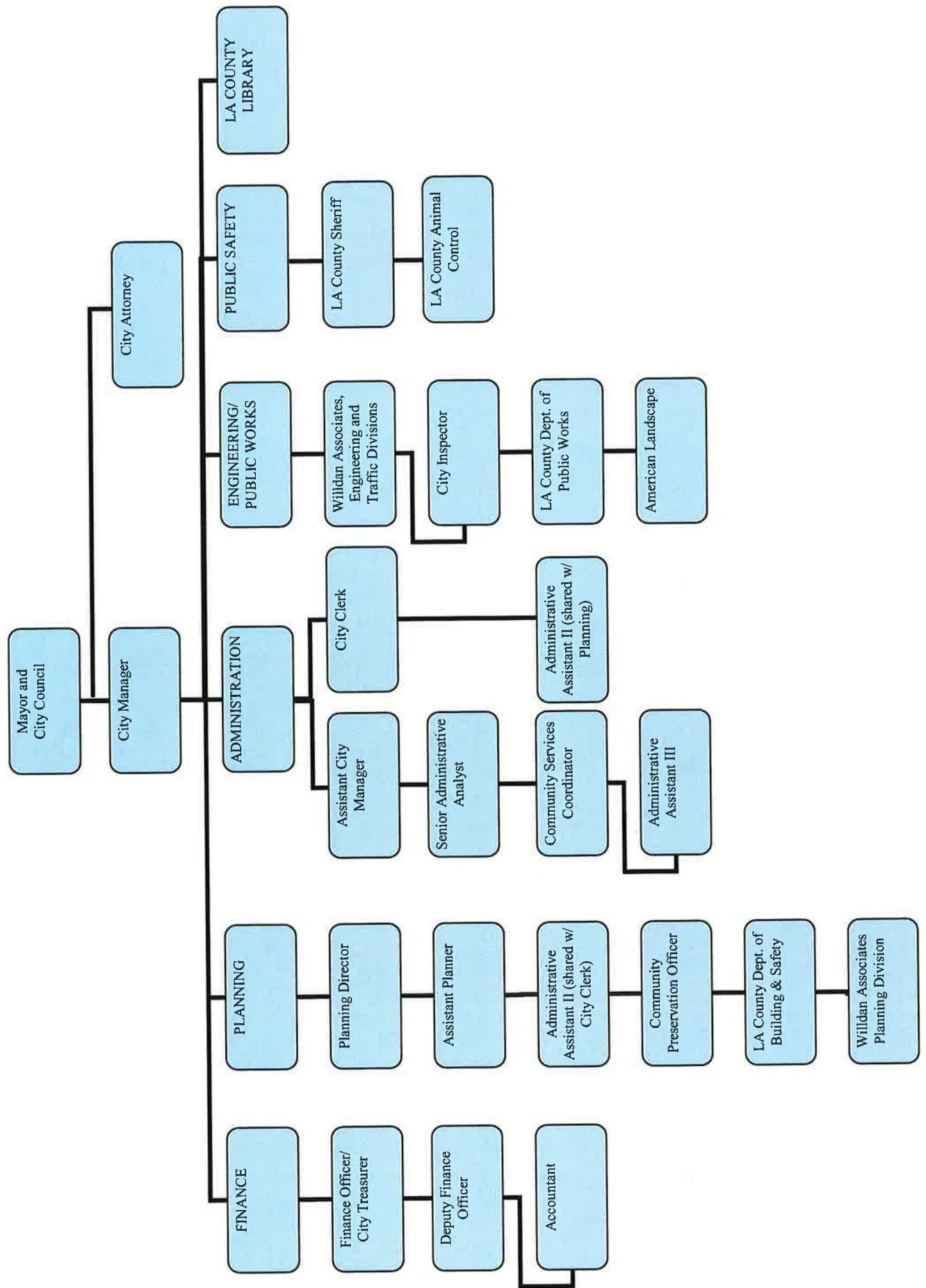
TERENCE BOGA

CITY MANAGER

CITY TREASURER

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, 2013**

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, 2014, 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, 2014, 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

#### *Change in Accounting Principles*

As discussed in note 1 to the basic financial statements effective July 1, 2013, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, Statement No. 66, *Technical Correction-2012*, Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*. Our opinion is not modified with respect to these matters.

**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 11, the budgetary comparison schedules for the General Fund, the Arterial System special revenue fund, and the Grants special revenue fund, and schedule of funding progress – other post - retirement health care benefits plan on pages 42 through 45 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 18, 2014, 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*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
December 18, 2014

**CITY OF WESTLAKE VILLAGE**  
Management's Discussion and Analysis  
June 30, 2014

**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, 2014. We encourage readers to consider the information presented here in conjunction with their reading of the City's financial statements beginning on page 12.

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 2013-14 fiscal year is the eleventh 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, deferred outflows of resources, liabilities, and deferred inflows of resources, 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, 2014

The government-wide financial statements can be found on pages 12 and 13 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 four (4) 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, Grants 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, Arterial System Special Revenue Fund and Grant Special Revenue Fund are located in the basic financial statements on pages 42 through 44. 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 14 and 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 19 through 41 of this report.

**CITY OF WESTLAKE VILLAGE**  
**Management's Discussion and Analysis**  
**June 30, 2014**

**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 47 through 64 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, 2014, the net position of the City was \$40.3 million, which is an increase of \$433,309 from the prior fiscal year.

**Summary of Net Position**  
**June 30, 2013 and June 30, 2014**

	<b>Governmental activities</b>	
	<u>6/30/13</u>	<u>6/30/14</u>
<b>Assets:</b>		
Current and other assets	\$ 22,274,507	\$ 28,997,193
Capital assets	35,930,919	34,700,538
Total assets	<u>58,205,426</u>	<u>63,697,731</u>
<b>Liabilities:</b>		
Current and other liabilities	2,133,653	5,662,610
Long-term liabilities	16,184,117	16,014,156
Total liabilities	<u>18,317,770</u>	<u>21,676,766</u>
<b>Deferred inflows of resources:</b>		
Advance payments of impact fees	—	1,700,000
Total deferred inflows of resources	<u>—</u>	<u>1,700,000</u>
<b>Net position:</b>		
Net investment in capital assets	28,867,144	27,375,538
Restricted – Debt service	969,327	969,832
Parks and recreation	—	1,020,977
Public services	1,119,509	113,061
Streets and roads	669,238	877,700
Public safety	8,960	8,980
Lighting and landscaping	645,014	673,207
Unrestricted	7,608,464	9,281,670
Total net position	<u>\$ 39,887,656</u>	<u>\$ 40,320,965</u>

**CITY OF WESTLAKE VILLAGE**  
Management's Discussion and Analysis  
June 30, 2014

**Summary of Changes in Net Position**

Fiscal Years Ended June 30, 2013 and June 30, 2014

	<b>Governmental activities</b>	
	<u>6/30/13</u>	<u>6/30/14</u>
<b>Revenues:</b>		
<b>Program revenues:</b>		
Charges for services	\$ 2,170,087	\$ 2,868,806
Operating grants and contributions	2,505,241	10,842,213
<b>General revenues</b>		
Property taxes	2,199,796	2,101,915
Sales taxes	3,601,641	3,704,143
Utility franchise fees	388,266	400,701
Transient occupancy taxes	2,623,291	2,906,969
Motor vehicle in-lieu of taxes	715,125	738,298
Investment earnings	56,155	38,214
Other	—	16,281
<b>Total revenues</b>	<u>14,259,602</u>	<u>23,617,540</u>
<b>Expenses:</b>		
General government	2,770,018	2,599,286
Public safety	2,161,829	2,227,897
Public services	6,201,329	10,823,448
Parks and recreation	2,338,716	6,417,146
Interest on long-term debt	711,764	687,729
<b>Total expenses</b>	<u>14,183,656</u>	<u>22,755,506</u>
<b>Increase (decrease) in net position</b>	75,946	862,034
Net position, beginning of fiscal year	<u>39,811,710</u>	<u>39,887,656</u>
Prior period adjustment	—	(428,725)
Net position, beginning of fiscal year - restated	—	<u>39,458,931</u>
Net position, end of fiscal year	<u>\$ 39,887,656</u>	<u>\$ 40,320,965</u>

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 and deferred inflows of resources by \$40,320,965 at June 30, 2014. 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 increased primarily due to construction grants that were received during the fiscal year from the State and County.

A large portion of the City's net position, \$27,375,538, 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

**CITY OF WESTLAKE VILLAGE**  
Management's Discussion and Analysis  
June 30, 2014

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.

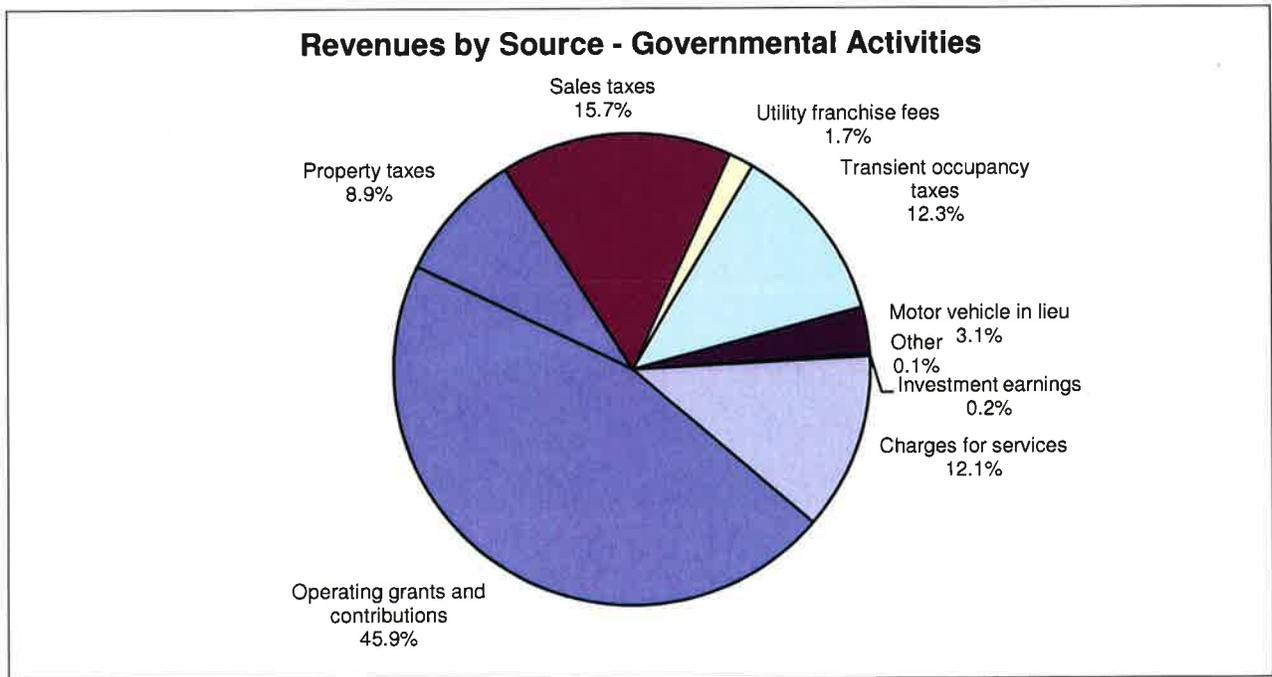
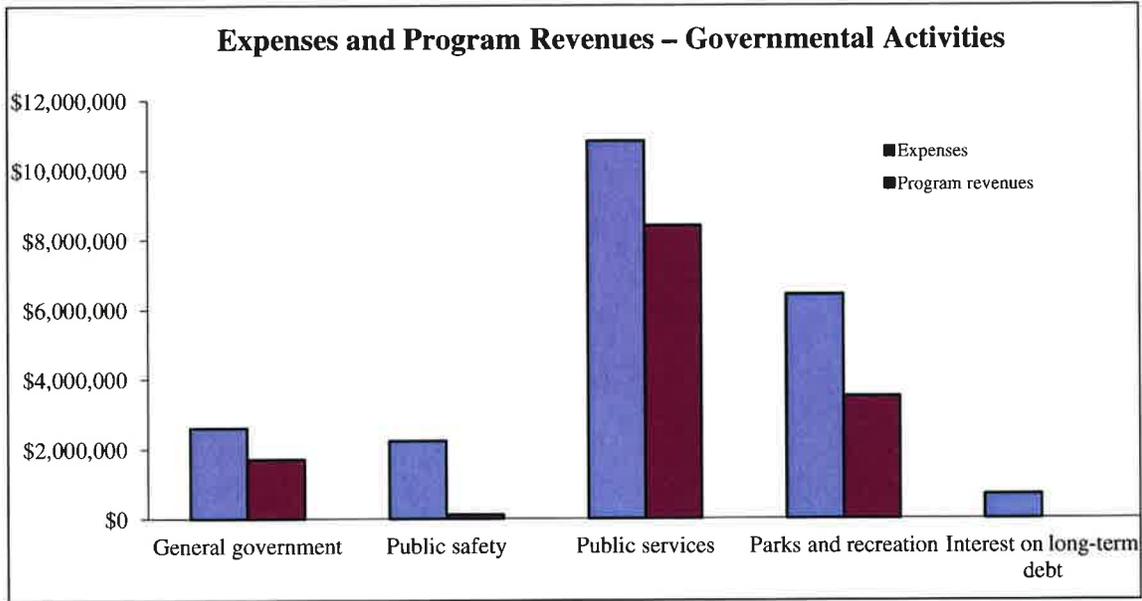
Another portion of the City's net position represent resources that are subject to external restrictions on how they may be used, which is \$969,832 for repayment of long-term debt, \$113,061 for public services, \$877,700 for streets and roads, \$8,980 for public safety, \$673,207 for lighting and landscaping, and \$1,020,977 for parks and recreation.

The remaining portion of the City's net position is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. At June 30, 2014 unrestricted net position totaled \$9,281,670.

The City's net position increased by \$862,034 during the fiscal year. Key elements of this increase are as follows:

- Total governmental funds revenues for fiscal year 2014 was \$23,063,572
- Total governmental funds expenditures for fiscal year 2014 was \$21,695,482
- Thus provided a net increase in fund balances of \$1,368,091 as of June 30, 2014
- Capital project expenditures less current year depreciation and prior year non-capitalized less depreciation (decrease of \$1,230,381); deferred income (increase of \$553,967); net decrease long-term liabilities (decrease of \$170,357) during fiscal year 2014, provides a net decrease to net position of \$506,057.
- With the increase in fund balances of \$1,368,091 and the decrease in net position of \$506,057, the total change in net position is an increase of \$862,034 for fiscal year 2014.

**CITY OF WESTLAKE VILLAGE**  
**Management's Discussion and Analysis**  
 June 30, 2014



**CITY OF WESTLAKE VILLAGE**  
Management's Discussion and Analysis  
June 30, 2014

**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 \$20,572,898, an increase of \$1,368,091 in comparison with the prior fiscal year. Of the \$20.6 million in fund balances at fiscal year end 2013-14, \$3,248,760 is Restricted to indicate that it is not available for appropriation because it had already been restricted for a variety of purposes. \$5,238,754 is Committed for specific capital projects and building replacement. The remaining unassigned \$12,085,384 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 \$18,989,882, with \$8,000 nonspendable, \$1,020,997 Restricted, \$5,238,754 Committed, and the remaining \$12,730,151 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, 2014, fund balance was 168% of total General Fund expenditures and transfers out of \$11,308,850.

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 negative fund balance of (\$198,123). Taken as a whole, the Nonmajor Governmental Funds (Special Revenue Funds) increased fund balance by \$63,925 for 2013-14, as compared to a decrease of \$59,700 in 2012-13. The 2013-14 increase relates to a reduction in various public service and parks and recreation projects from the prior year.

**General Fund Budgetary Highlights**

The General Fund budget to actual report can be found on page 42. Increases between the original budget and the final amended budget were \$1,134,940 due to the addition of park capital projects.

Year-to-date revenue totaled \$13.4 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 \$2,226,662. The major increases were in sales taxes, licenses and permits and transient occupancy tax as the economy improves. Total revenue for 2013-14 was more than total revenue for 2012-13 by \$2,763,737.

General Fund expenditures and transfers out totaled \$11.3 million, which was \$4.9 million less than the final annual budget, which totaled \$16.2 million.

**Capital Asset and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental activities amounts to \$34,700,538 (net of accumulated depreciation of \$29,148,893) as of June 30, 2014. This investment in capital assets includes land, buildings and structures, infrastructure, furniture and equipment, and land improvements.

**CITY OF WESTLAKE VILLAGE**  
Management's Discussion and Analysis  
June 30, 2014

**Capital Assets**  
**(Net of Accumulated Depreciation)**  
As of June 30, 2013 and June 30, 2014

	<b>Governmental activities</b>	
	6/30/13	6/30/14
Land	\$ 5,017,999	\$ 5,017,999
Buildings and improvements	6,669,991	6,473,518
Equipment	141,268	107,722
Office furniture	16,581	15,736
Parks	2,707,779	2,628,875
Infrastructure:		
Sewers	335,701	308,665
Streets	13,577,909	13,065,325
Storm Drains	491,063	481,912
Curbs/Gutters/Sidewalks	971,441	896,112
Bridges	575,080	546,720
Traffic signals	491,839	440,415
Medians	4,934,268	4,717,539
Total	\$ 35,930,919	\$ 34,700,538

Additional information on the City's capital assets can be found in notes to the basic financial statements on page 29 of this report.

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

***Governmental Activities***

- Significant freeway interchange project \$4.90 million, street overlay and landscaping projects \$1.05 million, and park project \$5.76 million.

***Debt Administration.*** At the end of the current fiscal year, the City had total long-term debt outstanding of \$14,650,000 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.

**CITY OF WESTLAKE VILLAGE**  
**Management's Discussion and Analysis**  
June 30, 2014

**Outstanding Debt**

As of June 30, 2013 and June 30, 2014

	<b>Governmental activities</b>	
	6/30/13	6/30/14
Long term indebtedness:		
Certificates of participation	\$ 14,985,000	\$ 14,650,000
	\$ 14,985,000	\$ 14,650,000

Additional information on the City of Westlake Village's long-term debt can be found in note 5 (page 31) of this report.

**Next Year's Budget**

The General fund operating budget for fiscal year 2014-2015 was increased by 5.58% from the previous fiscal year. Salary and benefits are estimated to adjust upward by 3.6%. 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](http://www.wlv.org).



## **BASIC FINANCIAL STATEMENTS**

# CITY OF WESTLAKE VILLAGE

## Statement of Net Position

June 30, 2014

	<b>Governmental activities</b>
<b>Assets</b>	
Cash and investments (note 2)	\$ 17,702,911
Restricted cash held with fiscal agent (note 2)	2,044,536
Due from other governmental units	8,750,259
Accounts and interest receivable	470,179
Prepaid items	8,000
Notes receivable	21,308
Capital assets (note 4):	
Nondepreciable	5,017,999
Depreciable, net	29,682,539
Total assets	<u>63,697,731</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	5,608,883
Accrued interest payable	53,727
Noncurrent liabilities (note 5):	
Due within one year	486,600
Due in more than one year	15,527,556
Total liabilities	<u>21,676,766</u>
<b>Deferred Inflows of Resources</b>	
Advance payments of impact fees	<u>1,700,000</u>
Total deferred inflows of resources	<u>1,700,000</u>
<b>Net Position</b>	
Net investment in capital assets	27,375,538
Restricted for:	
Debt service	969,832
Park and recreation	1,020,977
Public services	113,061
Streets and roads	877,700
Public safety	8,980
Lighting and landscaping	673,207
Unrestricted	9,281,670
Total net position	<u>\$ 40,320,965</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, 2014

	<u>Program revenues</u>		<u>Net (expense) revenue and changes in net assets</u>
	<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	\$ 2,599,286	\$ 7,450	\$ 1,700,000
Public safety	2,227,897	16,402	100,020
Public services	10,823,448	2,803,783	5,586,568
Parks and recreation	6,417,146	41,171	3,455,625
Interest on long-term debt	687,729	—	—
Total governmental activities	<u>\$ 22,755,506</u>	<u>\$ 2,868,806</u>	<u>\$ 10,842,213</u>
General revenues-unrestricted:			
Taxes:			
Property taxes			2,101,915
Sales taxes			3,704,143
Utility franchise fees			400,701
Transient occupancy taxes			2,906,969
Motor vehicle in-lieu of taxes, for general purpose			738,298
Other revenue			16,281
Investment earnings			38,214
Total general revenues			<u>9,906,521</u>
Change in net position			<u>862,034</u>
Net position, beginning of fiscal year			39,887,656
Prior period adjustment (note 16)			<u>(428,725)</u>
Net position, beginning of fiscal year - restated			<u>39,458,931</u>
Net position, end of fiscal year			<u>\$ 40,320,965</u>

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

**CITY OF WESTLAKE VILLAGE**

Balance Sheet

Governmental Funds

June 30, 2014

Assets	General Fund	Arterial System Fund	Grants Funds	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and investments (note 2)	\$ 16,367,816	\$ —	\$ —	\$ —	\$ 1,335,095	\$ 17,702,911
Restricted cash held with fiscal agent (note 2)	1,020,977	—	—	1,023,559	—	2,044,536
Due from other governmental units	869,265	4,417,886	3,340,512	—	122,596	8,750,259
Due from other funds (note 3)	5,692,010	—	—	—	—	5,692,010
Accounts and interest receivable	408,601	—	—	—	61,578	470,179
Prepaid expenditures	8,000	—	—	—	—	8,000
Notes receivable	21,308	—	—	—	—	21,308
<b>Total assets</b>	<b>\$ 24,387,977</b>	<b>\$ 4,417,886</b>	<b>\$ 3,340,512</b>	<b>\$ 1,023,559</b>	<b>\$ 1,519,269</b>	<b>\$ 34,689,203</b>
<b>Liabilities, Deferred Inflow of Resources, and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 3,676,787	\$ 1,421,799	\$ 214,720	\$ —	\$ 295,577	\$ 5,608,883
Due to other funds (note 3)	—	2,527,363	3,136,199	—	28,448	5,692,010
<b>Total liabilities</b>	<b>3,676,787</b>	<b>3,949,162</b>	<b>3,350,919</b>	<b>—</b>	<b>324,025</b>	<b>11,300,893</b>
<b>Deferred inflow of resources:</b>						
Unearned revenue - notes	21,308	—	—	—	—	21,308
Unearned revenue - advance payments of impact fees	1,700,000	—	—	—	—	1,700,000
Unearned revenue - unavailable grant revenues	—	666,847	427,257	—	—	1,094,104
<b>Total deferred inflow of resources</b>	<b>1,721,308</b>	<b>666,847</b>	<b>427,257</b>	<b>—</b>	<b>—</b>	<b>2,815,412</b>
<b>Fund balances:</b>						
<b>Nonspendable</b>						
Prepaid expenditures	8,000	—	—	—	—	8,000
<b>Restricted</b>	1,020,977	—	8,980	1,023,559	1,195,244	3,248,760
<b>Committed</b>	5,230,754	—	—	—	—	5,230,754
<b>Unassigned</b>	12,730,151	(198,123)	(446,644)	—	—	12,085,384
<b>Total fund balances</b>	<b>18,989,882</b>	<b>(198,123)</b>	<b>(437,664)</b>	<b>1,023,559</b>	<b>1,195,244</b>	<b>20,572,898</b>
<b>Total liabilities, deferred inflow of resources, and fund balances</b>	<b>\$ 24,387,977</b>	<b>\$ 4,417,886</b>	<b>\$ 3,340,512</b>	<b>\$ 1,023,559</b>	<b>\$ 1,519,269</b>	<b>\$ 34,689,203</b>

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, 2014

Fund balances – total governmental funds (page 14):			\$ 20,572,898
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.			34,700,538
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.			1,115,412
Long-term liabilities, including certificates of participation, are not due and payable in the current period.			
Certificates of participation	\$ (14,650,000)		
Accrued interest payable	(53,727)		
Compensated absences	(283,214)		
Net OPEB obligation	(1,080,942)		(16,067,883)
Net position of governmental activities (page 12)			<u>\$ 40,320,965</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, 2014**

	<u>General Fund</u>	<u>Arterial System Fund</u>	<u>Grants Funds</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>						
Sales taxes	\$ 3,704,143	\$ —	\$ —	\$ —	\$ 266,536	\$ 3,970,679
Property taxes	2,101,915	—	—	—	—	2,101,915
Transient occupancy taxes	2,906,969	—	—	—	—	2,906,969
Motor vehicle license fees	738,298	—	—	—	—	738,298
Utility franchise fees	400,701	—	—	—	—	400,701
Licenses and permits	1,570,703	—	—	—	—	1,570,703
Fines and forfeitures	3,820	—	—	—	32,185	36,005
Charges for current services	117,520	—	—	—	1,186,424	1,303,944
Intergovernmental	—	4,482,737	3,310,730	—	364,439	8,157,906
Interest	38,083	11	20	131	2,728	40,973
Other revenue	1,835,480	—	—	—	—	1,835,480
<b>Total revenues</b>	<b>13,417,632</b>	<b>4,482,748</b>	<b>3,310,750</b>	<b>131</b>	<b>1,852,312</b>	<b>23,063,573</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	2,194,976	—	—	—	—	2,194,976
Public safety	2,085,356	—	100,000	—	—	2,185,356
Public services	1,997,750	10,284	112,491	—	1,759,027	3,879,552
Parks and recreation	522,014	—	—	—	29,360	551,374
Capital outlay	3,460,629	4,977,198	3,423,272	—	—	11,861,099
<b>Debt service:</b>						
Principal	—	—	—	335,000	—	335,000
Interest	—	—	—	688,125	—	688,125
<b>Total expenditures</b>	<b>10,260,725</b>	<b>4,987,482</b>	<b>3,635,763</b>	<b>1,023,125</b>	<b>1,788,387</b>	<b>21,695,482</b>
Excess (deficiency) of revenues over (under) expenditures	3,156,907	(504,734)	(325,013)	(1,022,994)	63,925	1,368,091
<b>Other financing sources (uses):</b>						
Transfers in	22	25,000	—	1,023,125	—	1,048,147
Transfers out	(1,048,125)	—	—	(22)	—	(1,048,147)
<b>Total other financing sources (uses)</b>	<b>(1,048,103)</b>	<b>25,000</b>	<b>—</b>	<b>1,023,103</b>	<b>—</b>	<b>—</b>
<b>Net change in fund balances</b>	<b>2,108,804</b>	<b>(479,734)</b>	<b>(325,013)</b>	<b>109</b>	<b>63,925</b>	<b>1,368,091</b>
Fund balances, beginning of fiscal year	16,881,078	281,611	(112,651)	1,023,450	1,131,319	19,204,807
<b>Fund balances, end of fiscal year</b>	<b>\$ 18,989,882</b>	<b>\$ (198,123)</b>	<b>\$ (437,664)</b>	<b>\$ 1,023,559</b>	<b>\$ 1,195,244</b>	<b>\$ 20,572,898</b>

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, 2014

Net change in fund balances – total governmental funds (page 16)		\$ 1,368,091
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	\$ 475,363	
Less current year depreciation	<u>(1,705,744)</u>	(1,230,381)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Principal payments		335,000
Certain revenues are offset by deferred revenue in the governmental funds because they are not available to pay for current period expenditures. This amount represents the amount by which current year deferred revenue exceeded prior year.		
		553,967
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	\$ 396	
Change in long-term compensated absences	<u>1,589</u>	1,985
Post-employment benefits are considered long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.		
		<u>(166,628)</u>
Change in net position of governmental activities (page 13)		<u><u>\$ 862,034</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, 2014**

<b>Assets</b>		
Cash and investments (note 2)		\$ —
Due from other governments		—
Total assets		<u>\$ —</u>
<b>Liabilities</b>		
Due to bondholders		\$ —
Total liabilities		<u>\$ —</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, 2014

#### (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 \$14,650,000 on June 30, 2014. 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 activities) 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 consolidation.

## CITY OF WESTLAKE VILLAGE

### Notes to Basic Financial Statements

June 30, 2014

*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, 2014

#### 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.
- Grants Fund 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.
  - 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.
  - California Law Enforcement Equipment Program (CLEEP) Fund - This fund is to account for revenue and expenditures for the CLEEP Program.
  - Measure R Fund - This fund was established to account for receipts and expenditures for public transit tax paid by the County of Los Angeles.
  - State Grants Fund - This fund was established to account for various State grants.
  - County Grants Fund – This fund was established to account for various County grants.
- *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

**CITY OF WESTLAKE VILLAGE**

Notes to Basic Financial Statements

June 30, 2014

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.

**(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

**CITY OF WESTLAKE VILLAGE**

Notes to Basic Financial Statements

June 30, 2014

**(f) *Deferred outflows and inflows of Resources***

The City reports deferred outflows and inflows of resources. A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period. A deferred inflow of resources represents an acquisition of net position that is applicable to a future period.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. Revenue must also be susceptible to accrual; it must be both measurable and available to finance expenditures of the current fiscal period. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflow of resources. This type of deferred inflow is unique to governmental funds, since it is tied to the modified accrual basis of accounting, which is used only in connection with governmental funds.

**(g) *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.

**(h) *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, Non-major Special Revenue Funds budget schedules are included as supplementary information. A detailed budget document is published as a matter of public record. 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 2013-14 were as follows:

Special revenue funds:		
Roadway and Traffic	\$	26,140
Solid Waste	\$	25,196
TDA Article 3	\$	1,773

## CITY OF WESTLAKE VILLAGE

### Notes to Basic Financial Statements

June 30, 2014

The Roadway and traffics 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.

**(i) 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.

**(j) New Accounting Pronouncements**

**Governmental Accounting Standards Board Statement No. 65**

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of the statement and the impact on the City's financial statements are explained in Note 16 – Prior Period Adjustment and Note 1(f). Items previously reported as assets and liabilities are now reported as deferred inflows or outflows of resources.

**Governmental Accounting Standards Board Statement No. 66**

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 66, "Technical Correction - 2012." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," and GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement No. 54 and Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement No. 62 and Statements No. 13, Accounting for Operating Leases with Scheduled Rent Increases, regarding the reporting of certain operating lease transactions, and No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. Implementation of the GASB Statement No. 66 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

## **CITY OF WESTLAKE VILLAGE**

### **Notes to Basic Financial Statements**

June 30, 2014

#### **Governmental Accounting Standards Board Statement No. 67**

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and No. 50 "Pension Disclosures" as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. Implementation of the GASB Statement No. 67 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

#### **Governmental Accounting Standards Board Statement No. 70**

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 70, "Accounting and Financial Reporting for Non-exchange Financial Guarantees." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are non-exchange transactions. Implementation of the GASB Statement No. 70 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

Selected information regarding the prior fiscal year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's prior fiscal year statements, from which the selected financial data was derived.

**CITY OF WESTLAKE VILLAGE**

Notes to Basic Financial Statements

June 30, 2014

**(2) Cash and Investments**

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 17,702,911
Restricted cash held with fiscal agent	<u>2,044,536</u>
Total Cash and Investments	<u>\$ 19,747,447</u>
Cash on hand	\$ 210
Deposits with financial institutions	898,644
Investments	
Local Agency Investment Fund (LAIF)	16,804,057
Cash and investments with fiscal agent	<u>2,044,536</u>
Total Cash and Investments	<u>\$ 19,747,447</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 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.

## **CITY OF WESTLAKE VILLAGE**

### **Notes to Basic Financial Statements**

June 30, 2014

#### **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. The fiscal agent funds held in money market funds were rated AAA at June 30, 2014.

#### **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, 2014, the amortized cost of the pool was \$64,850,840,279 and the estimated fair value of the pool was \$64,896,335,761. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**CITY OF WESTLAKE VILLAGE**

Notes to Basic Financial Statements

June 30, 2014

**(3) Interfund Receivables, Payables, and Transfers**

**(a) Due From and To Other Funds**

Interfund receivables/payables balances as of June 30, 2014 are as follows:

<u>Fund type</u>	<u>Due from</u>	<u>Due to</u>
Major funds:		
General fund	\$ 5,692,010	\$ —
Arterial system fund	—	2,527,363
Grants Funds	—	3,136,199
Nonmajor governmental fund:		
Park maintenance fund	—	28,448
	<u>\$ 5,692,010</u>	<u>\$ 5,692,010</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, 2014 are as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
Major funds:		
General fund	\$ 22	\$ 1,048,125
Arterial system fund	25,000	—
Debt service fund	1,023,125	22
	<u>\$ 1,048,147</u>	<u>\$ 1,048,147</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, 2014

**(4) Capital Assets**

A summary of changes in the capital assets for the year ended June 30, 2014 follows:

	<b>Balance July 1, 2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2014</b>
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	2,235,118	5,608	—	2,240,726
Office furniture	222,695	2,239	—	224,934
Parks	4,168,103	6,856	—	4,174,959
Infrastructure				
Sewers	1,351,788	—	—	1,351,788
Streets	25,226,481	430,176	—	25,656,657
Storm drains	1,981,727	30,484	—	2,012,211
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>58,356,069</u>	<u>475,363</u>	<u>—</u>	<u>58,831,432</u>
Total capital assets	<u>63,374,068</u>	<u>475,363</u>	<u>—</u>	<u>63,849,431</u>

**CITY OF WESTLAKE VILLAGE**

Notes to Basic Financial Statements

June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (2,157,534)	\$ (196,473)	\$ —	\$ (2,354,007)
Equipment	(2,093,850)	(39,154)	—	(2,133,004)
Office Furniture	(206,114)	(3,084)	—	(209,198)
Parks	(1,460,324)	(85,760)	—	(1,546,084)
Infrastructure				
Sewers	(1,016,087)	(27,036)	—	(1,043,123)
Streets	(11,648,572)	(942,760)	—	(12,591,332)
Storm Drains	(1,490,664)	(39,635)	—	(1,530,299)
Curbs/Gutters/Sidewalks	(3,467,273)	(75,329)	—	(3,542,602)
Bridges	(842,930)	(28,360)	—	(871,290)
Traffic signals	(1,259,445)	(51,424)	—	(1,310,869)
Medians	(1,800,356)	(216,729)	—	(2,017,085)
	<u>(27,443,149)</u>	<u>(1,705,744)</u>	<u>—</u>	<u>(29,148,893)</u>
Total capital assets, being depreciated, net	<u>30,912,920</u>	<u>(1,230,381)</u>	<u>—</u>	<u>29,682,539</u>
Governmental activities capital assets, net	<u>\$ 35,930,919</u>	<u>\$ (1,230,381)</u>	<u>\$ —</u>	<u>\$ 34,700,538</u>

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

General government	\$ 198,813
Public safety	39,898
Public services	1,381,273
Parks and recreation	<u>85,760</u>
Total depreciation expense	<u>\$ 1,705,744</u>

**CITY OF WESTLAKE VILLAGE**

Notes to Basic Financial Statements

June 30, 2014

**(5) Long-Term Debt**

The following is a summary of changes in the long-term debt for the year ended June 30, 2014:

<u>Governmental activities</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>	<u>Amount due within one year</u>
Debt long-term liabilities:					
Certificates of participation:					
2009 Certificates of Participation	\$ 14,985,000	\$ —	\$ (335,000)	\$ 14,650,000	\$ 345,000
Other long-term liabilities:					
Compensated absences	284,803	127,364	(128,953)	283,214	141,600
Net OPEB obligation	914,314	177,000	(10,372)	1,080,942	—
 Total governmental activities -- long-term liabilities	 <u>\$ 16,184,117</u>	 <u>\$ 304,364</u>	 <u>\$ (474,325)</u>	 <u>\$ 16,014,156</u>	 <u>\$ 486,600</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 \$14,650,000 is outstanding June 30, 2014.

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

<b>2009 Certificates of Participation</b>			
<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	390,000	628,819	1,018,819
2020-2024	2,205,000	2,899,320	5,104,320
2025-2029	2,735,000	2,371,561	5,106,561
2030-2034	3,460,000	1,639,500	5,099,500
2035-2039	4,415,000	683,500	5,098,500
	<u>\$ 14,650,000</u>	<u>\$ 10,864,194</u>	<u>\$ 25,514,194</u>

## CITY OF WESTLAKE VILLAGE

### Notes to Basic Financial Statements

June 30, 2014

At June 30, 2014, 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 and other post-employment benefit obligation.

#### (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 hire before January 1, 2013 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 2013-14 was 15.084%, and for 2013-14 it will be 16.161% 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.

During the year ended June 30, 2013, the California Public Employees' Pension Reform Act (PEPRA) went into effect. Employees hired after January 1, 2013 who are new to PERS are required to pay half of their plan's normal cost. The new member contribute 6.25% of their annual covered salary.

##### (c) *Annual Pension Cost*

For fiscal year 2013-14, total annual employer/employee pension cost and the amount actually contributed was \$241,970. Included in that total, the City contributed \$57,061 on behalf of the employees to cover their 8% required contribution and in addition the employees contributed \$27,557. The required contribution for fiscal year 2013-14 was determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay.

**CITY OF WESTLAKE VILLAGE**

Notes to Basic Financial Statements

June 30, 2014

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>
06/30/12	\$ 139,907	100%	—
06/30/13	148,558	100%	—
06/30/14	157,352	100%	—

**(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 \$1,403,240 have been excluded from the basic financial statements at June 30, 2014. The City also offers a 401 Qualified Plan through ICMA which investments totaling \$109,286 have been excluded from the basic financial statements at June 30, 2014.

**(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 provides a supplemental medical retiree benefit amounting up to \$750 per month for pre-Medicare period and \$600 per month for post-Medicare period, inclusive of the PEMHCA minimum for current and future eligible retirees. These benefits will be financed on a “pay as you go basis.” As of June 30, 2014, there were three retired employees. The City expended \$10,372 for retiree health insurance during the fiscal year ended June 30, 2014.

**CITY OF WESTLAKE VILLAGE**

Notes to Basic Financial Statements

June 30, 2014

**Funding Policy**

The City's adopted policy is to contribute an amount sufficient to pay the current fiscal year's premium. For fiscal year 2013-14, the City contributed \$10,372, which consisted of current premiums, but did not include any additional prefunding of benefits. The City Council approved establishment of an irrevocable trust and approved the policy that the current OPEB liability shall be prefunded over a five-year period beginning in fiscal year 2014-15.

**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	\$ 179,000
Interest on net OPEB Obligation	39,000
Adjustment to annual required contribution	<u>(41,000)</u>
Annual OPEB cost (expense)	177,000
Contributions made	<u>(10,372)</u>
Increase in net OPEB obligation	166,628
Net OPEB obligation - beginning of fiscal year	<u>914,314</u>
Net OPEB obligation - end of fiscal year	<u><u>\$ 1,080,942</u></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 2014 was as follows:

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost</u> <u>Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation (Assets)</u>
6/30/2012	\$ 213,000	5.28%	\$ 693,144
6/30/2013	226,000	2.14%	914,314
6/30/2014	177,000	5.86%	1,080,942

**Funded Status and Funding Progress**

As of July 1, 2013, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,096,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability

## CITY OF WESTLAKE VILLAGE

### Notes to Basic Financial Statements

June 30, 2014

(UAAL) of \$1,096,000. The covered payroll (annual payroll of active employees covered by the plan) for the current year was \$1,040,514. The ratio of the UAAL to the covered payroll was 105.3 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, 2013 actuarial valuation, the entry age normal 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 under the level percentage of payroll amortization method over covered payroll on a closed basis. The remaining amortization period at June 30, 2014 was twenty six 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, 2019. Expenditures under the contract for the year ended June 30, 2014 were \$2,101,037, and estimated expenditures under the new contract for the year ending June 30, 2015 are \$2,086,103.

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.

The City also contracts for landscaping with current contracts that began March 1, 2004 with the term ending June 30, 2017. The contractual commitments total \$580,788 for the year ending June 30, 2014.

## CITY OF WESTLAKE VILLAGE

### Notes to Basic Financial Statements

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) 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 119 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.

##### 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 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 with the first and second loss layers. (5) Costs of covered claims

## CITY OF WESTLAKE VILLAGE

### Notes to Basic Financial Statements

June 30, 2014

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 \$20 million are paid under reinsurance agreements. (7) Cost of covered claims from \$20 million to \$50 million are paid under 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 \$30 million per occurrence. This \$30 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$15 million in reinsurance, subject to the same annual aggregate deductibles previously stated, and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate limit.

*Workers Compensation* 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 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.

*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 \$17,646,668. There is a \$5,000 deductible per occurrence except for non-emergency

**CITY OF WESTLAKE VILLAGE**

Notes to Basic Financial Statements

June 30, 2014

vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

*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.

*Special Event Tenant User Liability Insurance* The City of Westlake Village further protects against liability by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Westlake Village according to a schedule. The City of Westlake Village then pays for the insurance. The insurance is arranged by the Authority

*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 2013-14.

**(11) Grant Funds**

The City has the following grants which are accounted for in a non-major governmental fund:

	<u>Beginning Fund Balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>
Citizen Options for Public Safety (COPS)	\$ —	\$ 100,000	\$ (100,000)	\$ —
Community Development Block Grant (CDBG)	—	24,860	(24,860)	—
California Law Enforcement Equipment Program (CLEEP)	8,960	20	—	8,980
State Grant	—	800,000	(1,000,000)	(200,000)
County Grant	(4,982)	450,000	(514,405)	(69,387)
Measure R	(116,629)	1,935,870	(1,996,498)	(177,257)
	<u>\$ (112,651)</u>	<u>\$ 3,310,750</u>	<u>\$ (3,635,763)</u>	<u>\$ (437,664)</u>

**(12) 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

## CITY OF WESTLAKE VILLAGE

### Notes to Basic Financial Statements

June 30, 2014

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, 2014, 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 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

**CITY OF WESTLAKE VILLAGE**

Notes to Basic Financial Statements

June 30, 2014

funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions

**(13) 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, 2014 are as follows:

	<u>Governmental</u>
Debt service	
2009 certificates of participation	<u>\$ 969,832</u>
Park and recreation	<u>1,020,977</u>
Public services	
Air quality management	57,500
Solid waste	<u>55,561</u>
	<u>113,061</u>
Streets and roads	
Construction and maintenance	<u>877,700</u>
Public safety	<u>8,980</u>
Special districts	
Lighting	398,036
Landscaping	<u>275,171</u>
	<u>673,207</u>
Total restricted net position	<u>\$ 3,663,757</u>

**CITY OF WESTLAKE VILLAGE**

Notes to Basic Financial Statements

June 30, 2014

**(14) Fund Balances**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. (see Note 12 for a description of these categories). A detailed schedule of fund balances at June 30, 2014 is as follows:

	General Fund	Arterial System Fund	Grants Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable						
Prepaid items	\$ 8,000	\$ —	\$ —	\$ —	\$ —	\$ 8,000
Total nonspendable fund balances	8,000	—	—	—	—	8,000
Restricted for:						
Park projects	\$ 1,020,977	\$ —	\$ —	\$ —	\$ —	\$ 1,020,977
Debt service	—	—	—	1,023,559	—	1,023,559
Streets and roads	—	—	—	—	408,976	408,976
Public services	—	—	—	—	113,061	113,061
Public safety	—	—	8,980	—	—	8,980
Street lighting	—	—	—	—	398,036	398,036
Landscaping	—	—	—	—	275,171	275,171
Total restricted fund balances	1,020,977	—	8,980	1,023,559	1,195,244	3,248,760
Committed to:						
Building replacement	464,700	—	—	—	—	464,700
Capital projects	4,766,054	—	—	—	—	4,766,054
Total committed fund balances	5,230,754	—	—	—	—	5,230,754
Unassigned						
Unassigned	12,730,151	(198,123)	(446,644)	—	—	12,085,384
Total unassigned	12,730,151	(198,123)	(446,644)	—	—	12,085,384
Total fund balances	\$ 18,989,882	\$ (198,123)	\$ (437,664)	\$ 1,023,559	\$ 1,195,244	\$ 20,572,898

**(15) Subsequent Events**

Management of the City has evaluated subsequent events through December 18, 2014, the date of these financial statements were available to be issued, and has determined there were no material events requiring disclosure.

**(16) Prior Period Adjustment**

Prior period adjustment in an amount of \$428,725 was made in the Governmental Activities-Government-wide Statement as a result of GASB Statement No. 65 implementation.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WESTLAKE VILLAGE**

Budgetary Comparison Schedule

General Fund

Fiscal Year Ended June 30, 2014

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues:</b>				
Sales taxes	\$ 3,411,850	\$ 3,411,850	\$ 3,704,143	\$ 292,293
Property taxes	1,898,690	1,898,690	2,101,915	203,225
Transient occupancy taxes	2,445,630	2,445,630	2,906,969	461,339
Motor vehicle license fees	720,000	720,000	738,298	18,298
Utility franchise fees	390,000	390,000	400,701	10,701
Licenses and permits	442,250	442,250	1,570,703	1,128,453
Fines and forfeitures	4,000	4,000	3,820	(180)
Charges for current services	78,550	78,550	117,520	38,970
Interest	50,000	50,000	38,083	(11,917)
Other revenue	1,750,000	1,750,000	1,835,480	85,480
<b>Total revenues</b>	<b>11,190,970</b>	<b>11,190,970</b>	<b>13,417,632</b>	<b>2,226,662</b>
<b>Expenditures:</b>				
Current:				
General government	2,354,785	2,354,785	2,194,976	159,809
Public safety	2,084,450	2,084,450	2,085,356	(906)
Public services	1,759,225	1,814,225	1,997,750	(183,525)
Parks and recreation	496,525	496,525	522,014	(25,489)
Capital outlay	7,397,830	8,477,770	3,460,629	5,017,141
<b>Total expenditures</b>	<b>14,092,815</b>	<b>15,227,755</b>	<b>10,260,725</b>	<b>4,967,030</b>
Excess (deficiency) of revenues over (under) expenditures	(2,901,845)	(4,036,785)	3,156,907	7,193,692
<b>Other financing sources (uses):</b>				
Transfers in	—	—	22	22
Transfers out	(1,024,325)	(1,024,325)	(1,048,125)	(23,800)
<b>Total other financing sources (uses)</b>	<b>(1,024,325)</b>	<b>(1,024,325)</b>	<b>(1,048,103)</b>	<b>(23,778)</b>
<b>Net change in fund balance</b>	<b>(3,926,170)</b>	<b>(5,061,110)</b>	<b>2,108,804</b>	<b>7,169,914</b>
Fund balance, beginning of fiscal year	16,881,078	16,881,078	16,881,078	—
<b>Fund balance, end of fiscal year</b>	<b>\$ 12,954,908</b>	<b>\$ 11,819,968</b>	<b>\$ 18,989,882</b>	<b>\$ 7,169,914</b>

**CITY OF WESTLAKE VILLAGE**  
 Budgetary Comparison Schedule  
 Arterial System Fund – Special Revenue Fund  
 Fiscal Year Ended June 30, 2014

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 5,680,120	\$ 5,680,120	\$ 4,482,737	\$ (1,197,383)
Interest	—	—	11	11
Total revenues	<u>5,680,120</u>	<u>5,680,120</u>	<u>4,482,748</u>	<u>(1,197,372)</u>
<b>Expenditures:</b>				
Current:				
Public services	—	—	10,284	(10,284)
Capital outlay	5,904,260	5,904,260	4,977,198	927,062
Total expenditures	<u>5,904,260</u>	<u>5,904,260</u>	<u>4,987,482</u>	<u>916,778</u>
Excess (deficiency) of revenues over (under) expenditures	(224,140)	(224,140)	(504,734)	(280,594)
<b>Other financing sources:</b>				
Transfers in	—	—	25,000	25,000
Net change in fund balance	(224,140)	(224,140)	(479,734)	(255,594)
Fund balance, beginning of fiscal year	<u>281,611</u>	<u>281,611</u>	<u>281,611</u>	<u>—</u>
Fund balance, end of fiscal year	<u>\$ 57,471</u>	<u>\$ 57,471</u>	<u>\$ (198,123)</u>	<u>\$ (255,594)</u>

**CITY OF WESTLAKE VILLAGE**  
**Budgetary Comparison Schedule**  
**Grants Funds – Special Revenue Fund**  
**Fiscal Year Ended June 30, 2014**

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance with final budget - positive (negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Intergovernmental	\$ 4,527,290	\$ 4,527,290	\$ 3,310,730	\$ (1,216,560)
Interest	—	—	20	20
<b>Total revenues</b>	<b>4,527,290</b>	<b>4,527,290</b>	<b>3,310,750</b>	<b>(1,216,540)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	100,000	100,000	100,000	—
Public services	24,860	24,860	112,491	(87,631)
Capital outlay	4,501,240	5,256,729	3,423,272	1,833,457
<b>Total expenditures</b>	<b>4,626,100</b>	<b>5,381,589</b>	<b>3,635,763</b>	<b>1,745,826</b>
<b>Net change in fund balance</b>	<b>(98,810)</b>	<b>(854,299)</b>	<b>(325,013)</b>	<b>529,286</b>
<b>Fund balance, beginning of fiscal year</b>	<b>(112,651)</b>	<b>(112,651)</b>	<b>(112,651)</b>	<b>—</b>
<b>Fund balance (deficit), end of fiscal year</b>	<b>\$ (211,461)</b>	<b>\$ (966,950)</b>	<b>\$ (437,664)</b>	<b>\$ 529,286</b>

**CITY OF WESTLAKE VILLAGE, CALIFORNIA**

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

**June 30, 2014**

<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>
6/30/07	\$ —	\$ 1,746,000	\$ 1,746,000	0%	\$ 792,000	220.5%
6/30/10	—	1,267,000	1,267,000	0%	1,039,000	121.9%
6/30/13	—	1,096,000	1,096,000	0%	1,057,000	103.7%

**Estimated Actuarial Gains & Losses**

(Amounts in 000's)

<b>Actuarial Gains &amp; Losses</b>	<b>AAL</b>
• 6/30/10 Actuarial Accrued Liability	\$1,267
• 6/30/13 Expected Actuarial Accrued Liability	1,827
• Experience Losses (Gains):	
Actual versus expected premiums	( 88)
Demographic & other <sup>1</sup>	(465)
• Assumption Changes:	
Benefit cap increase	(56)
Surviving spouse benefit	(122)
• Total Changes	(731)
• 6/30/13 Actuarial Accrued Liability	1,096

<sup>1</sup> Primarily gain from fewer retirees than expected; 1 prior retiree and 1 new retiree waived coverage

## **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, 2014

	<u>Final Budget</u>	<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
Revenues:			
Interest	\$ —	\$ 131	\$ 131
Total revenues	<u>—</u>	<u>131</u>	<u>131</u>
Expenditures:			
Debt service:			
Principal	335,000	335,000	—
Interest	689,325	688,125	1,200
Total expenditures	<u>1,024,325</u>	<u>1,023,125</u>	<u>1,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,024,325)</u>	<u>(1,022,994)</u>	<u>1,331</u>
Other financing sources (uses):			
Transfers in	1,024,325	1,023,125	(1,200)
Transfers out	—	(22)	(22)
Total other financing sources (uses)	<u>1,024,325</u>	<u>1,023,103</u>	<u>(1,222)</u>
Net change in fund balance	—	109	109
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>\$ 1,023,559</u>	<u>\$ 109</u>

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

**CITY OF WESTLAKE VILLAGE**

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2014

(with comparative totals as of June 30, 2013)

<b>Assets</b>	<b>Special Revenue Funds</b>	<b>Total Nonmajor Governmental Funds</b>	
		<b>2014</b>	<b>2013</b>
Cash and investments	\$ 1,335,095	\$ 1,335,095	\$ 1,354,400
Due from other governmental units	122,596	122,596	135,005
Accounts receivable	61,578	61,578	37,213
Total assets	<u>\$ 1,519,269</u>	<u>\$ 1,519,269</u>	<u>\$ 1,526,618</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 295,577	\$ 295,577	\$ 377,977
Due to other funds	28,448	28,448	17,322
Total liabilities	<u>324,025</u>	<u>324,025</u>	<u>395,299</u>
<b>Fund balances:</b>			
Restricted	<u>1,195,244</u>	<u>1,195,244</u>	<u>1,131,319</u>
Total fund balances	<u>1,195,244</u>	<u>1,195,244</u>	<u>1,131,319</u>
Total liabilities and fund balances	<u>\$ 1,519,269</u>	<u>\$ 1,519,269</u>	<u>\$ 1,526,618</u>

**CITY OF WESTLAKE VILLAGE**

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

Nonmajor Governmental Funds

Fiscal Year Ended June 30, 2014

(With Comparative Totals for Fiscal Year Ended June 30, 2013)

	<b>Special Revenue Funds</b>	<b>Total Nonmajor Governmental Funds</b>	
		<b>2014</b>	<b>2013</b>
<b>Revenues:</b>			
Sales taxes	\$ 266,536	\$ 266,536	\$ 257,995
Fines and forfeitures	32,185	32,185	65,870
Charges for current services	1,186,424	1,186,424	1,216,915
Intergovernmental	364,439	364,439	241,969
Interest	2,728	2,728	7,001
	<u>1,852,312</u>	<u>1,852,312</u>	<u>1,789,750</u>
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current:			
Public services	1,759,027	1,759,027	1,782,591
Parks and recreation	29,360	29,360	—
	<u>1,788,387</u>	<u>1,788,387</u>	<u>1,782,591</u>
<b>Total expenditures</b>			
Net change in fund balances	63,925	63,925	7,159
Fund balances, beginning of fiscal year	<u>1,131,319</u>	<u>1,131,319</u>	<u>1,124,160</u>
Fund balances, end of fiscal year	<u>\$ 1,195,244</u>	<u>\$ 1,195,244</u>	<u>\$ 1,131,319</u>

**SPECIAL REVENUE FUNDS**

**CITY OF WESTLAKE VILLAGE**  
Special Revenue Funds  
June 30, 2014

**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).

**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, 2014

	<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>
<b>Assets:</b>						
Cash and investments	\$ 110,997	\$ 21,674	\$ 10,508	\$ 50,995	\$ 317,854	\$ 54,813
Due from other governmental units	27,582	—	2,147	—	36,707	2,687
Accounts receivable	19,245	—	4,765	—	—	—
<b>Total assets</b>	<b>\$ 157,824</b>	<b>\$ 21,674</b>	<b>\$ 17,420</b>	<b>\$ 50,995</b>	<b>\$ 354,561</b>	<b>\$ 57,500</b>
<b>Liabilities and fund balances:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 79,000	\$ 5,297	\$ 17,420	\$ 50,995	\$ 40,786	\$ —
Due to other funds	—	—	—	—	—	—
<b>Total liabilities</b>	<b>79,000</b>	<b>5,297</b>	<b>17,420</b>	<b>50,995</b>	<b>40,786</b>	<b>—</b>
<b>Fund balances:</b>						
Restricted	78,824	16,377	—	—	313,775	57,500
<b>Total fund balances (deficit)</b>	<b>78,824</b>	<b>16,377</b>	<b>—</b>	<b>—</b>	<b>313,775</b>	<b>57,500</b>
<b>Total liabilities and fund balances</b>	<b>\$ 157,824</b>	<b>\$ 21,674</b>	<b>\$ 17,420</b>	<b>\$ 50,995</b>	<b>\$ 354,561</b>	<b>\$ 57,500</b>

<b>Solid Waste Fund</b>	<b>TDA Article 3 Fund</b>	<b>Street Lighting Fund</b>	<b>Landscaping Fund</b>	<b>Park Maintenance Fund</b>	<b>Totals</b>
\$ 22,820	\$ —	\$ 403,605	\$ 341,829	\$ —	\$ 1,335,095
5,000	—	6,465	12,648	29,360	122,596
37,568	—	—	—	—	61,578
<b>\$ 65,388</b>	<b>\$ —</b>	<b>\$ 410,070</b>	<b>\$ 354,477</b>	<b>\$ 29,360</b>	<b>\$ 1,519,269</b>
\$ 9,827	\$ —	\$ 12,034	\$ 79,306	\$ 912	\$ 295,577
—	—	—	—	28,448	28,448
9,827	—	12,034	79,306	29,360	324,025
55,561	—	398,036	275,171	—	1,195,244
55,561	—	398,036	275,171	—	1,195,244
<b>\$ 65,388</b>	<b>\$ —</b>	<b>\$ 410,070</b>	<b>\$ 354,477</b>	<b>\$ 29,360</b>	<b>\$ 1,519,269</b>

**CITY OF WESTLAKE VILLAGE**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Fiscal Year Ended June 30, 2014

	<b>State Gas Tax Fund</b>	<b>Roadway and Traffic Fund</b>	<b>Traffic Safety Fund</b>	<b>Proposition A Local Transit Assistance Fund</b>	<b>Traffic Signalization Fund</b>	<b>Air Quality Management Fund</b>
Revenues:						
Sales taxes	\$ —	\$ 124,974	\$ —	\$ 141,562	\$ —	\$ —
Fines and forfeitures	—	—	32,185	—	—	—
Charges for current services	—	—	21,575	55,699	—	—
Intergovernmental	281,392	—	—	—	36,707	10,210
Interest	163	145	2	65	724	112
Total revenues	<u>281,555</u>	<u>125,119</u>	<u>53,762</u>	<u>197,326</u>	<u>37,431</u>	<u>10,322</u>
Expenditures:						
Current:						
Public services	245,760	132,840	53,762	197,326	44,156	—
Parks and recreation	—	—	—	—	—	—
Total expenditures	<u>245,760</u>	<u>132,840</u>	<u>53,762</u>	<u>197,326</u>	<u>44,156</u>	<u>—</u>
Net change in fund balances	35,795	(7,721)	—	—	(6,725)	10,322
Fund balances, beginning of fiscal year	43,029	24,098	—	—	320,500	47,178
Fund balances (deficit), end of fiscal year	<u>\$ 78,824</u>	<u>\$ 16,377</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 313,775</u>	<u>\$ 57,500</u>

<b>Solid Waste Fund</b>	<b>TDA Article 3 Fund</b>	<b>Street Lighting Fund</b>	<b>Landscaping Fund</b>	<b>Park Maintenance Fund</b>	<b>Totals</b>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 266,536
—	—	—	—	—	32,185
157,874	—	303,363	647,913	—	1,186,424
—	6,770	—	—	29,360	364,439
133	3	823	558	—	2,728
<u>158,007</u>	<u>6,773</u>	<u>304,186</u>	<u>648,471</u>	<u>29,360</u>	<u>1,852,312</u>
153,946	6,773	271,941	652,523	—	1,759,027
—	—	—	—	29,360	29,360
<u>153,946</u>	<u>6,773</u>	<u>271,941</u>	<u>652,523</u>	<u>29,360</u>	<u>1,788,387</u>
4,061	—	32,245	(4,052)	—	63,925
51,500	—	365,791	279,223	—	1,131,319
<u>\$ 55,561</u>	<u>\$ —</u>	<u>\$ 398,036</u>	<u>\$ 275,171</u>	<u>\$ —</u>	<u>\$ 1,195,244</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, 2014

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 263,840	\$ 263,840	\$ 281,392	\$ 17,552
Interest	—	—	163	163
Total revenues	<u>263,840</u>	<u>263,840</u>	<u>281,555</u>	<u>17,715</u>
Expenditures:				
Current:				
Public services	<u>261,250</u>	<u>261,250</u>	<u>245,760</u>	<u>15,490</u>
Total expenditures	<u>261,250</u>	<u>261,250</u>	<u>245,760</u>	<u>15,490</u>
Net change in fund balance	2,590	2,590	35,795	33,205
Fund balance, beginning of fiscal year	<u>43,029</u>	<u>43,029</u>	<u>43,029</u>	<u>—</u>
Fund balance, end of fiscal year	<u>\$ 45,619</u>	<u>\$ 45,619</u>	<u>\$ 78,824</u>	<u>\$ 33,205</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, 2014

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Sales taxes	\$ 123,800	\$ 123,800	\$ 124,974	\$ 1,174
Interest	—	—	145	145
Total revenues	<u>123,800</u>	<u>123,800</u>	<u>125,119</u>	<u>1,319</u>
Expenditures:				
Current:				
Public services	<u>106,700</u>	<u>106,700</u>	<u>132,840</u>	<u>(26,140)</u>
Total expenditures	<u>106,700</u>	<u>106,700</u>	<u>132,840</u>	<u>(26,140)</u>
Net change in fund balance	17,100	17,100	(7,721)	(24,821)
Fund balance, beginning of fiscal year	<u>24,098</u>	<u>24,098</u>	<u>24,098</u>	<u>—</u>
Fund balance, end of fiscal year	<u>\$ 41,198</u>	<u>\$ 41,198</u>	<u>\$ 16,377</u>	<u>\$ (24,821)</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, 2014

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 60,500	\$ 60,500	\$ 32,185	\$ (28,315)
Charges for current services	—	—	21,575	21,575
Interest	—	—	2	2
Total revenues	<u>60,500</u>	<u>60,500</u>	<u>53,762</u>	<u>(6,738)</u>
Expenditures:				
Current:				
Public services	<u>60,500</u>	<u>60,500</u>	<u>53,762</u>	<u>6,738</u>
Total expenditures	<u>60,500</u>	<u>60,500</u>	<u>53,762</u>	<u>6,738</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, 2014

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Sales taxes	\$ 141,300	\$ 141,300	\$ 141,562	\$ 262
Charges for current services	57,500	57,500	55,699	(1,801)
Interest	—	—	65	65
Total revenues	<u>198,800</u>	<u>198,800</u>	<u>197,326</u>	<u>(1,474)</u>
Expenditures:				
Current:				
Public services	<u>198,800</u>	<u>198,800</u>	<u>197,326</u>	<u>1,474</u>
Total expenditures	<u>198,800</u>	<u>198,800</u>	<u>197,326</u>	<u>1,474</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**

Traffic Signalization Fund – Special Revenue Fund

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

Fiscal Year Ended June 30, 2014

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 64,350	\$ 64,350	\$ 36,707	\$ (27,643)
Interest	—	—	724	724
Total revenues	<u>64,350</u>	<u>64,350</u>	<u>37,431</u>	<u>(26,919)</u>
Expenditures:				
Current:				
Public services	<u>64,350</u>	<u>64,350</u>	<u>44,156</u>	<u>20,194</u>
Total expenditures	<u>64,350</u>	<u>64,350</u>	<u>44,156</u>	<u>20,194</u>
Net change in fund balance	—	—	(6,725)	(6,725)
Fund balance, beginning of fiscal year	<u>320,500</u>	<u>320,500</u>	<u>320,500</u>	<u>—</u>
Fund balance, end of fiscal year	<u>\$ 320,500</u>	<u>\$ 320,500</u>	<u>\$ 313,775</u>	<u>\$ (6,725)</u>

**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, 2014

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 10,210	\$ 210
Interest	—	—	112	112
Total revenues	10,000	10,000	10,322	322
Expenditures:				
Current:				
Public services	41,900	41,900	—	41,900
Total expenditures	41,900	41,900	—	41,900
Net change in fund balance	(31,900)	(31,900)	10,322	42,222
Fund balance, beginning of fiscal year	47,178	47,178	47,178	—
Fund balance, end of fiscal year	\$ 15,278	\$ 15,278	\$ 57,500	\$ 42,222

**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, 2014

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues:</b>				
Charges for current services	\$ 160,000	\$ 160,000	\$ 157,874	\$ (2,126)
Interest	—	—	133	133
Total revenues	160,000	160,000	158,007	(1,993)
<b>Expenditures:</b>				
Current:				
Public services	128,750	128,750	153,946	(25,196)
Total expenditures	128,750	128,750	153,946	(25,196)
Net change in fund balance	31,250	31,250	4,061	(27,189)
Fund balance, beginning of fiscal year	—	—	51,500	51,500
Fund balance, end of fiscal year	\$ 31,250	\$ 31,250	\$ 55,561	\$ 24,311

**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, 2014

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,200	\$ 5,200	\$ 6,770	\$ 1,570
Interest	—	—	3	3
Total revenues	5,200	5,200	6,773	1,573
Expenditures:				
Current:				
Public services	5,000	5,000	6,773	(1,773)
Total expenditures	5,000	5,000	6,773	(1,773)
Net change in fund balance	200	200	—	(200)
Fund balance, beginning of fiscal year	—	—	—	—
Fund balance, end of fiscal year	\$ 200	\$ 200	\$ —	\$ (200)

**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, 2014

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues:</b>				
Charges for current services	\$ 297,200	\$ 297,200	\$ 303,363	\$ 6,163
Interest	—	—	823	823
<b>Total revenues</b>	<u>297,200</u>	<u>297,200</u>	<u>304,186</u>	<u>6,986</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public services	304,400	304,400	271,941	32,459
<b>Total expenditures</b>	<u>304,400</u>	<u>304,400</u>	<u>271,941</u>	<u>32,459</u>
Net change in fund balance	(7,200)	(7,200)	32,245	39,445
Fund balance, beginning of fiscal year	365,791	365,791	365,791	—
Fund balance, end of fiscal year	<u>\$ 358,591</u>	<u>\$ 358,591</u>	<u>\$ 398,036</u>	<u>\$ 39,445</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, 2014

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues:</b>				
Charges for current services	\$ 640,650	\$ 640,650	\$ 647,913	\$ 7,263
Interest	—	—	558	558
Total revenues	<u>640,650</u>	<u>640,650</u>	<u>648,471</u>	<u>7,821</u>
<b>Expenditures:</b>				
Current:				
Public services	<u>713,550</u>	<u>713,550</u>	<u>652,523</u>	<u>61,027</u>
Total expenditures	<u>713,550</u>	<u>713,550</u>	<u>652,523</u>	<u>61,027</u>
Net change in fund balance	<u>(72,900)</u>	<u>(72,900)</u>	<u>(4,052)</u>	<u>68,848</u>
Fund balance, beginning of fiscal year	<u>279,223</u>	<u>279,223</u>	<u>279,223</u>	<u>—</u>
Fund balance, end of fiscal year	<u>\$ 206,323</u>	<u>\$ 206,323</u>	<u>\$ 275,171</u>	<u>\$ 68,848</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, 2014**

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance with final budget - positive (negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Intergovernmental	\$ 31,300	\$ 31,300	\$ 29,360	\$ (1,940)
Total revenues	<u>31,300</u>	<u>31,300</u>	<u>29,360</u>	<u>(1,940)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Parks and recreation	31,300	31,300	29,360	1,940
Total expenditures	<u>31,300</u>	<u>31,300</u>	<u>29,360</u>	<u>1,940</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

Agency Funds

June 30, 2014

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**

This fund accounts for the City sponsored the issuance of special assessment bonds in 1988. The bonds were paid off in fiscal year 2013.

**CITY OF WESTLAKE VILLAGE**  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**Fiscal Year Ended June 30, 2014**

	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2014</u>
<b>Assets:</b>				
Cash and investments	\$ 5,332	\$ —	\$ 5,332	\$ —
Total assets	<u>\$ 5,332</u>	<u>\$ —</u>	<u>\$ 5,332</u>	<u>\$ —</u>
<b>Liabilities:</b>				
Due to bondholders	\$ 5,332	\$ —	\$ 5,332	\$ —
Total liabilities	<u>\$ 5,332</u>	<u>\$ —</u>	<u>\$ 5,332</u>	<u>\$ —</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>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	68
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax and property tax.	76
<b>Debt Capacity</b> 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.	81
<b>Demographic and Economic Information</b> 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.	85
<b>Operating Information</b> 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.	87

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			
	2005	2006	2007	2008
Governmental activities:				
Net investment in capital assets	\$ 22,730,129	\$ 22,289,475	\$ 26,318,375	\$ 28,159,353
Restricted	398,971	401,788	402,820	1,562,219
Unrestricted	18,893,173	20,340,614	20,272,899	20,313,477
Total governmental activities net position	<u>\$ 42,022,273</u>	<u>\$ 43,031,877</u>	<u>\$ 46,994,094</u>	<u>\$ 50,035,049</u>
Primary government:				
Net investment in capital assets	\$ 22,730,129	\$ 22,289,475	\$ 26,318,375	\$ 28,159,353
Restricted	398,971	401,788	402,820	1,562,219
Unrestricted	18,893,173	20,340,614	20,272,899	20,313,477
Total primary government net position	<u>\$ 42,022,273</u>	<u>\$ 43,031,877</u>	<u>\$ 46,994,094</u>	<u>\$ 50,035,049</u>

Source: City of Westlake Village

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 26,508,843	\$ 21,594,707	\$ 29,449,353	\$ 30,133,189	\$ 28,867,144	\$ 27,375,538
10,544,951	2,231,720	2,226,418	2,156,528	3,412,048	3,663,757
10,355,009	17,241,543	8,019,598	7,521,993	7,608,464	9,281,670
<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>	<u>\$ 40,320,965</u>
\$ 26,508,843	\$ 21,594,707	\$ 29,449,353	\$ 30,133,189	\$ 28,867,144	\$ 27,375,538
10,544,951	2,231,720	2,226,418	2,156,528	3,412,048	3,663,757
10,355,009	17,241,543	8,019,598	7,521,993	7,608,464	9,281,670
<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>	<u>\$ 40,320,965</u>

CITY OF WESTLAKE VILLAGE

CHANGES IN NET POSITION

Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year			
	2005	2006	2007	2008
Expenses:				
Governmental activities:				
General government	\$ 1,893,635	\$ 2,341,904	\$ 2,460,601	\$ 2,180,910
Public safety	1,621,861	1,738,637	1,845,524	1,923,971
Public services	4,827,803	6,010,825	2,515,533	4,368,840
Parks and recreation	413,792	496,711	448,823	1,197,261
Interest on long-term debt	402,026	394,948	387,606	379,761
Total governmental activities expenses	<u>\$ 9,159,117</u>	<u>\$ 10,983,025</u>	<u>\$ 7,658,087</u>	<u>\$ 10,050,743</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	34,183	77,105	123,201	100,733
Public safety	51,647	48,866	36,769	25,429
Public services	3,159,836	3,591,306	2,083,167	1,961,569
Parks and recreation	23,542	19,938	32,756	29,643
Operating grants and contributions	343,783	696,303	486,743	805,212
Total governmental activities program revenues	<u>\$ 3,612,991</u>	<u>\$ 4,433,518</u>	<u>\$ 2,762,636</u>	<u>\$ 2,922,586</u>
Net (Expense) Revenue:				
Governmental activities				
Total net (expense) revenue	<u>\$ (5,546,126)</u>	<u>\$ (6,549,507)</u>	<u>\$ (4,895,451)</u>	<u>\$ (7,128,157)</u>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	1,382,745	1,496,312	1,726,146	1,853,865
Sales taxes	3,224,709	3,509,637	3,769,570	3,744,533
Transient occupancy taxes	681,650	680,158	1,277,285	2,549,744
Utility franchise fees	248,280	287,280	316,932	341,298
Motor vehicle in-lieu of taxes	612,087	812,152	673,937	740,061
Other revenue	—	—	—	—
Investment earnings	404,844	773,572	1,093,798	939,611
Total governmental activities	<u>\$ 6,554,315</u>	<u>\$ 7,559,111</u>	<u>\$ 8,857,668</u>	<u>\$ 10,169,112</u>
Change in net position				
Governmental activities	<u>\$ 1,008,189</u>	<u>\$ 1,009,604</u>	<u>\$ 3,962,217</u>	<u>\$ 3,040,955</u>

Source: City of Westlake Village

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 2,115,081	\$ 2,688,543	\$ 2,939,139	\$ 2,862,096	\$ 2,770,018	\$ 2,599,286
2,026,364	2,038,568	2,099,779	2,071,972	2,161,829	2,227,897
9,943,934	7,019,167	7,171,470	9,356,797	6,201,329	10,823,448
555,694	8,687,592	2,855,987	1,156,770	2,338,716	6,417,146
422,319	706,253	722,810	719,439	711,764	687,729
<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>	<u>\$ 22,755,506</u>
97,288	144,137	15,256	22,161	12,055	7,450
32,456	32,394	22,698	20,607	17,140	16,402
1,895,459	2,595,191	1,627,279	1,627,116	2,113,519	2,803,783
23,760	32,900	33,489	29,872	27,373	41,171
841,881	3,951,484	4,361,555	5,691,977	2,505,241	10,842,213
<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>\$ 13,711,019</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>	<u>\$ (9,044,487)</u>
1,990,082	1,655,567	1,876,474	1,872,718	2,199,796	2,101,915
3,215,815	2,903,915	2,871,035	3,235,291	3,601,641	3,704,143
2,293,232	2,220,481	2,394,427	2,613,480	2,623,291	2,906,969
426,307	365,511	377,499	388,064	388,266	400,701
790,490	778,112	771,911	734,362	715,125	738,298
—	—	—	—	—	16,281
465,207	119,598	64,961	47,767	56,155	38,214
<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>\$ 9,906,521</u>
<u>\$ (2,991,415)</u>	<u>\$ (6,340,833)</u>	<u>\$ (1,372,601)</u>	<u>\$ 116,341</u>	<u>\$ 75,946</u>	<u>\$ 862,034</u>

CITY OF WESTLAKE VILLAGE

FUND BALANCES OF GOVERNMENTAL FUNDS

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

	Fiscal Year			
	2005	2006	2007	2008
General fund:				
Reserved	\$ —	\$ —	\$ —	\$ 1,162,430
Unreserved	14,221,568	15,398,711	15,479,481	15,999,731
Nonspendable	—	—	—	—
Restricted	—	—	—	—
Committed	—	—	—	—
Unassigned	—	—	—	—
Total general fund	<u>\$ 14,221,568</u>	<u>\$ 15,398,711</u>	<u>\$ 15,479,481</u>	<u>\$ 17,162,161</u>
All other governmental funds:				
Reserved				
Debt service funds	\$ 431,934	\$ 434,143	\$ 434,525	\$ 430,789
Arterial system fund	—	—	—	—
Restricted	—	—	—	—
Committed	—	—	—	—
Unreserved, reported in:				
Special revenue funds	4,823,434	5,105,980	4,974,666	4,519,135
Unassigned	—	—	—	—
Total all other governmental funds	<u>\$ 5,255,368</u>	<u>\$ 5,540,123</u>	<u>\$ 5,409,191</u>	<u>\$ 4,949,924</u>
Total governmental funds	<u>\$ 19,476,936</u>	<u>\$ 20,938,834</u>	<u>\$ 20,888,672</u>	<u>\$ 22,112,085</u>

Source: City of Westlake Village

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 8,000,249	\$ 1,445,372	\$ —	\$ —	\$ —	\$ —
16,316,232	14,863,029	—	—	—	—
—	—	2,100	—	—	8,000
—	—	1,095,831	1,095,831	1,020,831	1,020,977
—	—	5,569,730	1,666,330	1,811,336	5,230,754
—	—	8,761,505	12,525,377	14,048,911	12,730,151
<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>	<u>\$ 18,989,882</u>
\$ 1,062,131	\$ 1,023,450	\$ —	\$ —	\$ —	\$ —
1,731,543	—	—	—	—	—
—	—	2,054,434	2,156,545	2,436,380	2,227,783
—	—	458,158	—	—	—
1,562,303	1,267,408	—	—	—	—
—	—	(14,920)	(1,172,064)	(112,651)	(644,767)
<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>\$ 1,583,016</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>	<u>\$ 20,572,898</u>

CITY OF WESTLAKE VILLAGE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year			
	2005	2006	2007	2008
<b>Revenues:</b>				
Sales taxes	\$ 3,224,709	\$ 3,509,637	\$ 3,769,570	\$ 3,744,533
Property taxes	1,382,745	1,496,312	1,726,146	1,853,865
Transient occupancy taxes	681,650	680,158	1,277,285	2,549,744
Motor vehicle license fees	612,087	812,152	673,937	740,061
Utility franchise fees	248,280	287,280	316,932	341,298
Licenses and permits	2,108,285	1,506,255	961,802	777,820
Fines and forfeitures	63,533	89,761	78,194	75,322
Charges for current services	1,031,139	1,883,821	1,106,457	1,153,841
Intergovernmental	343,783	696,303	460,743	771,636
Interest	404,844	773,572	1,093,798	939,611
Other revenue	66,251	257,378	155,440	143,967
<b>Total revenues</b>	<b>10,167,306</b>	<b>11,992,629</b>	<b>11,620,304</b>	<b>13,091,698</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,504,325	1,565,622	2,059,025	1,547,764
Public safety	1,594,541	1,711,317	1,814,715	1,912,578
Public services	3,394,077	3,722,603	3,445,197	4,248,633
Parks and recreation	356,007	389,323	384,864	460,267
Capital outlay	1,384,584	2,581,310	3,403,406	3,133,577
<b>Debt service:</b>				
Principal retirement	160,000	165,000	175,000	185,000
Interest and fiscal charges	402,614	395,556	388,256	380,466
Cost of issuance	—	—	—	—
<b>Total expenditures</b>	<b>8,796,148</b>	<b>10,530,731</b>	<b>11,670,463</b>	<b>11,868,285</b>
Excess (deficiency) of revenues over (under) expenditures	1,371,158	1,461,898	(50,159)	1,223,413
<b>Other financing sources (uses):</b>				
Transfers in	557,792	546,495	542,018	548,515
Transfers out	(557,792)	(546,495)	(542,018)	(548,515)
Proceeds from issuance of debt	—	—	—	—
Original issue discount	—	—	—	—
<b>Total other financing sources (uses)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net change in fund balances</b>	<b>\$ 1,371,158</b>	<b>\$ 1,461,898</b>	<b>\$ (50,159)</b>	<b>\$ 1,223,413</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>7.6%</b>	<b>7.1%</b>	<b>6.8%</b>	<b>6.5%</b>

Source: City of Westlake Village

		Fiscal Year									
		2009	2010	2011	2012	2013	2014				
\$	3,198,339	\$	2,868,591	\$	3,054,967	\$	3,419,208	\$	3,906,672	\$	3,970,679
	1,990,082		1,655,567		1,876,474		1,872,718		2,199,796		2,101,915
	2,293,232		2,220,481		2,394,427		2,613,480		2,623,291		2,906,969
	790,490		778,112		771,911		734,362		715,125		738,298
	426,307		365,511		377,499		388,064		388,266		400,701
	665,719		546,610		391,098		387,092		837,117		1,570,703
	79,422		83,175		67,381		84,897		71,121		36,005
	1,651,081		4,304,126		1,281,184		1,299,469		1,326,092		1,303,944
	376,263		582,887		3,982,407		3,989,234		3,466,445		8,157,906
	465,207		119,598		71,305		51,930		63,182		40,973
	118,359		321,088		231,700		333,268		129,153		1,835,480
	<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>		<u>23,063,573</u>
	1,685,669		1,961,507		2,308,424		2,230,648		2,120,363		2,194,976
	1,989,297		2,001,385		2,057,719		2,032,860		2,122,130		2,185,356
	5,298,521		8,774,473		6,242,985		7,757,793		4,603,173		3,879,552
	475,933		448,328		926,826		1,077,009		1,239,415		551,374
	4,423,837		9,689,709		2,617,170		2,706,781		1,687,141		11,861,099
	7,310,127		297,846		310,000		320,000		325,000		335,000
	372,964		745,697		709,650		703,450		696,250		688,125
	230,456		—		—		—		—		—
	<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>		<u>21,695,482</u>
	<u>(9,732,303)</u>		<u>(10,073,199)</u>		<u>(672,421)</u>		<u>(1,654,819)</u>		<u>2,932,788</u>		<u>1,368,091</u>
	746,816		1,215,225		1,141,469		1,073,451		1,071,250		1,048,147
	(746,816)		(1,215,225)		(1,141,469)		(1,073,451)		(1,071,250)		(1,048,147)
	16,225,000		—		—		—		—		—
	(266,333)		—		—		—		—		—
	<u>15,958,667</u>		<u>—</u>		<u>—</u>		<u>—</u>		<u>—</u>		<u>—</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>	\$	<u>1,368,091</u>
	44.3%		7.3%		8.1%		7.2%		9.2%		10.4%

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
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%
2014	2,780,154,705	123,049,017	(15,561,000)	2,887,642,722	0.0873%

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, 2004/05 - 2013/14 Combined Tax Rolls

CITY OF WESTLAKE VILLAGE

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

Last Ten Fiscal Years

	<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>	<u>2014</u>
City Direct Rate:	<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>	<u>0.0871</u>
Overlapping Rates:										
Las Virgenes Unified School District	0.0288	0.0270	0.0281	0.0490	0.0499	0.0544	0.0611	0.0696	0.0714	0.0689
Los Angeles Community College District	0.0181	0.0143	0.0215	0.0088	0.0221	0.0231	0.0403	0.0353	0.0376	0.0445
Los Angeles County Flood Control District	0.0002	0.0000	0.0001	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Metropolitan Water District	0.0058	0.0052	0.0047	0.0045	0.0043	0.0043	0.0037	0.0037	0.0035	0.0035
Las Virgenes Municipal Water District	0.0024	--	--	--	--	--	--	--	--	--
County of Los Angeles	0.0009	0.0008	0.0007	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
General	<u>1.0000</u>									
Total Direct Rate	<u>1.0562</u>	<u>1.0473</u>	<u>1.0551</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>	<u>1.1169</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 2013-14"

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

Taxpayer	2014		2005	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value <sup>1</sup>	Taxable Assessed Value	Percent of Total City Taxable Assessed Value <sup>2</sup>
Dole Food Company Inc	\$ 170,400,912	5.90%		
Russell Ranch Road II LLC	45,500,000	1.58%		
Arden Realty LP	44,188,892	1.53%		
MK RRP 31303 Agoura Rd LLC	43,607,768	1.51%		
Lindero Headquarters Company Inc	42,070,254	1.46%		
CH Realty IV North Ranch LP	36,654,643	1.27%		
Teachers Insurance and Annuity Associates	35,700,000	1.24%		
Westlake Wellbeing Properties LLC	30,455,756	1.05%		
Westlake HHG Hotel Development	24,612,274	0.85%		
Westlake Village Marketplace LLC	19,673,161	0.68%		
Lindero Headquarters Company Inc			\$ 76,018,328	3.67%
Westlake North Associates LLC			30,784,174	1.49%
Arden Realty LP			28,158,075	1.36%
Countrywide Home Loans Inc			21,320,739	1.03%
4333 SB Park LLC Et Al			19,095,392	0.92%
Westlake Village Marketplace LLC			17,039,095	0.82%
OPUS Real Estate National V CA LP			15,700,000	0.76%
Julius E Nasch Co Trust			14,760,202	0.71%
Costco Wholesale Corporation			13,530,262	0.65%
Realty Associates Fund VII			13,407,895	0.65%
	<u>\$ 492,863,660</u>	<u>17.07%</u>	<u>\$ 249,814,162</u>	<u>12.06%</u>

(1) 2013/14 Local Taxable Assessed Valuation: \$ 2,887,642,722

(2) 2004/05 Local Taxable Assessed Valuation: \$ 2,072,150,369

Source: HdL Coren & Cone, Los Angeles County Assessor, 2013/14 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
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%
2014	1,846,307	1,794,385	97.19%	48,489	1,842,874	99.81%

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	
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
2014	343,374	240,612	769,327	1,691,176	42,609	198,621	3,285,719

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

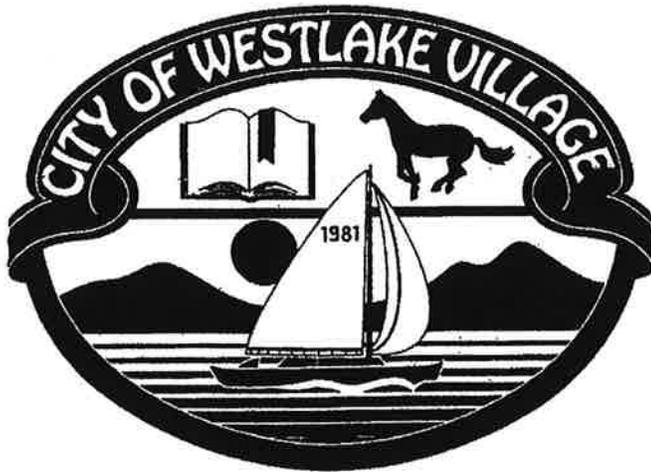
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities	Percentage of Personal Income (1)	Debt per Capita
	Certificates of Participation	Loans	Operating Lease			
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
2014	14,650,000	-	-	14,650,000	2.76%	1,747

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, 2014

<u>Jurisdiction</u>	<u>Gross debt outstanding</u>	<u>Percentage applicable to City of Westlake Village (2)</u>	<u>Debt June 30, 2014</u>
<b><u>Overlapping tax and assessment debt:</u></b>			
Los Angeles County Flood Control District	\$ 17,480,000	0.255 %	\$ 44,574
Metropolitan Water District	132,275,000	0.132	174,603
Los Angeles Community College District	3,642,560,000	0.462	16,828,627
Las Virgenes Joint Unified School District	157,579,487	15.488	24,405,911
Los Angeles County Regional Park and Open Space Assessment District	<u>113,615,000</u>	0.253	<u>287,446</u>
Total overlapping tax and assessment debt	<u>4,063,509,487</u>		<u>41,741,161</u>
<b><u>Overlapping general fund obligation debt:</u></b>			
Los Angeles County General Fund Obligations	1,835,420,030	0.253	4,643,613
Los Angeles County Superintendent of Schools Certificates of Participation	9,529,882	0.253	24,111
Las Virgenes Joint Unified School District Certificates of Participation	<u>11,445,000</u>	15.488	<u>1,772,602</u>
Total overlapping general fund obligation debt	<u>1,856,394,912</u>		<u>6,440,326</u>
Subtotal, overlapping debt	5,919,904,399		48,181,487
<b><u>City direct debt:</u></b>			
City of Westlake Village Certificates of Participation	<u>14,650,000</u>	100.000	<u>14,650,000</u>
Gross combined total debt (1)			\$ <u>62,831,487</u>
Net combined total debt			\$ <u><u>62,818,748</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			
	2005	2006	2007	2008
Assessed valuation	\$ 2,055,721,369	\$ 2,235,712,889	\$ 2,441,427,959	\$ 2,754,249,176
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 513,930,342	\$ 558,928,222	\$ 610,356,990	\$ 688,562,294
Debt limit percentage	15%	15%	15%	15%
Debt limit	\$ 77,089,551	\$ 83,839,233	\$ 91,553,548	\$ 103,284,344
Total net debt applicable to the limit: Certificates of participation	<u>\$ 7,810,000</u>	<u>\$ 7,645,000</u>	<u>\$ 7,470,000</u>	<u>\$ 7,285,000</u>
Legal debt margin	<u>\$ 69,279,551</u>	<u>\$ 76,194,233</u>	<u>\$ 84,083,548</u>	<u>\$ 95,999,344</u>
Total debt applicable to the limit as a percentage of debt limit	10.1%	9.1%	8.2%	7.1%

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						
2009	2010	2011	2012	2013	2014	
\$ 2,988,701,833	\$ 2,956,330,678	\$ 2,857,044,444	\$ 2,869,070,425	\$ 2,811,393,708	\$ 2,887,642,722	
25%	25%	25%	25%	25%	25%	25%
\$ 747,175,458	\$ 739,082,670	\$ 714,261,111	\$ 717,267,606	\$ 702,848,427	\$ 721,910,681	
15%	15%	15%	15%	15%	15%	15%
\$ 112,076,319	\$ 110,862,400	\$ 107,139,167	\$ 107,590,141	\$ 105,427,264	\$ 108,286,602	
\$ 16,225,000	\$ 15,940,000	\$ 15,630,000	\$ 15,310,000	\$ 14,985,000	\$ 14,650,000	
\$ 95,851,319	\$ 94,922,400	\$ 91,509,167	\$ 92,280,141	\$ 90,442,264	\$ 93,636,602	
14.5%	14.4%	14.6%	14.2%	14.2%	13.5%	

CITY OF WESTLAKE VILLAGE  
DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (In Thousands) (1)	Per Capita Personal Income (1)	School Enrollment (Elementary Only) (2)	Unemployment Rate (1)
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%
2014	8,386	530,347	63,242	436	4.1%

Sources:

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

CITY OF WESTLAKE VILLAGE

PRINCIPAL EMPLOYERS

Current Year and Eight Years Ago

2014		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 Spolts.	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 - Date for 2014 is estimated

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

Last Ten Fiscal Years

Function	Full-Time and Part-Time Employees as of June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	6	7	7	7	9	9	9	9	9	9
Public services	4	4	4	4	4	4	4	4	4	5
Parks and recreation	1	1	1	1	1	1	1	1	1	1
Total	11	12	12	12	14	14	14	14	14	15

Note: General Government includes 2 part-time positions and Public Services includes 3 part-time positions.

Source: City of Westlake Village Budget

CITY OF WESTLAKE VILLAGE

OPERATING INDICATORS  
BY FUNCTION

Last Nine 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	Fiscal Year 2014
<b>Police:</b>									
<b>Arrests</b>									
Adult	58	75	86	82	75	94	128	119	171
Juvenile	8	7	11	5	7	4	2	11	8
Traffic citations issued	2,585	2,348	2,027	1,889	2,037	1,538	1,198	981	1,226
Part I Crimes	166	194	164	143	153	164	172	165	163
<b>Fire:</b>									
Number of fire service calls	287	293	302	270	271	256	274	274	257
Number of emergency medical calls	383	416	483	448	495	522	541	532	547
<b>Public services:</b>									
<b>Building</b>									
Total Permits	283	271	201	185	162	172	156	214	283
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	32,530,989
<b>Street</b>									
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	1.9 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	3.1 lane miles
<b>Library:</b>									
Volumes in collection	37,730	39,986	41,510	42,112	43,804	44,656	46,454	51,521	50,425
Total volumes borrowed	131,322	135,600	152,012	150,882	159,489	165,704	164,647	160,628	156,378
<b>Transit:</b>									
Bus passes sold	431	464	399	354	314	290	304	252	222
Dial-a-ride	3,563	3,142	2,970	2,658	2,781	2,911	1,936	2,245	2,539
Airport shuttle	303	639	511	315	260	231	224	203	173

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Public safety:						
Police stations <sup>1</sup>						
Fire stations <sup>2</sup>						
Public works:						
Streets (miles)	29.50	29.50	29.50	29.50	29.50	29.50
Streetlights	1,147	1,147	1,147	1,193	1,193	1,193
Traffic signals	15	15	15	15	15	15
Parks and recreation:						
Parks	5	5	5	5	5	5
Acreage	19.18	19.18	19.18	19.33	19.33	19.33
Libraries <sup>3</sup>						

- 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			
2011	2012	2013	2014

29.50	29.50	29.50	29.50
1,193	1,193	1,193	1,193
15	15	15	15

5	5	5	5
19.33	19.33	19.33	19.33

