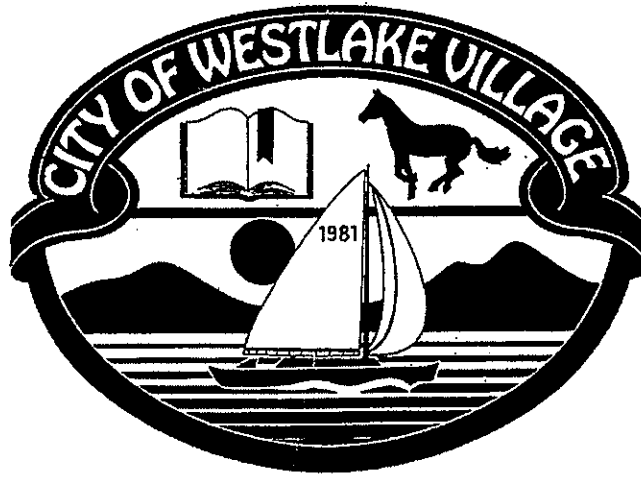


CITY OF WESTLAKE VILLAGE

California

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2009



CITY OF WESTLAKE VILLAGE

California

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2009

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

CITY OF WESTLAKE VILLAGE

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2009

(With Independent Auditors' Report Thereon)

CITY OF WESTLAKE VILLAGE
 Comprehensive Annual Financial Report
 June 30, 2009

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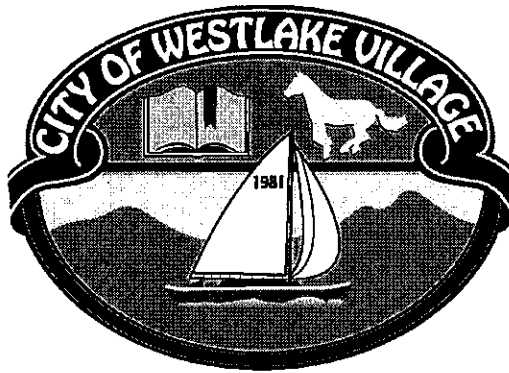
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MARK RUTHERFORD
Mayor

NED E DAVIS
Mayor Pro Tem

SUSAN McSWEENEY
Councilmember

PHILIPPA KLESSIG
Councilmember

ROBERT SLAVIN
Councilmember

December 21, 2009

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, 2009, 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 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 compliment 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 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.

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 8,858 with a total land area of 5.4 square miles. As an indication of the economic vitality of Westlake Village, incomes throughout the City are substantially higher than statewide, with a current estimated median household income of over 238% of Statewide average. The City's population has one of the highest percentages of college graduates in the state. The City's property tax base totals \$2.99 billion in 2009, equal to a very high per capita assessed value of \$337,400. The tax base is also diverse, with the 10 leading taxpayers accounting for over 15.52% of total assessed value (AV).

The employment picture in Westlake Village is stable. While county unemployment figures are 12.6%, the unemployment rate for Westlake Village is 6.4%. 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 Countrywide/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 11,200 jobs for its population of 8,858. Leading employers include Countrywide/Bank of America (bank, 630 employees), Homestore.com (computers, 450), Costco Wholesale Corp. (membership-based discount retail and food warehouses, 300), Dole Foods (300), K-Swiss (sports footwear, 275) and Guitar Center (230). There are also many peripheral computer organizations and print-oriented businesses. Thus the prospects of good employment opportunities remain for our residents.

The positive employment trends are expected to continue. Growth of population, however, 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 9,100. Since the City has an excellent balance between houses and jobs, economic vitality is expected to be maintained even with a limited population growth.

Westlake Village's financial performance has been very strong. For 2009, general fund operating revenues exceeded operating expenditures by \$3.2 million. With the \$8.0 million from bond proceeds less the capital outlay (\$4.4 million) expenditures, the General Fund fund balance increased by \$6.8 million to \$24.3 million. Included in fund balance are restricted funds of \$8.0 million and the \$16.3 million balance is available for contingencies (\$5.2 million), capital projects (\$10.8 million), and building replacement reserve (\$0.3 million).

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 center, park facility, and some major road improvements estimated to cost \$20 million in total are proceeding. These projects are expected to be

funded from a variety of sources, including existing reserves, future surpluses, and a bond financing debt issue. Debt levels are manageable, with overall net overlapping debt per capita levels at \$6,420, and overall net debt on a market value basis at 1.9% 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

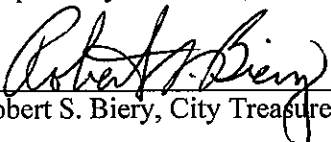
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the twenty second consecutive year that the City has received this 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.

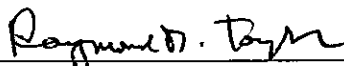
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

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, for her 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

ROBERT SLAVIN

MAYOR

MARK RUTHERFORD

MAYOR PRO TEM

NED DAVIS

COUNCIL MEMBER

PHILIPPA KLESSIG

COUNCIL MEMBER

SUSAN McSWEENEY

COUNCIL MEMBER

Administrative Officials

RAYMOND B. TAYLOR

CITY MANAGER

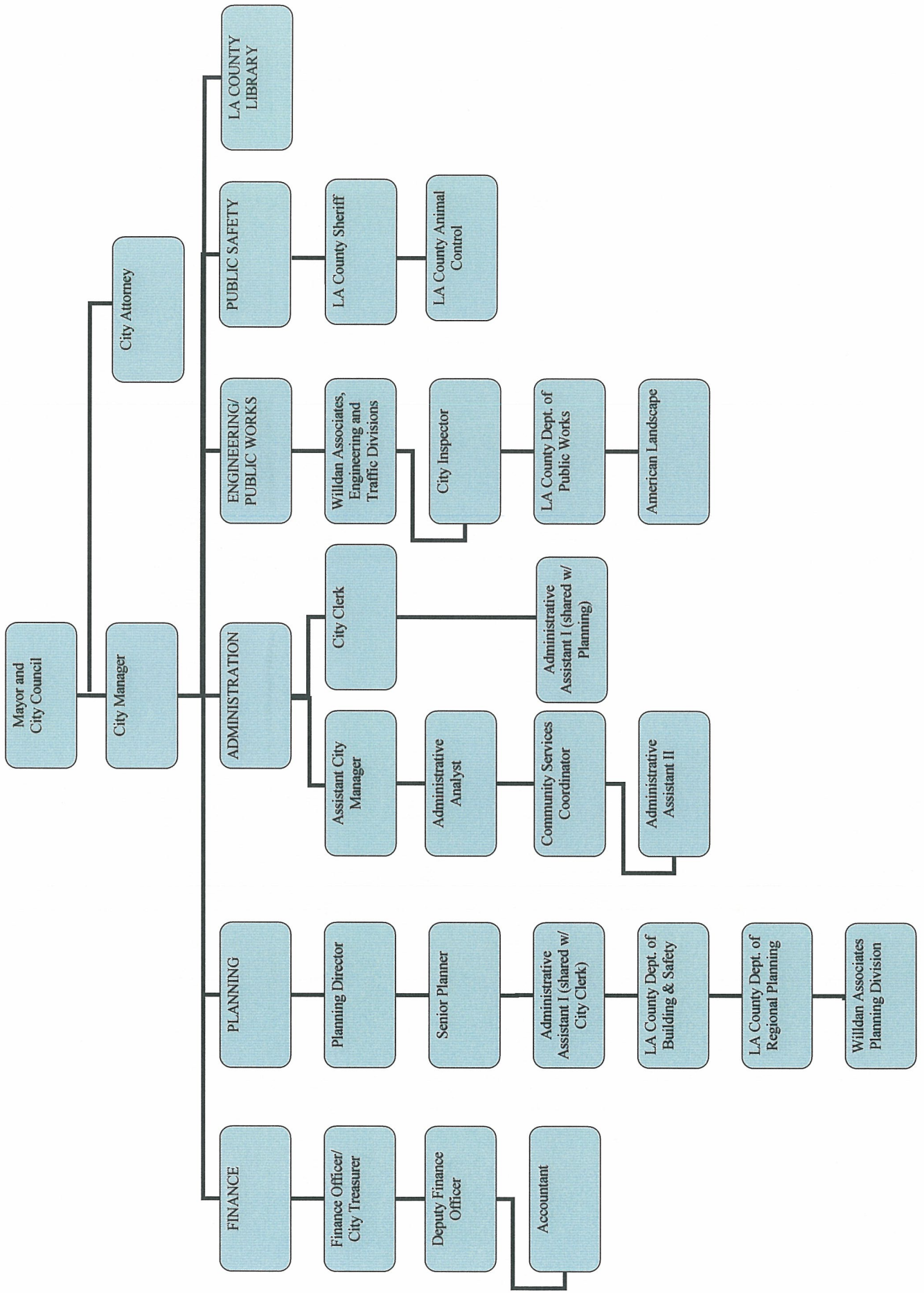
ROBERT S. BIERY

CITY TREASURER

TERENCE BOGA

CITY ATTORNEY

CITY OF WESTLAKE VILLAGE ORGANIZATIONAL CHART



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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

9107 WILSHIRE BLVD., SUITE 400
BEVERLY HILLS, CA 90210
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INDEPENDENT AUDITOR'S REPORT

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

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 (City), as of and for the fiscal year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 of Westlake Village, California, as of June 30, 2009, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Arterial System Special Revenue Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligation*; GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowment*, GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, effective July 1, 2008.

In accordance with Government Auditing Standards, we have also issued a report December 18, 2009, 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 and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Westlake Village's basic financial statements. The Introductory Section, Schedule of Revenue, Expenditures, and Changes in Funds Balance – Budget and Actual – Debt Service Fund, Combining and Individual Fund Financial Statements for the Nonmajor Governmental Funds, Nonmajor Fund Budgetary Comparison Schedules, Agency Funds, 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 Schedule of Revenue, Expenditures, and Changes in Funds Balance – Budget and Actual – Debt Service Fund, Combining and Individual Fund Financial Statements for the Nonmajor Governmental Funds, Nonmajor Fund Budgetary Comparison Schedules, and Agency Funds have been subjected to the auditing procedures applied in our audit of the basic financial statements, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information included in the "Introductory Section", and the "Statistical Section", have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion thereon.

Moss, Levy & Hartzheim

Moss, Levy and Hartzheim, LLP
Beverly Hills, California
December 18, 2009

CITY OF WESTLAKE VILLAGE
Management's Discussion and Analysis
June 30, 2009

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, 2009. We encourage readers to consider the information presented here in conjunction with their reading of the City's financial statements beginning on page 11.

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

The 2008-09 fiscal year is the sixth year the City transitioned into the new 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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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.

CITY OF WESTLAKE VILLAGE
Management's Discussion and Analysis
June 30, 2009

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

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

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

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

The City maintains three (3) major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Arterial System Special Revenue Fund and Debt Service Fund. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements in the nonmajor governmental funds section* of this report.

The City adopts an annual appropriated budget for the General and Special Revenue funds. A budgetary comparison is provided for all funds with an annually adopted budget. The budgetary comparison statement for the General Fund and Arterial System Special Revenue Fund are located in the basic financial statements on pages 17 and 18. The budgetary comparison for the Debt Service Fund is located in the Supplementary Information section of the report. The nonmajor governmental fund budgetary comparisons are located in the *Nonmajor Governmental Funds* section of the report. The basic governmental fund financial statements can be found on pages 13 through 18 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 carries 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 20 through 35 of this report.

CITY OF WESTLAKE VILLAGE
Management's Discussion and Analysis
June 30, 2009

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 37 through 59 of this report.

Government-Wide Financial Analysis

Summary of Net Assets
June 30, 2008 and June 30, 2009

	Governmental activities	
	6/30/08	6/30/09
Assets:		
Current and other assets	\$ 25,836,120	\$ 33,087,422
Capital assets	35,501,425	34,765,788
Total assets	61,337,545	67,853,210
Liabilities:		
Current and other liabilities	3,755,035	3,950,848
Long-term liabilities	7,547,461	16,493,559
Total liabilities	11,302,496	20,444,407
Net assets:		
Invested in capital assets, net of related debt	28,159,353	26,508,843
Restricted – Debt service	399,789	982,648
Capital projects	1,162,430	—
Streets and roads	—	669,126
Public safety	—	21,559
Lighting and landscaping	—	871,618
Unrestricted	20,313,477	18,355,009
Total net assets	\$ 50,035,049	\$ 47,408,803

CITY OF WESTLAKE VILLAGE
Management's Discussion and Analysis
June 30, 2009

Summary of Changes in Net Assets

Fiscal Years Ended June 30, 2008 and June 30, 2009

	Governmental activities	
	6/30/08	6/30/09
Revenues:		
Program revenues:		
Charges for services	\$ 2,117,374	\$ 2,048,963
Operating grants and contributions	805,212	841,881
General revenues		
Property taxes	1,853,865	1,990,082
Sales taxes	3,744,533	3,215,815
Utility franchise fees	341,298	426,307
Transient occupancy taxes	2,549,744	2,293,232
Motor vehicle in-lieu of taxes	740,061	790,490
Investment earnings	939,611	465,207
Total revenues	13,091,698	12,071,977
Expenses:		
General government	2,180,910	2,115,081
Public safety	1,923,971	2,026,364
Public services	4,368,840	9,943,934
Parks and recreation	1,197,261	555,694
Interest on long-term debt	379,761	422,319
Total expenses	10,050,743	15,063,392
Decrease in net assets	3,040,955	(2,991,415)
Net assets, beginning of year, restated	46,994,094	50,400,218
Net assets, ending	\$ 50,035,049	\$ 47,408,803

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by \$47,408,803 at June 30, 2009. Sales and transient occupancy taxes decreased as a result of the depressed economy. The increase in Public Services is due to increased spending on capital projects.

A large portion of the City's net assets, \$26,508,843, reflects its investment in capital assets (e.g., land, buildings, office furniture, and equipment, and the like), less depreciation and less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

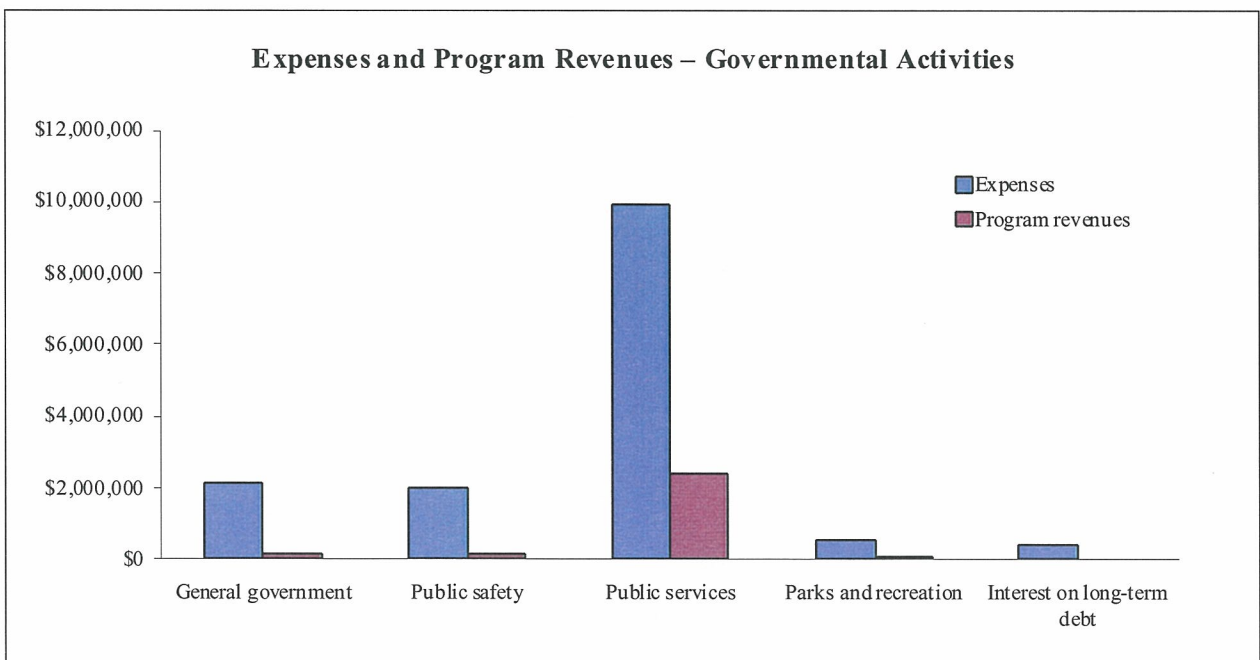
CITY OF WESTLAKE VILLAGE
 Management's Discussion and Analysis
 June 30, 2009

Another portion of the City's net assets represent resources that are subject to external restrictions on how they may be used, which is \$982,648 for repayment of long-term debt, \$669,126 for street and roads, \$21,559 for public safety, and \$871,618 for lighting and landscaping.

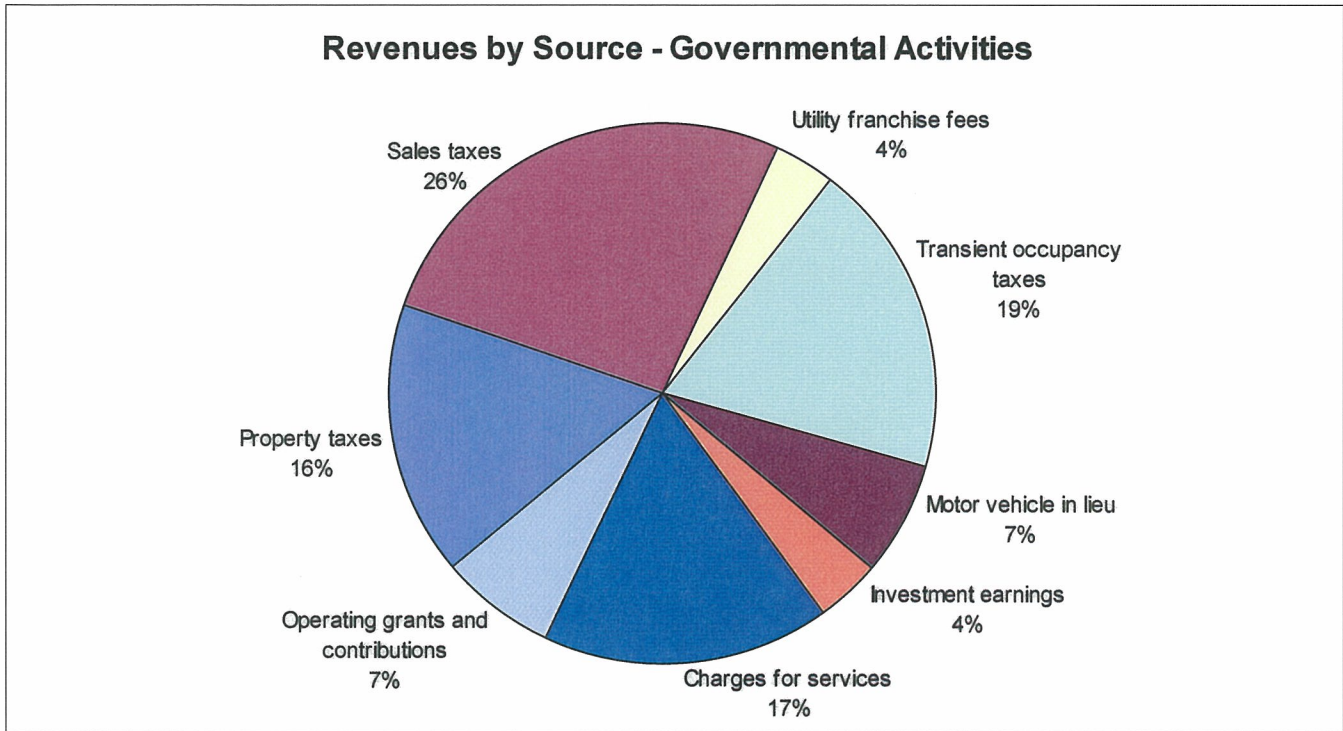
The remaining portion of the City's net assets is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. At June 30, 2009, unrestricted net assets totaled \$18,355,009.

Governmental activities decreased the City's net assets by \$2,991,415, thereby accounting for the decrease in the net assets of the City. Key elements of this decrease are as follows:

- Total governmental funds revenues for fiscal year 2009 was \$12,054,501
- Total governmental funds expenditures for fiscal year 2009 was \$21,786,804
- Thus provided a net decrease in fund balances of \$9,732,303 as of June 30, 2009
- Capital project expenditures less current year depreciation and prior year non-capitalized less depreciation (decrease of \$735,638); repayment of bond/loan principal (increase of \$7,310,127); net increase long-term liabilities including the issuance of new debt (decrease of \$15,792,268) during fiscal year 2009, provides a net decrease to net assets of \$9,217,779.
- With the increase in fund balances of \$6,226,364 and the decrease in net assets of \$9,217,779, the total change in net assets is a decrease of \$2,991,415 for fiscal year 2009.



CITY OF WESTLAKE VILLAGE
Management's Discussion and Analysis
June 30, 2009



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 \$28,672,458. Approximately 62.4% of fund balances, \$17,878,535, constitute unreserved fund balance, which is available for spending at the City's discretion subject to legal restrictions for certain revenue sources. The remainder of the fund balance, \$10,793,923 is reserved to indicate that it is not available for new spending because it has already been committed to pay debt service and for a park and road capital project.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was \$24,316,481 and the unreserved fund balance designated for contingencies of the General Fund was \$5,207,635. As a measure of General Fund liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. Unreserved fund balance designated for contingencies represents 47.9% of total General Fund expenditures and transfers out of \$10,866,219.

CITY OF WESTLAKE VILLAGE
Management's Discussion and Analysis
June 30, 2009

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 \$1,731,543 fund balance.

General Fund Budgetary Highlights

The General Fund budget to actual report can be found on page 17. Increases between the original budget and the final amended budget were \$86,383 due to the addition of a wireless master plan, pedestrian/bicycle safety campaign and personnel costs for the employment of a new community services coordinator.

Year-to-date revenue totaled \$9.7 million, representing 97.4% of the annual budget with 100% of the budget year completed. Total General Fund revenues were less than their budget amounts by \$256,055. The major declines were in sales taxes and transient occupancy tax as a result of the economy. Interest income decreased due to falling interest rates. Total revenue for 2008-09 was less than total revenue for 2007-08 by nearly \$1 million.

General Fund expenditures and transfers out totaled \$10.9 million, which was \$2.9 million less than the final annual budget, which totaled \$13.3 million.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental activities amounts to \$34,765,788 (net of accumulated depreciation of \$20,324,203) as of June 30, 2009. This investment in capital assets includes land, buildings and structures, furniture and equipment, and land improvements.

Capital Assets
(Net of Accumulated Depreciation)

Fiscal Years Ended June 30, 2008 and June 30, 2009

	Governmental activities	
	6/30/08	6/30/09
Land	\$ 4,855,407	\$ 4,855,407
Buildings and improvements	7,652,357	7,455,884
Equipment	1,107,129	975,249
Office furniture	18,321	14,656
Parks	2,931,000	2,851,239
Infrastructure:		
Sewers	470,881	443,845
Streets	10,795,660	10,633,412
Storm Drains	657,412	618,356
Curbs/Gutters/Sidewalks	1,191,807	1,212,043
Bridges	716,880	688,520
Traffic signals	507,258	457,013
Medians	4,597,313	4,560,164
Total	\$ 35,501,425	\$ 34,765,788

CITY OF WESTLAKE VILLAGE
 Management's Discussion and Analysis
 June 30, 2009

Additional information on the City's capital assets can be found in notes to the basic financial statements on page 28 of this report.

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

Governmental Activities

- Significant freeway interchange project \$1.79 million, street overlay and landscaping projects \$2.57 million, and park projects \$1.76 million.

Debt Administration. At the end of the current fiscal year, the City had total long-term debt outstanding of \$16,256,945. Of this amount, \$16,225,000 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. The balance of the debt is for a State Energy Loan for upgrading traffic signals, \$31,945.

Outstanding Debt

Fiscal Years ended June 30, 2008 and June 30, 2009

	Governmental activities	
	6/30/08	6/30/09
Long term indebtedness:		
Certificates of participation	\$ 7,285,000	\$ 16,225,000
Loans payable	57,072	31,945
	\$ 7,342,072	\$ 16,256,945

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

Next Year's Budget

The General fund operating budget for fiscal year 2009-2010 grew just over 6.78% from the previous year due to increases in public safety and inflationary costs.

Request for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF WESTLAKE VILLAGE

Statement of Net Assets

June 30, 2009

Assets	Governmental activities
Cash and investments (note 2)	\$ 22,003,796
Due from other governmental units	815,011
Due from other agencies	151,328
Due from other funds	83,903
Accounts and interest receivable	476,090
Restricted cash held with fiscal agent (note 2)	9,062,330
Deferred charges	494,964
Capital assets (note 4):	
Nondepreciable	4,855,407
Depreciable, net	29,910,381
Total assets	<u>67,853,210</u>
Liabilities	
Accounts payable and accrued liabilities	3,636,135
Accrued interest payable	79,483
Unearned revenue	235,230
Noncurrent liabilities (note 5):	
Due within one year	435,245
Due in more than one year	16,058,314
Total liabilities	<u>20,444,407</u>
Net Assets	
Invested in capital assets, net of related debt	26,508,843
Restricted for:	
Debt service	982,648
Streets and roads	669,126
Public safety	21,559
Lighting and landscaping	871,618
Unrestricted	18,355,009
Total net assets	<u>\$ 47,408,803</u>

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

CITY OF WESTLAKE VILLAGE

Statement of Activities

Year ended June 30, 2009

		<u>Program revenues</u>		Net (expense) revenue and changes in net assets
	<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	\$ 2,115,081	\$ 97,288	\$ —	\$ (2,017,793)
Public safety	2,026,364	32,456	100,000	(1,893,908)
Public services	9,943,934	1,895,459	701,893	(7,346,582)
Parks and recreation	555,694	23,760	39,988	(491,946)
Interest on long-term debt	422,319	—	—	(422,319)
Total governmental activities	<u>\$ 15,063,392</u>	<u>\$ 2,048,963</u>	<u>\$ 841,881</u>	<u>\$ (12,172,548)</u>
General revenues-unrestricted:				
Taxes:				
Property taxes				1,990,082
Sales taxes				3,215,815
Utility franchise fees				426,307
Transient occupancy taxes				2,293,232
Motor vehicle in-lieu of taxes, for general purpose				790,490
Investment earnings				465,207
Total general revenues				<u>9,181,133</u>
Changes in net assets				(2,991,415)
Net assets, beginning of year, restated				<u>50,400,218</u>
Net assets, end of year				<u>\$ 47,408,803</u>

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

CITY OF WESTLAKE VILLAGE

Balance Sheet

Governmental Funds

June 30, 2009

Assets	General Fund	Arterial System Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and investments (note 2)	\$ 17,475,714	\$ 2,773,768	\$ —	\$ 1,754,314	\$ 22,003,796
Restricted cash held with fiscal agent (note 2)	8,000,249	—	1,062,081	—	9,062,330
Due from other agencies	151,328	—	—	—	151,328
Due from other governmental units	649,617	—	—	165,394	815,011
Due from other funds (note 3)	83,903	—	—	—	83,903
Accounts and interest receivable	430,073	—	50	45,968	476,091
Total assets	\$ 26,790,884	\$ 2,773,768	\$ 1,062,131	\$ 1,965,676	\$ 32,592,459
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,274,440	\$ 1,042,225	\$ —	\$ 319,470	\$ 3,636,135
Due to other funds (note 3)	—	—	—	83,903	83,903
Deferred revenue	199,963	—	—	—	199,963
Total liabilities	2,474,403	1,042,225	—	403,373	3,920,001
Fund balances:					
Reserved:					
Debt service	—	—	1,062,131	—	1,062,131
Park project	8,000,249	—	—	—	8,000,249
Road project	—	1,731,543	—	—	1,731,543
Unreserved:					
Unreserved-designated for contingencies	5,207,635	—	—	—	5,207,635
Unreserved-designated for capital projects	10,768,897	—	—	—	10,768,897
Unreserved-designated for bldg replacement	339,700	—	—	—	339,700
Unreserved, reported in nonmajor:					
Special revenue funds	—	—	—	1,562,303	1,562,303
Total fund balances	24,316,481	1,731,543	1,062,131	1,562,303	28,672,458
Total liabilities and fund balances	\$ 26,790,884	\$ 2,773,768	\$ 1,062,131	\$ 1,965,676	\$ 32,592,459

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 Assets

June 30, 2009

Fund balances – total governmental funds (page 13):		\$ 28,672,458	
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.			
		34,765,788	
Costs of issuance of long-term debt are recorded as expenditures in the governmental funds under the modified accrual basis, however, these costs are capitalized and amortized in the government-wide statements.			
		494,964	
Deferred 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.			
		48,635	
Long-term liabilities, including certificates of participation, are not due and payable in the current period.			
Certificates of participation	\$ (16,225,000)		
Loans payable	(31,945)		
Accrued interest payable	(79,483)		
Compensated absences	(236,614)	(16,573,042)	
Net assets of governmental activities (page 11)		\$ 47,408,803	

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

Year ended June 30, 2009

	<u>General Fund</u>	<u>Arterial System Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Sales taxes	\$ 2,945,445	\$ —	\$ —	\$ 252,894	\$ 3,198,339
Property taxes	1,990,082	—	—	—	1,990,082
Transient occupancy taxes	2,293,232	—	—	—	2,293,232
Motor vehicle license fees	790,490	—	—	—	790,490
Utility franchise fees	426,307	—	—	—	426,307
Licenses and permits	665,719	—	—	—	665,719
Fines and forfeitures	16,220	—	—	63,202	79,422
Charges for current services	78,096	435,558	—	1,137,427	1,651,081
Intergovernmental	—	—	—	376,263	376,263
Interest	362,580	50,858	1,618	50,151	465,207
Other revenue	118,359	—	—	—	118,359
Total revenues	9,686,530	486,416	1,618	1,879,937	12,054,501
Expenditures:					
Current:					
General government	1,685,669	—	—	—	1,685,669
Public safety	1,889,297	—	—	100,000	1,989,297
Public services	1,644,667	1,134,237	—	2,519,617	5,298,521
Parks and recreation	475,933	—	—	—	475,933
Capital outlay	4,423,837	—	—	—	4,423,837
Debt service:					
Principal	—	—	7,285,000	25,127	7,310,127
Interest	—	—	372,011	953	372,964
Cost of issuance	—	—	230,456	—	230,456
Total expenditures	10,119,403	1,134,237	7,887,467	2,645,697	21,786,804
Excess (deficiency) of revenues over (under) expenditures	(432,873)	(647,821)	(7,885,849)	(765,760)	(9,732,303)
Other financing sources (uses):					
Transfers in	—	186,686	558,524	1,606	746,816
Transfers out	(746,816)	—	—	—	(746,816)
Proceeds from issuance of debt	8,000,000	—	8,225,000	—	16,225,000
Original issue discount	—	—	(266,333)	—	(266,333)
Total other financing sources (uses)	7,253,184	186,686	8,517,191	1,606	15,958,667
Net change in fund balances	6,820,311	(461,135)	631,342	(764,154)	6,226,364
Fund balances, beginning of year (restated)	17,496,170	2,192,678	430,789	2,326,457	22,446,094
Fund balances, end of year	\$ 24,316,481	\$ 1,731,543	\$ 1,062,131	\$ 1,562,303	\$ 28,672,458

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

Year ended June 30, 2009

Net change in fund balances – total governmental funds (page 15)		\$ 6,226,364
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	\$ 4,423,837	
Less noncapitalized	(3,568,306)	
Less current year depreciation	(1,591,169)	(735,638)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
Principal payments	7,285,000	
Loan payment	25,127	
Debt proceeds	(16,225,000)	
Cost of issuance	496,789	(8,418,084)
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	(48,483)	
Change in long-term compensated absences	(31,225)	
Amortization of deferred charges	(1,825)	(81,533)
Certain accounts receivable are not reported in the governmental funds because they were not available, however, these receivables are recognized as revenues in the government-wide statements under full accrual.		
Sales tax revenue for 9/09 versus 9/08, The net change for the period is:	17,476	17,476
Change in net assets of governmental activities (page 12)		\$ (2,991,415)

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 Balance –
Budget and Actual

General Fund

Year ended June 30, 2009

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Sales taxes	\$ 3,526,200	\$ 3,526,200	\$ 2,945,445	\$ (580,755)
Property taxes	1,816,620	1,816,620	1,990,082	173,462
Transient occupancy taxes	2,500,000	2,500,000	2,293,232	(206,768)
Motor vehicle license fees	707,800	707,800	790,490	82,690
Utility franchise fees	353,000	353,000	426,307	73,307
Licenses and permits	485,000	485,000	665,719	180,719
Fines and forfeitures	6,500	6,500	16,220	9,720
Charges for current services	90,550	90,550	78,096	(12,454)
Interest	385,000	385,000	362,580	(22,420)
Other revenue	71,915	71,915	118,359	46,444
Total revenues	9,942,585	9,942,585	9,686,530	(256,055)
Expenditures:				
Current:				
General government	1,762,510	1,762,510	1,685,669	76,841
Public safety	1,996,620	1,996,620	1,889,297	107,323
Public services	1,790,985	1,830,985	1,644,667	186,318
Parks and recreation	493,940	540,323	475,933	64,390
Capital outlay	6,280,550	6,280,550	4,423,837	1,856,713
Total expenditures	12,324,605	12,410,988	10,119,403	2,291,585
Excess (deficiency) of revenues over (under) expenditures	(2,382,020)	(2,468,403)	(432,873)	2,035,530
Other financing sources (uses):				
Transfers out	(843,025)	(843,025)	(746,816)	96,209
Proceeds from issuance of debt	—	8,000,000	8,000,000	—
Total other financing sources (uses)	(843,025)	7,156,975	7,253,184	96,209
Net change in fund balance	(3,225,045)	4,688,572	6,820,311	2,131,739
Fund balance, beginning of year (restated)	17,496,170	17,496,170	17,496,170	—
Fund balance, end of year	\$ 14,271,125	\$ 22,184,742	\$ 24,316,481	\$ 2,131,739

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 Balance –
Budget and Actual

Arterial System Fund – Special Revenue Fund

Year ended June 30, 2009

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Charges for current services	\$ 3,558,000	\$ 3,558,000	\$ 435,558	\$ (3,122,442)
Interest	52,500	52,500	50,858	(1,642)
Total revenues	<u>3,610,500</u>	<u>3,610,500</u>	<u>486,416</u>	<u>(3,124,084)</u>
Expenditures:				
Current:				
Public services	<u>7,839,000</u>	<u>7,839,000</u>	<u>1,134,237</u>	<u>6,704,763</u>
Total expenditures	<u>7,839,000</u>	<u>7,839,000</u>	<u>1,134,237</u>	<u>6,704,763</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,228,500)</u>	<u>(4,228,500)</u>	<u>(647,821)</u>	<u>3,580,679</u>
Other financing sources:				
Transfers in	<u>186,686</u>	<u>186,686</u>	<u>186,686</u>	<u>—</u>
Net change in fund balance	<u>(4,041,814)</u>	<u>(4,041,814)</u>	<u>(461,135)</u>	<u>3,580,679</u>
Fund balance, beginning of year	<u>2,192,678</u>	<u>2,192,678</u>	<u>2,192,678</u>	<u>—</u>
Fund balance (deficit), end of year	<u>\$ (1,849,136)</u>	<u>\$ (1,849,136)</u>	<u>\$ 1,731,543</u>	<u>\$ 3,580,679</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, 2009

Assets	
Cash and investments (note 2)	\$ 38,577
Due from other governments	<u>855</u>
Total assets	<u><u>\$ 39,432</u></u>
Liabilities	
Accounts payable and accrued liabilities	\$ 6,289
Due to bondholders	<u>33,143</u>
Total liabilities	<u><u>\$ 39,432</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, 2009

(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 \$16,225,000. 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, and the balance outstanding on June 30, 2009 was \$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 assets and the statement of changes in net assets) 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. *Governmental activities*, which normally are supported by taxes and

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2009

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 assets are 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, 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, 2009

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.
- *Debt Service Fund* – This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt.

Additionally, the City reports the following fund type:

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

(c) *Interfund Transactions*

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

(d) *Property Taxes*

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

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

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

Property tax receivables are included in due from other governments.

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2009

(e) Capital Assets

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

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

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

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

(f) Compensated Absences

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

(g) Appropriations and Budgetary Information

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

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2009

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 2008-09 were as follows:

Special revenue funds:

Gas tax	\$	7,975
Traffic safety		13,365
Prop A local transit assistance		1,693
Air quality management		3,884
Traffic congestion relief		4,106
TDA article 3		150
Street lighting		43,247
Park maintenance		28,088
Total	\$	<u>102,508</u>

The Traffic safety variance is due to increased costs for traffic engineering expenditures. The Street lighting and Park maintenance variances are due to increased utility rates and usage.

(h) Use of Estimates

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

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2009

(2) Cash and Investments

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 22,003,796
Restricted cash held with fiscal agent	9,062,330
Fiduciary Funds:	
Cash and investments	<u>38,577</u>
Total Cash and Investments	<u>\$ 31,104,703</u>

Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	\$ 200
Deposits with financial institutions	628,777
Investments	
Local Agency Investment Pool (LAIF)	21,413,396
Cash with fiscal agent	<u>9,062,330</u>
Total Cash and Investments	<u>\$ 31,104,703</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.

The policy does not include amounts held by bond trustee that are subject to California Government Code restrictions.

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.

Investment of debt proceeds held by bond trustee 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.

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

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2009

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

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization. This fiscal agent funds held in money market funds were rated AAA at June 30, 2009.

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 market 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.

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, 2009, the amortized cost of the pool was \$50,784,427,116 and the estimated fair value of the pool was \$50,853,707,566. Included in the LAIF's investment portfolio are structured notes, totaling \$5,169.332 million and asset backed securities totaling \$2,296.565 million. The Pooled Money Investment Account Portfolio has not invested in, nor will it invest in, Derivative Products as defined in FASB 133. 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, 2009

(3) Interfund Receivables, Payables, and Transfers

(a) Due From and To Other Funds

Interfund receivables/payables balances as of June 30, 2009 are as follows:

Fund type	Due from	Due to
General Fund	\$ 83,903	\$ —
Nonmajor governmental funds:		
TDA Article 3 fund	—	854
Solid waste fund	—	27,021
Traffic congestion relief fund	—	17,851
Park maintenance fund	—	38,177
	\$ 83,903	\$ 83,903

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, 2009 are as follows:

	Transfer in	Transfer out
Major funds:		
General fund	\$ —	\$ 746,816
Arterial system fund	186,686	—
Debt service fund	558,524	—
Nonmajor governmental fund:		
Air quality management fund	1,606	—
	\$ 746,816	\$ 746,816

The amount transferred out of the General Fund to other governmental funds is to provide resources for repayment of certificates of participation, an audit adjustment to the Air Quality Fund, 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, 2009

(4) Capital Assets

A summary of changes in the capital assets for the year ended June 30, 2009 follows:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Capital assets, not being depreciated:				
Land	\$ 4,855,407	\$ —	\$ —	\$ 4,855,407
Capital assets, being depreciated:				
Buildings and improvements	8,827,525	—	—	8,827,525
Equipment	2,013,018	103,235	—	2,116,253
Office furniture	203,350	—	—	203,350
Parks	3,988,040	—	—	3,988,040
Infrastructure				
Sewers	1,351,788	—	—	1,351,788
Streets	18,416,506	512,296	—	18,928,802
Storm drains	1,952,797	—	—	1,952,797
Curbs/gutters/sidewalks	4,276,707	95,000	—	4,371,707
Bridges	1,418,010	—	—	1,418,010
Traffic signals	1,507,347	—	—	1,507,347
Medians	5,423,965	145,000	—	5,568,965
Total capital assets, being depreciated	<u>49,379,053</u>	<u>855,531</u>	<u>—</u>	<u>50,234,584</u>
Total capital assets	<u>\$ 54,234,460</u>	<u>\$ 855,531</u>	<u>\$ —</u>	<u>\$ 55,089,991</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (1,175,168)	\$ (196,473)	\$ —	\$ (1,371,641)
Equipment	(905,888)	(235,116)	—	(1,141,004)
Office furniture	(185,029)	(3,665)	—	(188,694)
Parks	(1,057,040)	(79,761)	—	(1,136,801)
Infrastructure				
Sewers	(880,907)	(27,036)	—	(907,943)
Streets	(7,620,846)	(674,544)	—	(8,295,390)
Storm drains	(1,295,385)	(39,056)	—	(1,334,441)
Curbs/gutters/sidewalks	(3,084,900)	(74,764)	—	(3,159,664)
Bridges	(701,130)	(28,360)	—	(729,490)
Traffic signals	(1,000,089)	(50,245)	—	(1,050,334)
Medians	(826,652)	(182,149)	—	(1,008,801)
Total accumulated depreciation	<u>(18,733,034)</u>	<u>(1,591,169)</u>	<u>—</u>	<u>(20,324,203)</u>
Total capital assets, being depreciated, net	<u>30,646,018</u>	<u>(735,637)</u>	<u>—</u>	<u>29,910,381</u>
Governmental activities capital assets, net	<u>\$ 35,501,425</u>	<u>\$ (735,637)</u>	<u>\$ —</u>	<u>\$ 34,765,788</u>

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2009

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

General government	\$ 399,755
Public safety	35,499
Public services	1,076,154
Parks and recreation	<u>79,761</u>
Total depreciation expense	<u>\$ 1,591,169</u>

(5) Long-Term Debt

The following is a summary of changes in the long-term debt for the year ended June 30, 2009:

<u>Governmental activities</u>	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>	<u>Amount due within one year</u>
Debt long-term liabilities:					
Certificates of participation:					
1997 Certificates of Participation	\$ 1,145,000	\$ —	\$ (1,145,000)	\$ —	\$ —
Certificates of participation:					
2000 Certificates of Participation	6,140,000	—	(6,140,000)	—	—
Certificates of participation:					
2009 Certificates of Participation	<u>—</u>	<u>16,225,000</u>	<u>—</u>	<u>16,225,000</u>	<u>285,000</u>
Total certificates of participation	7,285,000	16,225,000	(7,285,000)	16,225,000	285,000
Loans payable:					
Energy commission loan	57,072	—	(25,127)	31,945	31,945
Other long-term liabilities:					
Compensated absences	<u>205,389</u>	<u>126,948</u>	<u>(95,723)</u>	<u>236,614</u>	<u>118,300</u>
Total governmental activities – long-term liabilities	<u>\$ 7,547,461</u>	<u>\$ 16,351,948</u>	<u>\$ (7,405,850)</u>	<u>\$ 16,493,559</u>	<u>\$ 435,245</u>

On December 1, 1997, the Corporation issued \$1,500,000 of Certificates of Participation (COP) for the Library Land Acquisition Project. The proceeds from the sale of the COPs were used to advance refund the outstanding principal of the 1992 Library Land Acquisition Project COPs. The 1997 COPs are insured by Financial Security Assurance, Inc., and rated AAA by S&P and Aaa by Moody's. The 1997 COPS have interest rates ranging from 4.25% to 5.10% and maturing in annual installments of \$15,000 in 1998 to \$130,000 in 2022. The outstanding balance of these certificates of participation was paid off May 21, 2009 from the proceeds of the 2009 certificate of participation issuance.

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2009

In September 2000, the Corporation issued certificates of participation of \$7,005,000. The net proceeds of the issuance was for the cost of constructing a City Hall/Library facility. The 2000 COP's have interest rates ranging from 4.40% to 5.30% and mature in annual installments from \$110,000 in 2002 to \$535,000 in 2030. The outstanding balance of these certificates of participation was paid off May 21, 2009 from the proceeds of the 2009 certificate of participation issuance.

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 \$285,000 in 2010 to \$970,000 in 2039. The total amount of the debt of \$16,225,000 is outstanding June 30, 2009.

At June 30, 2009, the City's management believes it is in compliance with bond covenants related to the 1997 COP's, 2000 COP's and 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.

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

2009 Certificates of Participation			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2010	\$ 285,000	\$ 735,221	\$ 1,020,221
2011	310,000	709,650	1,019,650
2012	320,000	703,450	1,023,450
2013	325,000	696,250	1,021,250
2014	335,000	688,125	1,023,125
2015-2019	1,835,000	3,270,313	5,105,313
2020-2024	2,205,000	2,899,319	5,104,319
2025-2029	2,735,000	2,371,562	5,106,562
2030-2034	3,460,000	1,639,500	5,099,500
2035-2039	4,415,000	683,500	5,098,500
	<u>\$ 16,225,000</u>	<u>\$ 14,396,890</u>	<u>\$ 30,621,890</u>

In January 2002, the City was granted a loan from the California Energy Commission for the purpose of converting traffic signal lights to energy reduction equipment. The loan was in the amount of \$190,985, and will be amortized over 15 semiannual payments at a 3% annual interest rate. The outstanding balance due on June 30, 2009 is \$31,945.

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2009

Principal and interest payments are due on the Energy commission loan payable as follows:

	Loan Payable - Energy Commission		
	Principal	Interest	Total
Year ending June 30:			
2010	\$ 31,945	\$ 193	\$ 32,138
	<u>\$ 31,945</u>	<u>\$ 193</u>	<u>\$ 32,138</u>

(6) Retirement Plan

(a) Plan Description

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

(b) Funding Policy

Active plan members in CalPERS are required to contribute 8% of their annual covered salary. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits plan for its members. The current plan provides a qualified employee a 3% at 60 years of age retirement benefit. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2008-09 was 12.050%, and for 2009-10 it will be 12.013% 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.

(c) Annual Pension Cost

For fiscal year 2008/09, the City's annual employer pension cost and the amount actually contributed by the City was \$187,601. Included in that total, the City contributed \$74,734 on behalf of the employees to cover their 8% required contribution. The required contribution for fiscal year 2008/09 was determined as part of the June 30, 2006 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. There was an amendment to the

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2009

contract with PERS effective December 2002 which required a special actuarial valuation, based on the increased benefit. The actuarial current assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members. Both (a) and (b) include an inflation component of 3.0%. The actuarial value of CalPERS' assets was determined using a technique that smooths the effect of short-term volatility in the market value of investments over a two to five-year period depending on the size of investment gains and/or losses. CalPERS' unfunded actuarial accrued liability has been paid off in full.

Three-Year Trend Information for CalPERS

Fiscal year	Annual pension cost	Percentage of APC	Net pension obligation
06/30/07	\$ 144,689	100.0	—
06/30/08	104,757	100.0	—
06/30/09	112,867	100.0	—

(7) Deferred Compensation Plan

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all government employees at their option, permits participants to defer a portion of their salary until future years. Contributions to the fund are invested by an external trustee, ICMA Retirement Corporation, and are not available to participants until termination, retirement, death, or unforeseeable emergency. Arrangements may include a lump-sum payout or a distribution of benefits over a specified number of years. Authorized investments for the plan are limited to guaranteed investment contracts purchased from insurance companies and various investment funds provided by the external trustee. In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for IRC Section 457 – Deferred Compensation*, investments of the deferred compensation plan of \$808,599 have been excluded from the basic financial statements at June 30, 2009. The City also offers a 401 Qualified Plan through ICMA which investments totaling \$95,543 have been excluded from the basic financial statements at June 30, 2009.

(8) Post-Retirement Benefits

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

To qualify for post retirement health insurance benefits, the employee must retire from the City, have five years of service immediately preceding retirement and be at least 50 years old. The City's contribution for each retiree is the same as full time employees. These benefits will be financed on a "pay as you go basis." As of June 30, 2009, there were two retired employees. The City expended \$12,326 for retiree health insurance during the fiscal year ended June 30, 2009.

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2009

(9) Commitments and Contingencies

(a) Commitments

The City has contracted with the County of Los Angeles for various services, principally law enforcement. The law enforcement contract was extended through Fiscal Year 2008/09. The contract is cancelable upon 60-days notice as of the first day of July of any year and includes a 5-year option to renew. This contract was renewed for 5 years through June 30, 2014. Expenditures under the contract for the year ended June 30, 2009 were \$1,869,988, and estimated expenditures under the new contract for the year ending June 30, 2010 are \$1,895,058.

The City contracts for animal control services through Fiscal Year 2011/2012 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 a current contract that began March 1, 2004 with an initial term of 3 years with two 2 year renewal options. The contractual commitments total \$250,000 per year.

The City has a contract with C.A. Rasmussen for improvements to the U.S. 101/Lindero Canyon Road Interchange and Street Improvements along Lindero Canyon Road. The original contract was for \$4,759,277 and the outstanding balance due as of June 30, 2009 was \$4,164,270. The sources of funding for this project are MTA Grant Funds (50%), Arterial System Financing Program (Developer Fees – 40%), and Capital Improvement Program Reserve Funds (10%).

The City has a contract with Sukut Construction, Inc. to construct the infrastructure for a planned joint-use Community Park and YMCA Facility. The original contract was for \$4,432,969, and construction started subsequent to June 30, 2009. The source of funding for this contract comes from \$8,000,000 in net proceeds from the City's 2009 Certificates of Participation (See Page 30).

(b) Contingencies

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

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

(10) Special Assessment Bonds

On September 2, 1988, the City sponsored the issuance of special assessment bonds to finance the widening of the Lindero Canyon Road bridge. On September 1, 2005, the City issued Limited Obligation Refunding Improvement Bonds (Reassessment and Refunding 2005) in the amount of \$205,100 to refund Improvement Bonds issued for this bridge improvement. These refunded bonds were purchased by the City with an advance from the City's General Fund reserves. These refunded bonds, with an outstanding balance of \$130,900 at June 30, 2009, are due through 2012. These bonds were issued under the 1913 and

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2009

the 1915 Improvement Bond Acts and are obligations against the properties in the assessment district. An allocation from assessments collected from properties in the assessment district will be paid to the City to amortize the debt. The bonds are not indebtedness of the City, and the City is not liable for their repayment, but is only acting on behalf of the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if necessary. Accordingly, these special assessment bonds payable have been excluded from the accompanying basic financial statements.

(11) Risk Management

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

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

Description of Self-Insurance Programs of the Authority:

General Liability Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$30,000 of each occurrence is charged directly to the member's primary deposit; (2) costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on a member's share of losses under \$30,000; (3) losses from \$750,000 to \$2,000,000 and the associated loss development reserves are pooled based on payroll; (4a) costs of covered claims from \$2,000,000 to \$50,000,000 are paid under reinsurance and excess insurance policies (4b) subject to a \$3,000,000 annual aggregate deductible (4c) and a quota-sharing agreement whereby the Authority is financially responsible for 40% of losses occurring within the \$2,000,000 to \$10,000,000 layer. The costs associated with 4a-c are estimated using actuarial models and pre-funded as part of the primary and retrospective deposits.

The overall policy limit for each member including all layers of coverage is \$50,000,000 per occurrence. Costs of covered claims for subsidence losses are paid by excess insurance with the following sub-limits per member: \$25,000,000 per occurrence with a \$15,000,000 annual aggregate.

Property Insurance The City of Westlake Village participates in the all-risk property protection program of the Authority (CJPIA). 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. Total all-risk property insurance coverage is \$15,412,999. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

CITY OF WESTLAKE VILLAGE

Notes to Basic Financial Statements

June 30, 2009

Workers compensation The City of Westlake Village also participates in the workers' compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$50,000 of each loss is charged directly to the member's primary deposit; (2) losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000; (3) losses from \$100,000 to \$2,000,000 and the loss development reserves associated with those losses are pooled based on payroll; (4) losses from \$2,000,000 up to statutory limits are paid under an excess insurance policy. Protection is provided per statutory liability under California Workers' Compensation law.

Employer's Liability losses are pooled among members to \$2,000,000, coverage from \$2,000,000 to \$4,000,000 is purchased as part of an excess insurance policy, and losses from \$4,000,000 to \$10,000,000 are pooled among members.

Adequacy of Protection During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

(12) Grant Funds

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

	<u>Beginning fund balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Ending fund balance</u>
Citizens Options for Public Safety (COPS)	\$ —	\$ 100,000	\$ (100,000)	\$ —
Office of Emergency Services (OES)	12,489	265	—	12,754
California Law Enforcement Equipment Program (CLEEP)	8,622	183	—	8,805
	<u>\$ 21,111</u>	<u>\$ 100,448</u>	<u>\$ (100,000)</u>	<u>\$ 21,559</u>

(13) Prior-period Adjustment

The General fund beginning of the year fund balance has been restated for fiscal year 08-09 to \$17,496,170 from year end 07-08 of \$17,162,161. This change of \$334,009 is due to understatement of the accrual of sales tax revenue from July, August and September. The government-wide statement of activities beginning net asset balance has been restated by \$365,169.

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

Year ended June 30, 2009

	<u>Final Budget</u>	<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
Revenues:			
Interest	\$ —	\$ 1,618	\$ 1,618
Total revenues	<u>—</u>	<u>1,618</u>	<u>1,618</u>
Expenditures:			
Debt service:			
Principal	7,285,000	7,285,000	—
Interest	372,011	372,011	—
Cost of issuance	269,056	230,456	38,600
Total expenditures	<u>7,926,067</u>	<u>7,887,467</u>	<u>38,600</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,926,067)</u>	<u>(7,885,849)</u>	<u>40,218</u>
Other financing sources (uses):			
Transfers in	562,011	558,524	(3,487)
Proceeds from issuance of debt	8,225,000	8,225,000	—
Original issue discount	(266,333)	(266,333)	—
Total other financing sources (uses)	<u>8,520,678</u>	<u>8,517,191</u>	<u>(3,487)</u>
Net change in fund balance	594,611	631,342	36,731
Fund balance, beginning of year	<u>430,789</u>	<u>430,789</u>	<u>—</u>
Fund balance, end of year	<u>\$ 1,025,400</u>	<u>\$ 1,062,131</u>	<u>\$ 36,731</u>

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

CITY OF WESTLAKE VILLAGE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2009

(with comparative totals as of June 30, 2008)

Assets	Special Revenue Funds	Total Nonmajor Governmental Funds	
		2009	2008
Cash and investments	\$ 1,754,314	\$ 1,754,314	\$ 2,476,093
Restricted cash held with fiscal agent	—	—	430,233
Due from other governmental units	165,394	165,394	121,323
Accounts and interest receivable	45,968	45,968	24,043
Total assets	<u>\$ 1,965,676</u>	<u>\$ 1,965,676</u>	<u>\$ 3,051,692</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 319,470	\$ 319,470	\$ 283,684
Due to other funds	83,903	83,903	10,762
Total liabilities	<u>403,373</u>	<u>403,373</u>	<u>294,446</u>
Fund balances:			
Reserved for debt service	—	—	430,789
Unreserved	1,562,303	1,562,303	2,326,457
Total fund balances	<u>1,562,303</u>	<u>1,562,303</u>	<u>2,757,246</u>
Total liabilities and fund balances	<u>\$ 1,965,676</u>	<u>\$ 1,965,676</u>	<u>\$ 3,051,692</u>

CITY OF WESTLAKE VILLAGE

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

Nonmajor Governmental Funds

Year ended June 30, 2009

(with comparative totals for Year Ended June 30, 2008)

	Special Revenue Funds	Total Nonmajor Governmental Funds	
		2009	2008
Revenues:			
Sales taxes	\$ 252,894	\$ 252,894	\$ 286,113
Fines and forfeitures	63,202	63,202	66,950
Charges for current services	1,137,427	1,137,427	1,061,129
Intergovernmental	376,263	376,263	771,636
Interest	50,151	50,151	115,991
Total revenues	<u>1,879,937</u>	<u>1,879,937</u>	<u>2,301,819</u>
Expenditures:			
Current:			
Public safety	100,000	100,000	107,000
Public services	2,519,617	2,519,617	2,117,514
Debt service:			
Principal	25,127	25,127	185,000
Interest	953	953	380,466
Total expenditures	<u>2,645,697</u>	<u>2,645,697</u>	<u>2,789,980</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(765,760)</u>	<u>(765,760)</u>	<u>(488,161)</u>
Other financing sources:			
Transfers in	1,606	1,606	548,515
Total other financing sources	<u>1,606</u>	<u>1,606</u>	<u>548,515</u>
Net change in fund balance	(764,154)	(764,154)	60,354
Fund balances, beginning of year	<u>2,326,457</u>	<u>2,326,457</u>	<u>2,696,892</u>
Fund balances, end of year	<u><u>\$ 1,562,303</u></u>	<u><u>\$ 1,562,303</u></u>	<u><u>\$ 2,757,246</u></u>

SPECIAL REVENUE FUNDS

CITY OF WESTLAKE VILLAGE
Special Revenue Funds
June 30, 2009

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).

Traffic Congestion Relief Fund

This fund is used to account for funds received from the State to provide traffic congestion relief in the City. Included are the funds received from the State as a result of Proposition 1B.

Grant Funds include the following:

Citizens Options for Public Safety (COPS)

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

Office of Emergency Services (OES) Program Fund

This fund is to account for revenues and expenditures of programs funded by the Office of Emergency Services.

California Law Enforcement Equipment Program (CLEEP) Fund

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

CITY OF WESTLAKE VILLAGE
Special Revenue Funds
June 30, 2009

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.

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CITY OF WESTLAKE VILLAGE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	<u>State Gas Tax Fund</u>	<u>Roadway and Traffic Fund</u>	<u>Traffic Safety Fund</u>	<u>Proposition A Local Transit Assistance Fund</u>	<u>Traffic Signalization Fund</u>	<u>Air Quality Management Fund</u>
Assets:						
Cash and investments	\$ 63,321	\$ 293,013	\$ 4,263	\$ 48,857	\$ 329,226	\$ 7,300
Due from other governmental units	12,915	8,098	6,909	9,761	—	2,771
Accounts receivable	2,345	—	—	—	—	—
Total assets	<u>\$ 78,581</u>	<u>\$ 301,111</u>	<u>\$ 11,172</u>	<u>\$ 58,618</u>	<u>\$ 329,226</u>	<u>\$ 10,071</u>
Liabilities and fund balances:						
Liabilities:						
Accounts payable	\$ 34,662	\$ 15,201	\$ 11,172	\$ 58,618	\$ —	\$ —
Due to other funds	—	—	—	—	—	—
Total liabilities	<u>34,662</u>	<u>15,201</u>	<u>11,172</u>	<u>58,618</u>	<u>—</u>	<u>—</u>
Fund balances:						
Unreserved – undesignated	43,919	285,910	—	—	329,226	10,071
Total liabilities and fund balances	<u>\$ 78,581</u>	<u>\$ 301,111</u>	<u>\$ 11,172</u>	<u>\$ 58,618</u>	<u>\$ 329,226</u>	<u>\$ 10,071</u>

<u>Solid Waste Fund</u>	<u>Traffic Congestion Relief Fund</u>	<u>Grant Funds</u>	<u>TDA Article 3 Fund</u>	<u>Street Lighting Fund</u>	<u>Landscaping Fund</u>	<u>Park Maintenance Fund</u>	<u>Totals</u>
\$ —	\$ —	\$ 31,508	\$ —	\$ 408,613	\$ 568,213	\$ —	\$ 1,754,314
—	17,851	25,000	854	13,022	28,225	39,988	165,394
43,623	—	—	—	—	—	—	45,968
<u>\$ 43,623</u>	<u>\$ 17,851</u>	<u>\$ 56,508</u>	<u>\$ 854</u>	<u>\$ 421,635</u>	<u>\$ 596,438</u>	<u>\$ 39,988</u>	<u>\$ 1,965,676</u>
\$ 16,602	\$ —	\$ 34,949	\$ —	\$ 55,274	\$ 91,181	\$ 1,811	\$ 319,470
27,021	17,851	—	854	—	—	38,177	83,903
43,623	17,851	34,949	854	55,274	91,181	39,988	403,373
—	—	21,559	—	366,361	505,257	—	1,562,303
<u>\$ 43,623</u>	<u>\$ 17,851</u>	<u>\$ 56,508</u>	<u>\$ 854</u>	<u>\$ 421,635</u>	<u>\$ 596,438</u>	<u>\$ 39,988</u>	<u>\$ 1,965,676</u>

CITY OF WESTLAKE VILLAGE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year ended June 30, 2009

	State Gas Tax Fund	Roadway and Traffic Fund	Traffic Safety Fund	Proposition A Local Transit Assistance Fund	Traffic Signalization Fund	Air Quality Management Fund
Revenues:						
Sales taxes	\$ —	\$ 124,050	\$ —	\$ 128,844	\$ —	\$ —
Fines and forfeitures	—	—	63,202	—	—	—
Charges for current services	—	—	—	65,761	—	—
Intergovernmental	145,890	—	—	—	—	10,247
Interest	1,797	7,593	554	1,632	7,296	221
Total revenues	<u>147,687</u>	<u>131,643</u>	<u>63,756</u>	<u>196,237</u>	<u>7,296</u>	<u>10,468</u>
Expenditures:						
Current:						
Public safety	—	—	—	—	—	—
Public services	216,365	169,680	114,115	235,993	6,000	53,884
Debt service:						
Principal	—	—	—	—	25,127	—
Interest	—	—	—	—	953	—
Total expenditures	<u>216,365</u>	<u>169,680</u>	<u>114,115</u>	<u>235,993</u>	<u>32,080</u>	<u>53,884</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(68,678)</u>	<u>(38,037)</u>	<u>(50,359)</u>	<u>(39,756)</u>	<u>(24,784)</u>	<u>(43,416)</u>
Other financing sources:						
Transfers in	—	—	—	—	—	1,606
Net change in fund balances	<u>(68,678)</u>	<u>(38,037)</u>	<u>(50,359)</u>	<u>(39,756)</u>	<u>(24,784)</u>	<u>(41,810)</u>
Fund balances, beginning of year	<u>112,597</u>	<u>323,947</u>	<u>50,359</u>	<u>39,756</u>	<u>354,010</u>	<u>51,881</u>
Fund balances, end of year	<u>\$ 43,919</u>	<u>\$ 285,910</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 329,226</u>	<u>\$ 10,071</u>

Solid Waste Fund	Traffic Congestion Relief Fund	Grant Funds	TDA Article 3 Fund	Street Lighting Fund	Landscaping Fund	Park Maintenance Fund	Totals
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 252,894
—	—	—	—	—	—	—	63,202
118,366	—	—	—	305,168	648,132	—	1,137,427
—	75,008	100,000	5,130	—	—	39,988	376,263
93	9,037	448	20	8,862	12,598	—	50,151
<u>118,459</u>	<u>84,045</u>	<u>100,448</u>	<u>5,150</u>	<u>314,030</u>	<u>660,730</u>	<u>39,988</u>	<u>1,879,937</u>
—	—	100,000	—	—	—	—	100,000
118,459	485,971	—	5,150	355,047	718,965	39,988	2,519,617
—	—	—	—	—	—	—	25,127
—	—	—	—	—	—	—	953
<u>118,459</u>	<u>485,971</u>	<u>100,000</u>	<u>5,150</u>	<u>355,047</u>	<u>718,965</u>	<u>39,988</u>	<u>2,645,697</u>
—	(401,926)	448	—	(41,017)	(58,235)	—	(765,760)
—	—	—	—	—	—	—	1,606
—	(401,926)	448	—	(41,017)	(58,235)	—	(764,154)
—	401,926	21,111	—	407,378	563,492	—	2,326,457
<u>\$ —</u>	<u>\$ —</u>	<u>\$ 21,559</u>	<u>\$ —</u>	<u>\$ 366,361</u>	<u>\$ 505,257</u>	<u>\$ —</u>	<u>\$ 1,562,303</u>

CITY OF WESTLAKE VILLAGE
State Gas Tax Fund – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year ended June 30, 2009

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 164,000	\$ 164,000	\$ 145,890	\$ (18,110)
Interest	2,500	2,500	1,797	(703)
Total revenues	<u>166,500</u>	<u>166,500</u>	<u>147,687</u>	<u>(18,813)</u>
Expenditures:				
Current:				
Public services	208,390	208,390	216,365	(7,975)
Total expenditures	<u>208,390</u>	<u>208,390</u>	<u>216,365</u>	<u>(7,975)</u>
Net change in fund balance	(41,890)	(41,890)	(68,678)	(26,788)
Fund balance, beginning of year	<u>112,597</u>	<u>112,597</u>	<u>112,597</u>	<u>—</u>
Fund balance, end of year	<u>\$ 70,707</u>	<u>\$ 70,707</u>	<u>\$ 43,919</u>	<u>\$ (26,788)</u>

CITY OF WESTLAKE VILLAGE
Roadway and Traffic Fund – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year ended June 30, 2009

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales taxes	\$ 147,200	\$ 147,200	\$ 124,050	\$ (23,150)
Interest	7,000	7,000	7,593	593
Total revenues	<u>154,200</u>	<u>154,200</u>	<u>131,643</u>	<u>(22,557)</u>
Expenditures:				
Current:				
Public services	193,000	193,000	169,680	23,320
Total expenditures	<u>193,000</u>	<u>193,000</u>	<u>169,680</u>	<u>23,320</u>
Net change in fund balance	(38,800)	(38,800)	(38,037)	763
Fund balance, beginning of year	<u>323,947</u>	<u>323,947</u>	<u>323,947</u>	<u>—</u>
Fund balance, end of year	<u>\$ 285,147</u>	<u>\$ 285,147</u>	<u>\$ 285,910</u>	<u>\$ 763</u>

CITY OF WESTLAKE VILLAGE
Traffic Safety Fund – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year ended June 30, 2009

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 65,000	\$ 65,000	\$ 63,202	\$ (1,798)
Interest	450	450	554	104
Total revenues	<u>65,450</u>	<u>65,450</u>	<u>63,756</u>	<u>(1,694)</u>
Expenditures:				
Current:				
Public services	100,750	100,750	114,115	(13,365)
Total expenditures	<u>100,750</u>	<u>100,750</u>	<u>114,115</u>	<u>(13,365)</u>
Net change in fund balance	(35,300)	(35,300)	(50,359)	(15,059)
Fund balance, beginning of year	<u>50,359</u>	<u>50,359</u>	<u>50,359</u>	<u>—</u>
Fund balance, end of year	<u>\$ 15,059</u>	<u>\$ 15,059</u>	<u>\$ —</u>	<u>\$ (15,059)</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

Year ended June 30, 2009

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Sales taxes	\$ 155,900	\$ 155,900	\$ 128,844	\$ (27,056)
Charges for current services	93,000	93,000	65,761	(27,239)
Interest	2,500	2,500	1,632	(868)
Total revenues	<u>251,400</u>	<u>251,400</u>	<u>196,237</u>	<u>(55,163)</u>
Expenditures:				
Current:				
Public services	234,300	234,300	235,993	(1,693)
Total expenditures	<u>234,300</u>	<u>234,300</u>	<u>235,993</u>	<u>(1,693)</u>
Net change in fund balance	17,100	17,100	(39,756)	(56,856)
Fund balance, beginning of year	39,756	39,756	39,756	—
Fund balance, end of year	<u>\$ 56,856</u>	<u>\$ 56,856</u>	<u>\$ —</u>	<u>\$ (56,856)</u>

CITY OF WESTLAKE VILLAGE
Traffic Signalization Fund – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year ended June 30, 2009

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ 7,500	\$ 7,500	\$ 7,296	\$ (204)
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>7,296</u>	<u>(204)</u>
Expenditures:				
Current:				
Public services	—	20,000	6,000	14,000
Debt service:				
Principal	25,130	25,130	25,127	3
Interest	950	950	953	(3)
Total expenditures	<u>26,080</u>	<u>46,080</u>	<u>32,080</u>	<u>14,000</u>
Net change in fund balance	(18,580)	(38,580)	(24,784)	13,796
Fund balance, beginning of year	<u>354,010</u>	<u>354,010</u>	<u>354,010</u>	<u>—</u>
Fund balance, end of year	<u>\$ 335,430</u>	<u>\$ 315,430</u>	<u>\$ 329,226</u>	<u>\$ 13,796</u>

CITY OF WESTLAKE VILLAGE
Air Quality Management Fund – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year ended June 30, 2009

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 10,500	\$ 10,500	\$ 10,247	\$ (253)
Interest	1,000	1,000	221	(779)
Total revenues	<u>11,500</u>	<u>11,500</u>	<u>10,468</u>	<u>(1,032)</u>
Expenditures:				
Current:				
Public services	50,000	50,000	53,884	(3,884)
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>53,884</u>	<u>(3,884)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(38,500)</u>	<u>(38,500)</u>	<u>(43,416)</u>	<u>(4,916)</u>
Other financing sources:				
Transfers in	<u>1,606</u>	<u>1,606</u>	<u>1,606</u>	<u>---</u>
Net change in fund balance	(36,894)	(36,894)	(41,810)	(4,916)
Fund balance, beginning of year	<u>51,881</u>	<u>51,881</u>	<u>51,881</u>	<u>—</u>
Fund balance, end of year	<u>\$ 14,987</u>	<u>\$ 14,987</u>	<u>\$ 10,071</u>	<u>\$ (4,916)</u>

CITY OF WESTLAKE VILLAGE
Solid Waste Fund – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year ended June 30, 2009

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for current services	\$ 150,000	\$ 150,000	\$ 118,366	\$ (31,634)
Interest	—	—	93	93
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>118,459</u>	<u>(31,541)</u>
Expenditures:				
Current:				
Public services	<u>131,705</u>	<u>131,705</u>	<u>118,459</u>	<u>13,246</u>
Total expenditures	<u>131,705</u>	<u>131,705</u>	<u>118,459</u>	<u>13,246</u>
Net change in fund balance	18,295	18,295	—	(18,295)
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	<u>\$ 18,295</u>	<u>\$ 18,295</u>	<u>\$ —</u>	<u>\$ (18,295)</u>

CITY OF WESTLAKE VILLAGE
Traffic Congestion Relief Fund – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year ended June 30, 2009

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 81,865	\$ 81,865	\$ 75,008	\$ (6,857)
Interest	5,500	5,500	9,037	3,537
Total revenues	<u>87,365</u>	<u>87,365</u>	<u>84,045</u>	<u>(3,320)</u>
Expenditures:				
Current:				
Public services	481,865	481,865	485,971	(4,106)
Total expenditures	<u>481,865</u>	<u>481,865</u>	<u>485,971</u>	<u>(4,106)</u>
Net change in fund balance	(394,500)	(394,500)	(401,926)	(7,426)
Fund balance, beginning of year	401,926	401,926	401,926	—
Fund balance, end of year	<u>\$ 7,426</u>	<u>\$ 7,426</u>	<u>\$ —</u>	<u>\$ (7,426)</u>

CITY OF WESTLAKE VILLAGE
Grant Funds – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year ended June 30, 2009

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 103,300	\$ 103,300	\$ 100,000	\$ (3,300)
Interest	450	450	448	(2)
Total revenues	<u>103,750</u>	<u>103,750</u>	<u>100,448</u>	<u>(3,302)</u>
Expenditures:				
Current:				
Public safety	103,300	103,300	100,000	3,300
Total expenditures	<u>103,300</u>	<u>103,300</u>	<u>100,000</u>	<u>3,300</u>
Net change in fund balance	450	450	448	(2)
Fund balance, beginning of year	<u>21,111</u>	<u>21,111</u>	<u>21,111</u>	<u>—</u>
Fund balance, end of year	<u>\$ 21,561</u>	<u>\$ 21,561</u>	<u>\$ 21,559</u>	<u>\$ (2)</u>

CITY OF WESTLAKE VILLAGE
TDA Article 3 Fund -- Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year ended June 30, 2009

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 5,130	\$ 130
Interest	100	100	20	(80)
Total revenues	<u>5,100</u>	<u>5,100</u>	<u>5,150</u>	<u>50</u>
Expenditures:				
Current:				
Public services	5,000	5,000	5,150	(150)
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,150</u>	<u>(150)</u>
Net change in fund balance	100	100	—	(100)
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ —</u>	<u>\$ (100)</u>

CITY OF WESTLAKE VILLAGE
Street Lighting Fund – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year ended June 30, 2009

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for current services	\$ 276,300	\$ 276,300	\$ 305,168	\$ 28,868
Interest	9,500	9,500	8,862	(638)
Total revenues	<u>285,800</u>	<u>285,800</u>	<u>314,030</u>	<u>28,230</u>
Expenditures:				
Current:				
Public services	305,900	311,800	355,047	(43,247)
Total expenditures	<u>305,900</u>	<u>311,800</u>	<u>355,047</u>	<u>(43,247)</u>
Net change in fund balance	(20,100)	(26,000)	(41,017)	(15,017)
Fund balance, beginning of year	<u>407,378</u>	<u>407,378</u>	<u>407,378</u>	<u>—</u>
Fund balance, end of year	<u>\$ 387,278</u>	<u>\$ 381,378</u>	<u>\$ 366,361</u>	<u>\$ (15,017)</u>

CITY OF WESTLAKE VILLAGE
Landscaping Fund – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year ended June 30, 2009

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Charges for current services	\$ 626,250	\$ 626,250	\$ 648,132	\$ 21,882
Interest	23,000	23,000	12,598	(10,402)
Total revenues	<u>649,250</u>	<u>649,250</u>	<u>660,730</u>	<u>11,480</u>
Expenditures:				
Current:				
Public services	713,650	729,790	718,965	10,825
Total expenditures	<u>713,650</u>	<u>729,790</u>	<u>718,965</u>	<u>10,825</u>
Net change in fund balance	(64,400)	(80,540)	(58,235)	22,305
Fund balance, beginning of year	563,492	563,492	563,492	—
Fund balance, end of year	<u>\$ 499,092</u>	<u>\$ 482,952</u>	<u>\$ 505,257</u>	<u>\$ 22,305</u>

CITY OF WESTLAKE VILLAGE

Park Maintenance Fund – Special Revenue Fund

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

Year ended June 30, 2009

	Budgeted amounts		Actual amounts	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 11,900	\$ 11,900	\$ 39,988	\$ 28,088
Total revenues	<u>11,900</u>	<u>11,900</u>	<u>39,988</u>	<u>28,088</u>
Expenditures:				
Current:				
Public services	<u>11,900</u>	<u>11,900</u>	<u>39,988</u>	<u>(28,088)</u>
Total expenditures	<u>11,900</u>	<u>11,900</u>	<u>39,988</u>	<u>(28,088)</u>
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

CITY OF WESTLAKE VILLAGE

Agency Funds

June 30, 2009

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

Special Assessment Bonds

Refer to Note 10 for further explanation.

CITY OF WESTLAKE VILLAGE
Combining Statement of Changes in Assets and Liabilities
All Agency Funds

Year ended June 30, 2009

	<u>Balance at June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2009</u>
Assets:				
Cash and investments	\$ 36,580	\$ 46,408	\$ 44,411	\$ 38,577
Due from other governments	1,373	855	1,373	855
Total assets	<u>\$ 37,953</u>	<u>\$ 47,263</u>	<u>\$ 45,784</u>	<u>\$ 39,432</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 5,629	\$ 9,277	\$ 8,617	\$ 6,289
Due to bondholders	32,324	37,986	37,167	33,143
Total liabilities	<u>\$ 37,953</u>	<u>\$ 47,263</u>	<u>\$ 45,784</u>	<u>\$ 39,432</u>

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	61
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax and property tax.	69
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	74
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place and to help make comparisons over time with other governments.	78
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	80

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.

STATISTICAL SECTION

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CITY OF WESTLAKE VILLAGE

NET ASSETS BY COMPONENT

Last Six Fiscal Years
(accrual basis of accounting)

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

The City of Westlake Village implemented GASB 34 for the fiscal year ended June 30, 2004. Information prior to the implementation of GASB 34 is not available.

Source: City of Westlake Village

Fiscal Year		
2007	2008	2009
\$ 26,318,375	\$ 28,159,353	\$ 26,508,843
402,820	1,562,219	10,544,951
20,272,899	20,313,477	10,355,009
\$ 46,994,094	\$ 50,035,049	\$ 47,408,803

\$ 26,318,375	\$ 28,159,353	\$ 26,508,843
402,820	1,562,219	2,544,951
20,272,899	20,313,477	18,355,009
\$ 46,994,094	\$ 50,035,049	\$ 47,408,803

CITY OF WESTLAKE VILLAGE

CHANGES IN NET ASSETS

Last Six Fiscal Years
(accrual basis of accounting)

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

The City of Westlake Village implemented GASB 34 for the fiscal year ended June 30, 2004. Information prior to the implementation of GASB 34 is not available.

Source: City of Westlake Village

Fiscal Year		
2007	2008	2009
\$ 2,460,601	\$ 2,180,910	\$ 2,115,081
1,845,524	1,923,971	2,026,364
2,515,533	4,368,840	9,943,934
448,823	1,197,261	555,694
387,606	379,761	422,319
<u>\$ 7,658,087</u>	<u>\$ 10,050,743</u>	<u>\$ 15,063,392</u>
123,201	100,733	97,288
36,769	25,429	32,456
2,083,167	1,961,569	1,895,459
32,756	29,643	23,760
486,743	805,212	841,881
<u>\$ 2,762,636</u>	<u>\$ 2,922,586</u>	<u>\$ 2,890,844</u>
<u>\$ (4,895,451)</u>	<u>\$ (7,128,157)</u>	<u>\$ (12,172,548)</u>
1,726,146	1,853,865	1,990,082
3,769,570	3,744,533	3,215,815
1,277,285	2,549,744	2,293,232
316,932	341,298	426,307
673,937	740,061	790,490
1,093,798	939,611	465,207
<u>\$ 8,857,668</u>	<u>\$ 10,169,112</u>	<u>\$ 9,181,133</u>
<u>\$ 3,962,217</u>	<u>\$ 3,040,955</u>	<u>\$ (2,991,415)</u>

CITY OF WESTLAKE VILLAGE
 FUND BALANCES OF GOVERNMENTAL FUNDS

Last Six Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year		
	2004	2005	2006
General fund:			
Reserved	\$ 0	\$ 0	\$ 0
Unreserved	12,289,956	14,221,568	15,398,711
Total general fund	<u>\$ 12,289,956</u>	<u>\$ 14,221,568</u>	<u>\$ 15,398,711</u>
All other governmental funds:			
Reserved			
Debt service funds	\$ 429,424	\$ 431,934	\$ 434,143
Arterial system fund	0	0	0
Unreserved, reported in:			
Special revenue funds	<u>5,386,398</u>	<u>4,823,434</u>	<u>5,105,980</u>
Total all other governmental funds	<u>\$ 5,815,822</u>	<u>\$ 5,255,368</u>	<u>\$ 5,540,123</u>

The City of Westlake Village has elected to show only six years of data for this schedule.

Source: City of Westlake Village

Fiscal Year		
2007	2008	2009
\$ 0	\$ 1,162,430	\$ 8,000,249
15,479,481	15,999,731	16,316,232
<u>\$ 15,479,481</u>	<u>\$ 17,162,161</u>	<u>\$ 24,316,481</u>
\$ 434,525	\$ 430,789	\$ 1,062,131
0	0	1,731,543
<u>4,974,666</u>	<u>4,519,135</u>	<u>1,562,303</u>
<u>\$ 5,409,191</u>	<u>\$ 4,949,924</u>	<u>\$ 4,355,977</u>

CITY OF WESTLAKE VILLAGE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Six Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year		
	2004	2005	2006
Revenues:			
Sales taxes	\$ 3,029,171	\$ 3,224,709	\$ 3,509,637
Property taxes	1,460,214	1,382,745	1,496,312
Other taxes	648,214	681,650	680,158
Motor vehicle license fees	413,529	612,087	812,152
Utility franchise fees	254,115	248,280	287,280
Licenses and permits	1,388,174	2,108,285	1,506,255
Fines and forfeitures	87,038	63,533	89,761
Charges for current services	1,520,812	1,031,139	1,883,821
Intergovernmental	344,716	343,783	696,303
Interest	256,994	404,844	773,572
Other revenue	112,875	66,251	257,378
Total revenues	9,515,852	10,167,306	11,992,629
Expenditures:			
Current:			
General government	1,689,182	1,504,325	1,565,622
Public safety	1,619,013	1,594,541	1,711,317
Public services	2,975,632	3,394,077	3,722,603
Parks and recreation	273,541	356,007	389,323
Capital outlay	888,609	1,384,584	2,581,310
Debt service:			
Principal retirement	155,000	160,000	165,000
Interest and fiscal charges	409,434	402,614	395,556
Cost of issuance	—	—	—
Total expenditures	8,010,411	8,796,148	10,530,731
Excess (deficiency) of revenues over (under) expenditures	1,505,441	1,371,158	1,461,898
Other financing sources (uses):			
Transfers in	562,123	557,792	546,495
Transfers out	(562,123)	(557,792)	(546,495)
Proceeds from issuance of debt	—	—	—
Original issue discount	—	—	—
Total other financing sources (uses)	0	0	0
Net change in fund balances	\$ 1,505,441	\$ 1,371,158	\$ 1,461,898
Debt service as a percentage of noncapital expenditures	7.9%	7.6%	7.1%

The City of Westlake Village has elected to show only six years of data for this schedule.

Source: City of Westlake Village

			Fiscal Year		
			2007	2008	2009
\$	3,769,570	\$	3,744,533	\$	3,198,339
	1,726,146		1,853,865		1,990,082
	1,277,285		2,549,744		2,293,232
	673,937		740,061		790,490
	316,932		341,298		426,307
	961,802		777,820		665,719
	78,194		75,322		79,422
	1,106,457		1,153,841		1,651,081
	460,743		771,636		376,263
	1,093,798		939,611		465,207
	155,440		143,967		118,359
	<u>11,620,304</u>		<u>13,091,698</u>		<u>12,054,501</u>
	2,059,025		1,547,764		1,685,669
	1,814,715		1,912,578		1,989,297
	3,445,197		4,248,633		5,298,521
	384,864		460,267		475,933
	3,403,406		3,133,577		4,423,837
	175,000		185,000		7,310,127
	388,256		380,466		372,964
	—		—		230,456
	<u>11,670,463</u>		<u>11,868,285</u>		<u>21,786,804</u>
	(50,159)		1,223,413		(9,732,303)
	542,018		548,515		746,816
	(542,018)		(548,515)		(746,816)
	—		—		16,225,000
	—		—		(266,333)
	<u>0</u>		<u>0</u>		<u>15,958,667</u>
\$	<u>(50,159)</u>	\$	<u>1,223,413</u>	\$	<u>6,226,364</u>
	6.8%		6.5%		45.6%

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
2000	\$ 1,231,058,032	\$ 67,708,162	\$ (16,077,195)	\$ 1,282,688,999	0.0873%
2001	1,520,358,506	88,773,158	(28,825,711)	1,580,305,953	0.0865%
2002	1,621,703,065	107,939,629	(34,623,067)	1,695,019,627	0.0865%
2003	1,738,363,287	129,959,297	(15,841,388)	1,852,481,196	0.0862%
2004	1,839,143,906	110,175,436	(16,177,000)	1,933,142,342	0.0863%
2005	1,976,233,331	112,346,038	(16,429,000)	2,072,150,369	0.0864%
2006	2,143,240,334	108,844,155	(16,371,600)	2,235,712,889	0.0864%
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	0.0864%
2009	2,803,839,874	201,323,159	(16,461,200)	2,988,701,833	0.0867%

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, 1999/00 - 2008/09 Combined Tax Rolls

CITY OF WESTLAKE VILLAGE

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

Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City Direct Rate:	<u>0.0873</u>	<u>0.0865</u>	<u>0.0865</u>	<u>0.0862</u>	<u>0.0863</u>	<u>0.0864</u>	<u>0.0864</u>	<u>0.0870</u>	<u>0.0864</u>	<u>0.0867</u>
Overlapping Rates:										
Las Virgenes Unified School District	0.0307	0.0348	0.0219	0.0283	0.0299	0.0288	0.0270	0.0281	0.0490	0.0499
Los Angeles Community College District	--	--	0.0160	0.0146	0.0198	0.0181	0.0143	0.0215	0.0088	0.0221
Los Angeles County Flood Control District	0.0018	0.0016	0.0011	0.0009	0.0005	0.0002	0.0000	0.0001	0.0000	0.0000
Metropolitan Water District	0.0089	0.0088	0.0077	0.0067	0.0061	0.0058	0.0052	0.0047	0.0045	0.0043
Las Virgenes Municipal Water District	0.0056	0.0050	0.0050	0.0042	0.0024	0.0024	--	--	--	--
County of Los Angeles	0.0014	0.0013	0.0011	0.0010	0.0010	0.0009	0.0008	0.0007	0.0000	0.0000
General	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
Total Direct Rate	<u>1.0484</u>	<u>1.0515</u>	<u>1.0528</u>	<u>1.0557</u>	<u>1.0597</u>	<u>1.0562</u>	<u>1.0474</u>	<u>1.0550</u>	<u>1.0623</u>	<u>1.0763</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.

Source: HdL Coren & Cone, Los Angeles County Auditor-Controller "Taxpayers' Guide 2008-09"

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

Taxpayer	2009		2000	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value ¹	Taxable Assessed Value	Percent of Total City Taxable Assessed Value ²
Westlake Wellbeing Properties	\$ 80,876,567	2.71%		
Dole Food Company, Inc.	70,310,640	2.35%		
Lindero Headquarters Company, Inc.	57,105,413	1.91%		
Arden Realty Limited Partnership	52,734,000	1.76%		
Teachers Insurance & Annuity Associates	52,529,794	1.76%		
Russell Ranch Road LLC	45,109,407	1.51%		
CH Realty IV North Ranch Limited Partnership	33,690,000	1.13%		
Guitar Center, Inc.	28,199,546	0.94%		
Country Wide Home Loans, Inc.	22,864,112	0.77%		
Realty Associates Fund VII LP	20,570,316	0.69%		
Arden Realty Finance Partnership			\$ 28,073,944	2.19%
State Farm Mutual Auto & Insurance Co.			19,269,733	1.50%
Calvary Community Church			18,042,240	1.41%
Westlake Village Marketplace LLC			15,453,000	1.20%
Westlake North Associates LLC			14,139,000	1.10%
Delphi Dunsin			11,942,259	0.93%
Raypak, Inc.			11,742,697	0.92%
North Ranch Gateway			11,710,232	0.91%
Price Company			9,967,175	0.78%
Corporate Spectrum LLC			9,574,181	0.75%
	<u>\$ 463,989,795</u>	<u>15.52%</u>	<u>\$ 149,914,461</u>	<u>11.69%</u>

(1) 2008/09 Local Taxable Assessed Valuation: \$ 2,988,701,833
 (2) 1999/00 Local Taxable Assessed Valuation: \$ 1,282,688,999

Source: HdL Coren & Cone, Los Angeles County Assessor, 2008/09 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
2000	\$ 924,459	\$ 868,929	93.99%	N/A	N/A	N/A
2001	998,966	950,576	95.16%	N/A	N/A	N/A
2002	1,072,051	1,019,680	95.11%	N/A	N/A	N/A
2003	1,170,754	1,124,997	96.09%	N/A	N/A	N/A
2004	1,225,565	1,169,915	95.46%	N/A	N/A	N/A
2005	1,311,512	1,250,643	95.36%	N/A	N/A	N/A
2006	1,416,814	1,274,007	89.92%	N/A	1,274,007	89.92%
2007	1,547,949	1,427,414	92.21%	48,494	1,475,909	95.35%
2008	1,743,808	1,587,313	91.03%	72,898	1,660,210	95.21%
2009	1,894,820	1,732,279	91.42%	69,052	1,801,331	95.07%

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	
2000	\$ 676,791	\$ 170,553	\$ 248,894	\$ 1,124,876	\$ 26,439	\$ 130,585	\$ 2,378,138
2001	833,508	187,427	270,568	1,227,334	31,346	137,057	2,687,240
2002	669,209	231,759	290,218	1,269,950	35,245	150,790	2,647,171
2003	586,535	244,592	294,383	1,283,633	34,158	148,173	2,591,474
2004	503,315	288,435	302,129	1,380,383	42,726	139,962	2,656,950
2005	463,254	240,785	342,366	1,459,207	50,601	158,845	2,715,058
2006	424,766	245,814	356,388	1,557,504	70,703	185,901	2,841,076
2007	464,984	267,752	490,792	1,554,297	112,052	206,182	3,096,059
2008	395,394	273,744	569,959	1,511,439	64,297	213,535	3,028,368
2009	366,063	254,767	539,732	1,403,352	26,503	180,228	2,770,645

Notes: Sales shown reflect Benchmark Year Ending First Quarter (Collected Second 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	Debt per Capita
	Certificates of Participation	Loans	Compensated Absences	Operating Lease			
2000	\$ 1,435,000	\$ -	\$ 83,103	\$ 423,729	\$ 1,941,832	N/A	226
2001	8,410,000	-	77,340	60,534	8,547,874	N/A	1,005
2002	8,270,000	190,985	91,400	-	8,552,385	N/A	996
2003	8,125,000	172,057	101,426	-	8,398,483	N/A	957
2004	7,970,000	150,417	140,294	-	8,260,711	N/A	935
2005	7,810,000	128,112	151,829	-	8,089,941	N/A	908
2006	7,645,000	105,132	164,077	-	7,914,209	N/A	893
2007	7,470,000	81,458	181,248	-	7,732,706	N/A	870
2008	7,285,000	57,072	205,389	-	7,547,461	N/A	851
2009	16,225,000	31,945	236,614	-	16,493,559	N/A	1,862

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

Source: City of Westlake Village

CITY OF WESTLAKE VILLAGE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 2009

<u>Jurisdiction</u>	<u>Gross debt outstanding</u>	<u>Percentage applicable to City of Westlake Village (2)</u>	<u>Debt June 30, 2009</u>
<u>Overlapping tax and assessment debt:</u>			
Los Angeles County Flood Control District	\$ 84,705,000	0.317 %	\$ 268,515
Metropolitan Water District	293,425,000	0.162	475,349
Los Angeles Community College District	2,408,605,000	0.570	13,729,049
Las Virgenes Joint Unified School District	115,348,607	16.766	19,339,347
City of Westlake Village 1915 Act Bonds	130,000	100.000	130,000
Los Angeles County Regional Park and Open Space Assessment District	<u>246,875,000</u>	0.320	<u>790,000</u>
Total overlapping tax and assessment debt	<u>3,149,088,607</u>		<u>34,732,260</u>
<u>Direct and overlapping general fund obligation debt:</u>			
Los Angeles County General Fund Obligations	928,941,195	0.320	2,972,612
Los Angeles County Pension Obligations	235,690,861	0.320	754,211
Los Angeles County Superintendent of Schools Certificates of Participation	15,904,264	0.320	50,894
Las Virgenes Joint Unified School District Certificates of Participation	12,730,000	16.766	2,134,312
City of Westlake Village Certificates of Participation	<u>16,225,000</u>	100.000	<u>16,225,000</u>
Total net direct and overlapping general fund obligation debt	<u>\$ 1,209,491,320</u>		<u>\$ 22,137,029</u>
Gross combined total debt (1)			\$ 56,869,289

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

(2) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit'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

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CITY OF WESTLAKE VILLAGE
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	Fiscal Year			
	2000	2001	2002	2003
Assessed valuation	\$ 1,468,729,692	\$ 1,580,305,953	\$ 1,695,019,627	\$ 1,852,481,196
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 367,182,423	\$ 395,076,488	\$ 423,754,907	\$ 463,120,299
Debt limit percentage	15%	15%	15%	15%
Debt limit	\$ 55,077,363	\$ 59,261,473	\$ 63,563,236	\$ 69,468,045
Total net debt applicable to the limit: Certificates of participation	\$ -	\$ 8,410,000	\$ 8,270,000	\$ 8,125,000
Legal debt margin	<u>\$ 55,077,363</u>	<u>\$ 50,851,473</u>	<u>\$ 55,293,236</u>	<u>\$ 61,343,045</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	14.2%	13.0%	11.7%

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						
2004	2005	2006	2007	2008	2009	
\$ 1,916,965,342	\$ 2,055,721,369	\$ 2,235,712,889	\$ 2,441,427,959	\$ 2,754,249,176	\$ 2,988,701,833	
25%	25%	25%	25%	25%	25%	
\$ 479,241,336	\$ 513,930,342	\$ 558,928,222	\$ 610,356,990	\$ 688,562,294	\$ 747,175,458	
15%	15%	15%	15%	15%	15%	
\$ 71,886,200	\$ 77,089,551	\$ 83,839,233	\$ 91,553,548	\$ 103,284,344	\$ 112,076,319	
\$ 7,970,000	\$ 7,810,000	\$ 7,645,000	\$ 7,470,000	\$ 7,285,000	\$ 16,225,000	
<u>\$ 63,916,200</u>	<u>\$ 69,279,551</u>	<u>\$ 76,194,233</u>	<u>\$ 84,083,548</u>	<u>\$ 95,999,344</u>	<u>\$ 95,851,319</u>	
11.1%	10.1%	9.1%	8.2%	7.1%	14.5%	

CITY OF WESTLAKE VILLAGE
DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	School Enrollment (Elementary Only) (3)	Unemployment Rate (4)
2000	8,593	\$ 485,204,945	\$ 29,522	592	2.7%
2001	8,508	509,888,652	30,568	580	2.7%
2002	8,584	523,552,271	30,943	589	3.5%
2003	8,775	545,083,179	31,782	568	3.7%
2004	8,836	579,394,769	33,395	582	3.4%
2005	8,905	616,966,461	35,305	566	2.6%
2006	8,862	665,024,867	37,848	540	2.3%
2007	8,893	693,854,201	39,326	552	2.4%
2008	8,867	N/A	N/A	521	3.5%
2009	8,858	N/A	N/A	514	6.4%

Note: There are no such statistics available for the City except for population and school enrollment, therefore the other categories are for the region.

Sources:

- (1) U. S. Department of Commerce, Bureau of Census and Neighborhood Statistics Program
- (2) Bureau of Economic Analysis, Los Angeles-Long Beach-Riverside Region (CSA)
- (3) Las Virgenes Unified School District
- (4) State of California, Employment Development Department

CITY OF WESTLAKE VILLAGE

PRINCIPAL EMPLOYERS

Current Year and Four Years Ago

2009		2006	
Employer	Number of Employees	Employer	Number of Employees
Countrywide/Bank of America	630	Countrywide	1,150
Homestore, Inc.	450	n/a	0
State Farm Insurance	350	n/a	0
Dole Food Co., Inc.	300	Dole Food Co., Inc.	175
Farmers Insurance	300	Farmers Insurance	0
Costco Wholesale Corp	300	Costco Wholesale Corp	300
K-Swiss, Inc.	275	K-Swiss, Inc.	248
Securitas Security Service	250	Securitas Security Service	0
Guitar Center, Inc.	230	Guitar Center, Inc.	170
Westlake Village Inn	220	Westlake Village Inn	150
Valueclick, Inc.	0	Valueclick, Inc.	273
Digital Insight	0	Digital Insight	150
Agilent Technologies, Inc.	0	Agilent Technologies, Inc.	150
Thousand Oaks Printing Spclts.	0	Thousand Oaks Printing Spclts.	140
Total	<u>3,305</u>		<u>2,906</u>

Note: Data for nine years ago (2000) is not available.

Source: Thousand Oaks/Westlake Village Business Directory & Community Guide 2008-09

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

Last Ten Fiscal Years

<u>Function</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government	4	5	5	5	5	6	7	7	7	8
Public services	4	4	4	4	4	4	4	4	4	4
Parks and recreation	--	--	--	1	1	1	1	1	1	1
Total	<u>8</u>	<u>9</u>	<u>9</u>	<u>10</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>13</u>

Note: General Government includes 2 part-time positions and Public Services includes 1 part-time position.

Source: City of Westlake Village Budget

CITY OF WESTLAKE VILLAGE

OPERATING INDICATORS
BY FUNCTION

Last Four Fiscal Years

<u>Function</u>	<u>Fiscal Year 2006</u>	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>
Police:				
Arrests				
Adult	58	75	86	82
Juvenile	8	7	11	5
Traffic citations issued	2,585	2,348	2,027	1,889
Part I Crimes	166	194	164	143
Fire:				
Number of fire service calls	287	293	302	270
Number of emergency medical calls	383	416	483	448
Public services:				
Building				
Total Permits	283	271	201	185
Valuation	85,337,444	18,361,969	6,229,160	7,074,148
Street				
Overlay	6.7 lane miles	7.5 lane miles	7.6 lane miles	7.7 lane miles
Slurry	0.0 lane miles	2.3 lane miles	2.1 lane miles	10.7 lane miles
Library:				
Volumes in collection	60,388	64,506	67,039	71,015
Total volumes borrowed	131,322	135,600	152,012	150,882
Transit:				
Bus passes sold	431	464	399	354
Dial-a-ride	3,563	3,142	2,970	2,658
Airport shuttle	303	639	511	315

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

Function	Fiscal Year				
	2000	2001	2002	2003	2004
Public safety:					
Police stations ¹					
Fire stations ²					
Public works:					
Streets (miles)	26.22	26.22	26.22	29.50	29.50
Streetlights	1,093	1,093	1,093	1,183	1,147
Traffic signals	15	15	15	15	15
Parks and recreation:					
Parks	4	4	4	5	5
Acreage	17.84	17.84	17.84	19.18	19.18
Libraries ³					

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

Source: City of Westlake Village

Fiscal Year				
2005	2006	2007	2008	2009

29.50	29.50	29.50	29.50	29.50
1,147	1,147	1,147	1,193	1,193
15	15	15	15	15
5	5	5	5	5
19.18	19.18	19.18	19.33	19.33

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