

**CITY OF CALABASAS**

**Annual Financial Report**

**Year Ended June 30, 2003**

**CITY OF CALABASAS  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

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**CITY OF CALABASAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

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October 31, 2003

The Honorable City Council of  
the City of Calabasas, California

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Calabasas, California, as of and for the year ended June 30, 2003, 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 of Calabasas'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 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Calabasas, California, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note IV H to the financial statements, the accompanying financial statements reflect certain changes required as a result of the implementation of Governmental Accounting Standards Board Statements Numbers 34 and 38 for the year ended June 30, 2003. This results in a change in the City's method of accounting and a change in the format and content of the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2003 on our consideration of the City of Calabasas internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information identified in the accompanying table of contents are not a required part of the basic financial statements but are 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. The City has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying major fund budgetary comparison schedule and the combining and individual nonmajor fund financial statements listed as supplementary information in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The major fund budgetary comparison schedule and the combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the 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.

CITY OF CALABASAS  
Statement of Net Assets  
June 30, 2003

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<u>ASSETS</u>			
Current Assets:			
Cash and investments	\$ 31,792,104	\$ 933,391	\$ 32,725,495
Accounts and taxes receivable	883,386	1,892	885,278
Interest receivable	127,103	731	127,834
Due from other agencies	1,066,371		1,066,371
Land held for resale	137,500		137,500
Prepaid items		2,520	2,520
Total Current Assets	34,006,464	938,534	34,944,998
Non-current Assets			
Capital assets:			
Not being depreciated	3,711,633	837,819	4,549,452
Being depreciated (net of accumulated depreciation)	32,462,624	1,287,355	33,749,979
Total non-current assets	36,174,257	2,125,174	38,299,431
Total Assets	70,180,721	3,063,708	73,244,429
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable and accrued liabilities	3,452,875	257,052	3,709,927
Retentions payable	156,708		156,708
Interest payable	25,980		25,980
Deposits payable	846,095		846,095
Current portion of long-term liabilities	50,000		50,000
Total current liabilities	4,531,658	257,052	4,788,710
Non-current liabilities			
Long-term liabilities, net of current portion	6,385,334	7,064	6,392,398
Total Non-current liabilities	6,385,334	7,064	6,392,398
Total Liabilities	10,916,992	264,116	11,181,108
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	29,974,257	2,125,174	32,099,431
Unrestricted	29,289,472	674,418	29,963,890
Total Net Assets	\$ 59,263,729	\$ 2,799,592	\$ 62,063,321

See Accompanying Notes to Financial Statements.

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CITY OF CALABASAS  
Statement of Activities  
For the Year Ended June 30 2003

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 9,886,005	\$ 91,075	\$ 506,738	\$ 14,680
Public safety	2,900,893	242,710	119,785	
Public works	1,776,578	51,665	2,903,347	4,028,254
Community development	2,389,806	1,361,498	134,293	423,250
Community services	7,412,186	871,682	2,355,237	
Interest and fiscal charges	344,678			
<b>Total governmental activities</b>	<b>24,710,146</b>	<b>2,618,630</b>	<b>6,019,400</b>	<b>4,466,184</b>
<b>Business-type activities:</b>				
Tennis & swim center	2,418,184	2,417,069	67,263	
<b>Total business-type activities</b>	<b>2,418,184</b>	<b>2,417,069</b>	<b>67,263</b>	
<b>Total primary government</b>	<b>\$ 27,128,330</b>	<b>\$ 5,035,699</b>	<b>\$ 6,086,663</b>	<b>\$ 4,466,184</b>

General Revenue:

Taxes:

Sales taxes

Property taxes

Other taxes

Other-intergovernmental

Franchise taxes/fees

Use of money and property

Miscellaneous

Total General Revenue

Change in Net Assets

Net Assets - Beginning of Year

Net Assets - End of Year

See Accompanying Notes to Financial Statements.

Net (Expense) Revenue and  
Changes in Net Assets

Net (Expense) Revenue	Governmental Activities	Business-type Activities	Total
\$ (9,273,512)	\$ (9,273,512)		\$ (9,273,512)
(2,538,398)	(2,538,398)		(2,538,398)
5,206,688	5,206,688		5,206,688
(470,765)	(470,765)		(470,765)
(4,185,267)	(4,185,267)		(4,185,267)
(344,678)	(344,678)		(344,678)
(11,605,932)	(11,605,932)		(11,605,932)
66,148		\$ 66,148	66,148
66,148		66,148	66,148
<u>\$ (11,539,784)</u>	(11,605,932)	66,148	(11,539,784)
	4,675,583		4,675,583
	2,989,719		2,989,719
	4,201,038		4,201,038
	1,204,846		1,204,846
	590,101		590,101
	363,915		363,915
	1,593,634		1,593,634
	15,618,836		15,618,836
	4,012,904	66,148	4,079,052
	55,250,825	2,733,444	57,984,269
	<u>\$ 59,263,729</u>	<u>\$ 2,799,592</u>	<u>\$ 62,063,321</u>



CITY OF CALABASAS  
Balance Sheet  
Governmental Funds  
June 30, 2003

	Special Revenue Funds		
	General	Developer Impact Fees	Landscape District Maintenance
<u>Assets</u>			
Cash and investments	\$ 15,195,719	\$ 4,616,354	\$ 1,319,829
Cash with fiscal agent			
Accounts and taxes receivable	798,587		
Interest receivable	68,994	19,214	4,890
Due from other agencies			77,557
Due from other funds	772,931		
Due from employees-computer loans	11,512		
Land held for resale	137,500		
	<u>16,985,243</u>	<u>4,635,568</u>	<u>1,402,276</u>
Total Assets	<u>\$ 16,985,243</u>	<u>\$ 4,635,568</u>	<u>\$ 1,402,276</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,432,030		\$ 417,186
Retentions payable			
Deposits	816,095		
Due to other funds			
Deferred revenue			
	<u>2,248,125</u>	<u>-</u>	<u>417,186</u>
Total Liabilities	<u>2,248,125</u>	<u>-</u>	<u>417,186</u>
Fund Balances:			
Reserved:			
Capital improvements	86,659		
Encumbrances	13,454		
Debt service			
Unreserved:			
Designated for capital improvements	1,714,337	\$ 149,862	
Undesignated	12,922,668	4,485,706	985,090
	<u>14,737,118</u>	<u>4,635,568</u>	<u>985,090</u>
Total Fund Balances	<u>14,737,118</u>	<u>4,635,568</u>	<u>985,090</u>
Total Liabilities and Fund Balances	<u>\$ 16,985,243</u>	<u>\$ 4,635,568</u>	<u>\$ 1,402,276</u>

See Accompanying Notes to Financial Statements.

<u>Special Revenue Funds</u>				
<u>Grants</u>	<u>B &amp; T Lost Hills District</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,542	\$ 3,597,184	\$ 1,357,272	\$ 5,238,687	\$ 31,326,587
			465,517	465,517
			73,287	871,874
30	14,660		19,315	127,103
770,708			218,106	1,066,371
				772,931
				11,512
				137,500
<u>\$ 772,280</u>	<u>\$ 3,611,844</u>	<u>\$ 1,357,272</u>	<u>\$ 6,014,912</u>	<u>\$ 34,779,395</u>
	\$ 789	\$ 1,345,888	\$ 256,982	\$ 3,452,875
		156,708		156,708
		30,000		846,095
\$ 698,593			74,338	772,931
696,823			115,667	812,490
<u>1,395,416</u>	<u>789</u>	<u>1,532,596</u>	<u>446,987</u>	<u>6,041,099</u>
				86,659
				13,454
			465,767	465,767
	563,693		1,140,378	3,568,270
(623,136)	3,047,362	(175,324)	3,961,780	24,604,146
<u>(623,136)</u>	<u>3,611,055</u>	<u>(175,324)</u>	<u>5,567,925</u>	<u>28,738,296</u>
<u>\$ 772,280</u>	<u>\$ 3,611,844</u>	<u>\$ 1,357,272</u>	<u>\$ 6,014,912</u>	<u>\$ 34,779,395</u>

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CITY OF CALABASAS  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Assets  
 June 30, 2003

Fund balances for governmental funds		\$ 28,738,296
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. \$36,174,257 is the total assets (net of depreciation) from the governmental funds.		36,174,257
Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and therefore are not reported in the funds.		
Long-term debt	\$ (6,435,334)	
Interest payable	<u>(25,980)</u>	(6,461,314)
Accruals for expenditure driven grants which have been earned but not yet received are needed to adjust the balances in the governmental funds to full accrual basis.		<u>812,490</u>
Net assets of governmental activities		<u><u>\$ 59,263,729</u></u>

See Accompanying Notes to Financial Statements.

CITY OF CALABASAS  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2003

	General	Special Revenue Funds	
		Developer Impact Fees	Landscape District Maintenance
Revenues:			
Taxes	\$ 10,850,716		\$ 2,981,955
Licenses and fees	1,230,510		
Intergovernmental	1,223,283		
Fines and forfeitures	245,511		
Developer fees		\$ 3,245,177	
Other	3,104,084	63,210	14,469
Total Revenues	<u>16,654,104</u>	<u>3,308,387</u>	<u>2,996,424</u>
Expenditures:			
Current:			
General government	4,949,740		
Public safety	2,757,266		
Public works	1,770,923		
Community development	2,085,578		
Community services	2,170,966		2,877,070
Capital outlay	760,644		
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures	<u>14,495,117</u>		<u>2,877,070</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,158,987</u>	<u>3,308,387</u>	<u>119,354</u>
Other Financing Sources (Uses):			
Transfers in	454,044		
Transfers out	(3,327,915)	(569,347)	
Total Other Financing Sources (Uses)	<u>(2,873,871)</u>	<u>(569,347)</u>	
Net Change in Fund Balances	(714,884)	2,739,040	119,354
Fund Balances (deficit), Beginning,	<u>15,452,002</u>	<u>1,896,528</u>	<u>865,736</u>
Fund Balances (deficit), Ending	<u>\$ 14,737,118</u>	<u>\$ 4,635,568</u>	<u>\$ 985,090</u>

See Accompanying Notes to Financial Statements.

<u>Special Revenue Funds</u>				
<u>Grants</u>	<u>B &amp; T Lost Hills District</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
			\$ 1,788,568	\$ 15,621,239
\$ 1,135,465			1,539,942	1,230,510
			238,900	3,898,690
124	\$ 74,620		159,347	245,511
<u>1,135,589</u>	<u>74,620</u>		<u>3,726,757</u>	<u>3,415,854</u>
				4,949,740
			141,755	2,899,021
			134,292	1,770,923
36,021	1,597		1,133,334	2,219,870
		\$ 4,858,795	96,353	6,218,988
			35,000	5,715,792
			318,698	35,000
<u>36,021</u>	<u>1,597</u>	<u>4,858,795</u>	<u>1,859,432</u>	<u>318,698</u>
<u>1,099,568</u>	<u>73,023</u>	<u>(4,858,795)</u>	<u>1,867,325</u>	<u>24,128,032</u>
		4,902,765	82,516	4,949,740
(785,645)	(142,731)		(613,687)	2,899,021
<u>(785,645)</u>	<u>(142,731)</u>	<u>4,902,765</u>	<u>(531,171)</u>	<u>1,770,923</u>
313,923	(69,708)	43,970	1,336,154	2,219,870
(937,059)	3,680,763	(219,294)	4,231,771	6,218,988
<u>(623,136)</u>	<u>\$ 3,611,055</u>	<u>\$ (175,324)</u>	<u>\$ 5,567,925</u>	<u>\$ 28,738,296</u>

CITY OF CALABASAS  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2003

Amounts reported for governmental activities in the statement of activities  
 are different because:

Net change in fund balances - total governmental funds: \$ 3,767,849

Governmental funds report capital outlays as expenditures. However, in the  
 statement of activities the cost of these assets is allocated over their  
 estimated useful lives and reported as depreciation expense. The amount by  
 which capital outlays exceeded depreciation in the current period as  
 follows:

Capital outlay	\$ 930,157	
Depreciation	<u>(1,465,310)</u>	(535,153)

Repayment of certificates of participation principal is an expenditure in the governmental  
 funds, but the repayment reduces long-term liabilities in the statement of net assets. 35,000

Interest is not accrued in the governmental funds. However, it is to be accrued in the  
 statement of activities. (25,980)

Changes in compensated absences which are not recognized due to timing issues in the  
 governmental funds are charged to expenses in the statement of activities. (41,302)

Deferred revenues, not recognized in revenue in governmental fund statements because  
 the revenue was not available within 60 days of close of fiscal year. 812,490

Change in net assets of governmental activities \$ 4,012,904

See Accompanying Notes to Financial Statements.

CITY OF CALABASAS  
Statement of Net Assets  
Proprietary Fund  
June 30, 2003

<u>ASSETS</u>	<u>Tennis and Swim Center</u>
Cash and investments	\$ 933,391
Accounts and taxes receivable	1,892
Interest receivable	731
Prepaid items	2,520
Property, plant and equipment, net	<u>2,125,174</u>
Total Assets	<u>3,063,708</u>
<u>LIABILITIES</u>	
Accounts payable and accrued liabilities	257,052
Compensated absences	<u>7,064</u>
Total Liabilities	<u>264,116</u>
<u>NET ASSETS</u>	
Invested in capital assets	2,125,174
Unrestricted	<u>674,418</u>
Total Net Assets	<u>\$ 2,799,592</u>

See Accompanying Notes to Financial Statements.



CITY OF CALABASAS  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Fund  
For the Year Ended June 30, 2003

	<u>Tennis and Swim Center</u>
Operating Revenues:	
Tennis and swim fees	\$ 2,470,010
Other	<u>10,425</u>
Total Operating Revenues	<u>2,480,435</u>
Operating Expenses:	
Depreciation	182,529
Administrative	<u>2,235,655</u>
Total Operating Expenses	<u>2,418,184</u>
Operating Income	62,251
Nonoperating Revenues:	
Interest	<u>3,897</u>
Change in Net Assets	66,148
Net Assets, Beginning	<u>2,733,444</u>
Net Assets, Ending	<u><u>\$ 2,799,592</u></u>

See Accompanying Notes to Financial Statements.

CITY OF CALABASAS  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2003

	<u>Tennis and Swim Center</u>
<b>Cash Flows From Operating Activities:</b>	
Receipts from tennis and swim fees	\$ 2,479,977
Receipts from other operating activities	10,425
Payments to suppliers	(1,764,456)
Payments for salaries	<u>(342,415)</u>
Net Cash Provided by Operating Activities	<u>383,531</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Acquisition and construction of capital assets	<u>(34,603)</u>
Net Cash Used For Capital and Related Financing Activities	(34,603)
<b>Cash Flows From Investing Activities:</b>	
Interest received	<u>4,318</u>
Increase (decrease) in cash and cash equivalents	353,246
Cash and Cash Equivalents, Beginning of Year	<u>580,145</u>
Cash and Cash Equivalents, Ending of Year	<u><u>\$ 933,391</u></u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>	
Operating income	\$ 62,251
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	182,529
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	9,967
(Increase) in prepaid expenses	5,923
Increase (decrease) in accounts payable and accrued liabilities	<u>122,861</u>
Net Cash Provided by Operating Activities	<u><u>\$ 383,531</u></u>

See Accompanying Notes to Financial Statements.

CITY OF CALABASAS  
Statement of Fiduciary Assets and Liabilities  
June 30, 2003

<u>ASSETS</u>	<u>Agency Funds</u>
Cash and investments	\$ 61,464
Special tax receivable	<u>36,467</u>
Total Assets	<u><u>\$ 97,931</u></u>
<u>LIABILITIES</u>	
Accounts payable and accrued liabilities	\$ 61,464
Compensated absences	<u>36,467</u>
Total Liabilities	<u><u>\$ 97,931</u></u>

See Accompanying Notes to Financial Statements.

CITY OF CALABASAS  
Notes to Financial Statements  
June 30, 2003

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the City of Calabasas, California:

A. Reporting Entity

The City of Calabasas was incorporated on April 5, 1991 as a "General Law" City covering approximately eleven square miles. The City operates under a council-city manager form of government.

The City of Calabasas Facilities Corporation (the Corporation) was established on December 17, 1998 for the purpose of providing financing and funding for property acquisition and public capital improvements.

The criteria used in determining the scope of the reporting entity is based on the provisions of GASB Statement 14. The City of Calabasas is the primary government unit. A component unit is an entity which is financially accountable to the primary government, either because the City appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The Corporation has been accounted for as a "blended" component unit of the City. Despite being legally separate, this entity is, in substance, part of the City's operations. Accordingly, the balances and transactions of this component unit are reported within a debt service fund of the City.

The following specific criteria were used in determining that the Corporation was a blended component unit:

- The members of the City Council also act as the governing body of the Corporation.
- The Corporation is managed by employees of the City.

The accounting policies of the City conform to generally accepted accounting principles applicable to governments. Separate financial statements for the Corporation may be obtained from the City Clerk.

B. Government-wide and Fund Financial Statements:

The government wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements and eliminations have

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
June 30, 2003

been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grant 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, including property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditure when due. General capital asset acquisitions are reported as expenditures in governmental funds.

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
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Property taxes, charges for services, 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to members, customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Tennis and Swim Center are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Developer Impact Fees Special Revenue Fund - used to account for fees collected from developers for future projects necessitated by new development.

Landscape District Maintenance Special Revenue Fund - used to account for receipts and expenditures relating to the benefit assessment district for landscape maintenance.

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
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Grants Special Revenue Fund - used to account for other grants requiring segregated fund accounting. Financing is provided by federal, state and county agencies.

B & T Lost Hills District Special Revenue Fund - used to account for receipts and expenditures relating to the bridges and thoroughfares of the Lost Hills District.

Capital Projects Fund - used to account for the acquisition and construction of major capital projects not being financed by proprietary funds.

The City reports the following major proprietary fund:

Tennis and Swim Center - used to account for operations that are financed and operated in a manner similar to private business enterprise. Costs are financed or recovered primarily through user charges.

Additionally, the City reports the following fund types:

Governmental Funds:

Special Revenue Funds - used to account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes.

Debt Service Fund - used to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

Fiduciary Funds:

Agency Fund - used to account for assets held by the City as an agent. This fund is custodial in nature and does not involve measurement of results of operations.

D. Assets, Liabilities, and Net Assets:

1. Cash and Investments

All cash and investments are held in the City's cash management pool. Therefore, all cash and investments in the proprietary fund are considered cash and cash equivalents. Investments are included within the financial statement caption "Cash and investments." All investments are stated at fair value (the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale).

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
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2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

The amounts recorded as a receivable due from other governments include amounts collected or provided by Federal, State and County governments and not remitted to the City as of June 30, 2003.

3. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial and individual cost of more than \$1,000. Such capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their fair market value on the date donated. 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.

Depreciation of all exhaustible assets used by the governmental and business-type activities is charged as an expense against their operations. Depreciation has been provided using the straight-line method over the estimated useful lives of the assets as follows:

Equipment	5 years
Buildings	15 years
Improvements other than buildings	10 years
Infrastructure	20-50 years

4. Compensated Absences

It is the City's policy to permit employees to accumulate earned, but unused vacation benefits, which will be paid to employees upon separation from City service. Under current City policy, sick leave does not vest with the employee; therefore, a liability has not been accrued. Governmental fund types recognize the cost of vacation benefits when payments are made to employees. Since these



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Notes to Financial Statements (Continued)  
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unused vacation benefits will not be liquidated with available financial resources, a long-term liability for accrued vacation benefits is recorded. Propriety fund types accrue vacation benefits in the period they are earned.

5. Property Taxes

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period.

Under California law, property taxes are assessed and collected by the counties at up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. The County of Los Angeles bills and collects property taxes for the City. Tax liens attach annually as of 12:01 a.m. on the first day of January preceding the fiscal year for which the taxes are levied. Taxes are levied on July 1 and cover the fiscal period July 1 to June 30. All secured personal taxes and one-half of the taxes on real property are due November 1; the second installment is due March 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively.

Unsecured personal property taxes become due on March 1 each year, and are delinquent, if unpaid, on August 31. At June 30, 2003, there were no material delinquent, unsecured property taxes. Property taxes receivable are included with accounts receivable in the financial statements and are not offset by deferred revenues because they are collectable within 60 days after year end.

6. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts

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Notes to Financial Statements (Continued)  
June 30, 2003

on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTIBILITY:

A. Budgetary Control and Accounting

General Budget Policies:

The City Council reviews and adopts an annual budget for the General, Special Revenue, Debt Service and Capital Projects Funds. The City Council holds public hearings and may modify the appropriations by general approval. Budgeted amounts may be transferred between departments with the City Manager's approval. The legal level of expenditure control is at the fund level. Operating appropriations lapse at the end of each fiscal year.

The budget is reported on the same basis as the fund types and on a basis consistent with generally accepted accounting principles. Additional appropriations or other changes during the year may be submitted by the departments for Council review and approval. For the year ended June 30, 2003 budget amendments in the aggregate amount of \$3,695,014 were made.

B. Other Individual Funds Disclosures

At June 30, 2003, the following funds expenditures exceeded final budgeted appropriations:

	<u>Final Budget</u>	<u>Expenditures</u>
Special Revenue Funds:		
Landscape District Maintenance	\$2,664,621	\$2,877,070
Grants	15,000	36,021
B & T Lost Hills District		1,597
Community Development Block Grant	92,648	134,292
TDA		30,522
Debt Service Fund	347,410	353,698

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
June 30, 2003

The following funds reported deficits in their respective fund balances as of June 30, 2003:

Special Revenue Funds:	
Storm Damage	\$ 73,288
Grants	623,136
Community Development Block Grant	28,876
Capital Projects Fund	175,324

These deficits are expected to be recovered from future revenues or operating transfers.

### III. DETAILED NOTES ON ALL FUNDS

#### A. Cash and Investments

The City follows the practice of pooling cash and investments of all funds except for amounts with fiscal agents.

Interest income earned on pooled cash and investments is allocated monthly to the funds based on average monthly cash and investment balances. Interest income from cash and investments of funds excluded from pooled cash is credited directly to the related fund.

#### Deposits/Credit Risk:

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City may waive collateral requirements for deposits which are fully insured by Federal depository insurance.

In accordance with GASB Statement No. 3, deposits are classified as to credit risk by three categories as follows:

- Category 1: Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3: Uncollateralized.

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
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Authorized Investments:

Under provision of the City's investment policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

- Securities of the U.S. Government, or its agencies
- Certificates of deposit (or time deposits) placed with commercial banks and/or banks and/or savings and loan companies
- State of California Local Agency Investment Fund (LAIF)
- Passbook savings account demand deposits
- Money market mutual funds

Credit Risk and Fair Value of Investments:

Investments that are represented by specific identifiable investment securities are classified as to credit risk by three categories as follows:

Category 1: Insured or registered, or securities held by the City or its agent in the City's name.

Category 2: Uninsured and unregistered with securities held by the counterparty's trust department or agent in the City's name.

Category 3: Uninsured and unregistered with securities held by the counterparty, or its agent, but not in the City's name.

Cash and investments at June 30, 2003, consist of the following pooled cash and investments:

Cash on Hand	\$ 2,050
Pooled Deposits:	
Demand cash accounts (bank balance)	876,129
Less: Outstanding checks	(194,567)
Add: Deposits in transit	279,567
Book Balance	963,179
Investments:	
Pooled:	
Local Agency Investment Fund	31,358,263
Held by Fiscal Agent:	
Money Market Mutual Fund	370,960
United States Treasury Notes	94,557
Total Cash and Investments	\$ 32,786,959

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
June 30, 2003

Deposits and investments at June 30, 2003 by risk category are as follows:

	Category			Fair Value
	1	2	3	
Pooled Deposits:				
Demand Deposits:				
Bank Balance	\$ 145,497	\$ 730,632	\$ -	\$ 876,129
Investments:				
Pooled:				
LAIF <sup>(1)(2)</sup>				\$ 31,358,263
Held by Fiscal Agent:				
U.S. Treasury Notes			\$ 94,557	94,557
Money Market				
Mututal Fund <sup>(1)</sup>				370,960
Total investments	\$ -	\$ -	\$ 94,557	\$ 31,823,780

(1) Not subject to categorization.

(2) The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in the pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgaged-backed securities, other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

**B. Capital Assets**

In accordance with GASB Statement No.34, the City has reported all capital assets including infrastructure in the Government-wide Statement of Net Assets. The City elected to use the basic approach as defined by GASB Statement No.34 for all infrastructure reporting, whereby depreciation expense and accumulated depreciation has been recorded.

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
June 30, 2003

A summary of changes in capital assets for the City's governmental activities for the year ended June 30, 2003 is as follows:

	<u>Restated July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2003</u>
<b>Governmental Activities:</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$ 3,093,550	\$ 618,083		\$ 3,711,633
Total capital assets, not being depreciated	<u>3,093,550</u>	<u>618,083</u>		<u>3,711,633</u>
<b>Capital assets, being depreciated:</b>				
Building	1,553,838 ✓			1,553,838
Equipment	1,215,588 ✓	182,127 ✓		1,397,715
Investment in joint venture - community center	2,813,060			-
Infrastructure	41,294,148	129,947		41,424,095
Total capital assets, being depreciated	<u>46,876,634</u>	<u>312,074</u>		<u>47,188,708</u>
<b>Less accumulated depreciation for:</b>				
Buildings	362,562	103,589		466,151
Equipment	953,509	125,343		1,078,852
Investment in Joint venture - community center	587,719	187,537		775,256
Infrastructure	11,356,984	1,048,841		12,405,825
Total accumulated depreciation	<u>13,260,774</u>	<u>1,465,310</u>		<u>14,726,084</u>
Total capital assets, being depreciated, net	<u>33,615,860</u>	<u>(1,153,236)</u>		<u>32,462,624</u>
Governmental activities capital assets, net	<u>\$ 36,709,410</u>	<u>\$ (535,153)</u>	<u>\$ -</u>	<u>\$ 36,174,257</u>

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
June 30, 2003

A summary of changes in property, plant and equipment in the Enterprise Fund -  
Tennis and Swim Center for the year ended June 30, 2003 is as follows:

	<u>Balance at July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2003</u>
Business-types activities:				
Capital assets, not being depreciated:				
Land	\$ 837,819			\$ 837,819
Constrction in progress	<u>4,990</u>		<u>\$ (4,990)</u>	
Total capital assets, not being depreciated	<u>842,809</u>		<u>(4,990)</u>	<u>837,819</u>
Capital assets, being depreciated:				
Improvements	283,422	\$ 4,990		288,412
Building	1,912,942	9,993		1,922,935
Machinery & Equipment	<u>340,684</u>	<u>24,609</u>		<u>365,293</u>
Total capital assets, being depreciated	<u>2,537,048</u>	<u>39,592</u>		<u>2,576,640</u>
Less accumulated depreciation for:				
Improvements	40,265	28,342		68,607
Buildings	862,411	127,406		989,817
Machinery & Equipment	<u>204,081</u>	<u>26,780</u>		<u>230,861</u>
Total accumulated depreciation	<u>1,106,757</u>	<u>182,528</u>		<u>1,289,285</u>
Total capital assets, being depreciated, net	<u>1,430,291</u>	<u>(142,936)</u>		<u>1,287,355</u>
Business-type activities capital assets, net	<u>\$ 2,273,100</u>	<u>\$ (142,936)</u>	<u>\$ (4,990)</u>	<u>\$ 2,125,174</u>

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
June 30, 2003

Depreciation expense of \$1,465,310 was charged to the following functions:

	Governmental Activities
General government	\$ 94,649
Public safety	1,872
Public works	5,655
Community development	169,936
Community services	1,193,198
 Total	 \$ 1,465,310

C. Interfund Receivables, Payables, and Transfers

Due to/ from other funds:

	Receivables	Payables
General Fund	\$ 772,931	
Grants		\$ 698,593
Nonmajor governmental funds		74,338
 Total	 \$ 772,931	 \$ 772,931

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." The general fund loaned \$772,931 to funds which had negative cash balances.

Interfund transfers:

Transfer Out:	Transfer In:			Total
	General Fund	Capital Projects	Nonmajor Governmental Fund	
General Fund		\$ 3,260,665	\$ 67,250	\$ 3,327,915
Developer Impact Fees		569,347		569,347
B & T Lost Hills District		142,731		142,731
Grants	\$ 369,044	416,601		785,645
Nonmajor Governmental Funds	85,000	513,421	15,266	613,687
 Total	 \$ 454,044	 \$ 4,902,765	 \$ 82,516	 \$ 5,439,325



CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
June 30, 2003

Interfund transfers were primarily used to fund capital improvements from the General Fund and Other Governmental Funds.

E. Long-Term Debt

Facilities Corporation Certificates of Participation – 1999

On February 1, 1999, the City of Calabasas Facilities Corporation issued \$6,345,000 in Certificates of Participation (COPs) with rates ranging from 3.1% to 5.0%. The net proceeds of \$5,674,897 (after payment of \$670,103 in underwriting and other issuance costs) became a lump sum lease payment to the City for the lease of two properties. These included the Creekside Park Community Center and the “Kilroy” land which is located in Los Angeles County CFD 98-1. Part of the lease payment, \$2,424,897, was used to prepay all future special taxes on the Kilroy land which will be used for a new City Hall and Library.

The City and the Facilities Corporation entered into a concurrent sublease of the Creekside and Kilroy properties by which the Corporation will receive lease rental amounts sufficient to satisfy debt service on the COPs.

Principal amounts on \$2,025,000 of serial certificates mature annually on each December 1 in the year 2000 through 2015. Term certificates in the amounts of \$1,335,000 and \$2,985,000 are due December 1, 2020 and 2028 respectively. Interest is payable semiannually on June 1 and December 1.

The COPs are subject to optional redemption on or after December 1, 2010 and on any interest payment date thereafter at a prior equal to the principal amount plus accrued interest to the redemption date, plus a premium ranging from 0.0% to 2.0%. The term certificates are subject to mandatory redemption on any December 1 from 2016 to 2028 as described in the official statement.

\$6,200,000

Compensated Absences:

The City’s policies relating to compensated absences are described in Note I of the Notes to Financial Statements. This liability will be paid in future years from future resources.

\$242,398

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
June 30, 2003

The annual requirements to amortize outstanding long-term debt of the City's Governmental Activities as of June 30, 2003, excluding compensated absences are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ 50,000	\$ 310,813
2004	65,000	308,595
2005	75,000	305,828
2006	95,000	302,380
2007	110,000	298,123
2008-2012	825,000	1,396,173
2013-2017	1,155,000	1,155,273
2018-2022	1,475,000	817,698
2023-2027	1,905,000	376,818
2028-2032	445,000	11,680
	<u>\$ 6,200,000</u>	<u>\$ 5,283,381</u>

Summary of Changes in Long-term Liabilities for Governmental Activities:

<u>Governmental activities:</u>	<u>Balance at July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2003</u>	<u>Due Within One Year</u>
Facilities corporation certificates of participation - series 1999	\$ 6,235,000		\$ (35,000)	\$ 6,200,000	\$ 50,000
Compensated absences payable	194,030	\$ 41,304		235,334	
Total governmental long-term debt	<u>\$ 6,429,030</u>	<u>\$ 41,304</u>	<u>\$ (35,000)</u>	<u>\$ 6,435,334</u>	<u>\$ 50,000</u>

Summary of Changes in Long-term Liabilities for Business-type Activities:

<u>Business-type Activities</u>	<u>Balance at July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2003</u>
Compensated Absences Payable	\$ 10,165	\$ -	\$ (3,101)	\$ 7,064

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
June 30, 2003

G. Deferred Revenue and Loans Receivable

At June 30, 2003, deferred revenue consisted of grant funds collected in advance or grant reimbursements receivable not meeting the availability criteria for revenue recognition, which are therefore deferred in accordance with GASB Statement No. 33.

Special Revenue Funds:

Grants Fund	\$ 696,823
CDBG Fund	29,625
Park and Recreation Improvement Fund	12,754
Storm Damage	73,288
	\$ 812,490

IV. OTHER INFORMATION

A. Defined Benefit Plan

**Plan Description:** The City of Calabasas contributes to the California Public Employees Retirement System (PERS), an agent, multiple-employer, public employee, defined benefit, pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

**Funding Policy:** Participants are required to contribute 7% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 4.349% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

**Annual Pension Cost:** For 2003, the City's annual pension cost of \$136,683 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2002 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.25% investment rate of return (net administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.75% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.50%. The actuarial value of PERS assets was determined using techniques that

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Notes to Financial Statements (Continued)  
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smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2002 was 13 years.

**THREE-YEAR TREND INFORMATION FOR PERS (\$ Amount in Thousands)**

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/01	\$ 87	100%	-
6/30/02	101	100%	-
6/30/03	137	100%	-

**B. Insurance**

1. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 84 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 Board operates through a 9-member Executive Committee.

2. Self-Insurance Programs of the Authority in which the City Participates

General Liability – Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). Six months after the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Costs are spread to members as follows: the first \$20,000 of each occurrence is charged directly to the member; costs from \$20,001 to \$500,000 are pooled, based on a member's share of costs under \$20,000; costs from \$500,001 to \$5,000,000 are pooled based on payroll. Costs of covered claims above \$5,000,000 are currently paid by reinsurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate.

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Workers Compensation – The City also participates in the workers compensation pool administered by the Authority. Pool deposits and retrospective adjustments are valued in a manner similar to the General Liability pool. The City is charged for the first \$25,000 of each claim. Costs are pooled above that level to \$50,000. Costs from \$50,001 to \$100,000 per claim are pooled based on the member's losses under its retention level. Costs between \$100,001 and \$500,000 per claim are pooled based on payroll. Costs in excess of \$500,000 are paid by excess insurance purchased by the Authority. The excess insurance provides coverage to statutory limits.

3. Purchased Insurance

Environmental Insurance – The City participates in the pollution legal liability and remediation legal liability insurance which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50,000,000 for the 3-year period from July 1, 2002 through June 30, 2005, with reinstatement of \$50,000,000 if the initial \$50,000,000 is depleted. Each member of the Authority has a \$10,000,000 limit during the 3-year term of the policy.

Property Insurance – The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Authority. Total all-risk property insurance coverage is \$7,280,160. There is a \$5,000 per loss deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Earthquake and Flood Insurance - The City of Calabasas purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the authority. The City of Calabasas' property currently has earthquake protection in the amount of \$1,433,597. There is a deductible of 5% of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Fidelity Bonds - The City of Calabasas purchases blanket fidelity bond coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
June 30, 2003

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

4. Adequacy of Protection

During the past three fiscal 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.

C. Joint Venture

On November 24, 1997, the Agoura Hills and Calabasas Community Center Authority (Authority) was created under a joint exercise of powers agreement between the Cities of Agoura Hills and Calabasas. It was formed for the operation and maintenance of a Joint Recreation Center. The governing Board of Directors consists of one City Council Member from each City, two residents of each City appointed by the City Council, and the president or a member of the Executive Board of the Alliance (a non-profit organization formed for the sole purpose of raising funds for the Community Center). Each City contributed money towards the construction of the Community Center, which was completed in March 2000. The Authority now oversees the operations and maintenance of the Community Center. The Cities of Agoura Hills and Calabasas will equally share in any profit or loss from operation of the Community Center. Results of operations are included in the City of Calabasas' financial statements for the fiscal year ending June 30, 2003. A copy of the Authority financial statements can be obtained at: 27040 Malibu Hills Rd, Calabasas, CA 91301.

D. Contingencies

The City has been named as a defendant in various general damage and personal injury lawsuits and claims. Such claims arise primarily from injuries or damages sustained by claimants while on property owned and maintained by the City. Management believes that the ultimate result of the pending lawsuits and claims will not have a material adverse affect upon the City's basic financial statements taken as a whole.

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
June 30, 2003

E. Commitments

The City is obligated under operating lease agreements for the rental of space for the city hall, city library and parking lot. Future minimum lease payments under these operating leases are as follows:

<u>Fiscal Year</u>	
2004	\$ 741,587
2005	730,992
2006	423,345
2007	<u>278,283</u>
	<u>\$ 2,174,207</u>

F. Post-Employment Medical Benefits

Pursuant to Government Code Sections 22850 and 22857 and City Resolutions 2000-611, 2000-617, 2000-649 and 2002-780 the City provides post-employment medical benefits to all retired employees in the amount of \$16 per month. This amount is paid on the employees' behalf to the Public Employees Retirement System for health benefits. In addition, certain management employees and City Council members who have retired with at least 8 years of PERS service credit with the City and who have reached age 55 are reimbursed for PERS health benefit payments up to \$576 per month. The reimbursement is reduced by the amount of eligible Medicare benefits. This benefit is funded on a pay-as-you-go basis. For fiscal year 2002-03, the City paid \$25,133 for post-employment medical benefits covering 7 participants.

G. Special Assessment Districts (AD) Bonds

Bonds issued for improvements in certain special assessment districts in accordance with the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, are liabilities of the property owners and are secured by liens against the assessed property. The City Treasurer acts as an agent for collection of principal and interest payments by the property owners and remittance of such moneys to the bondholders.

Neither the faith and credit nor the general taxing power of the City of Calabasas have been pledged to the payment of the bonds. Therefore none of the following special assessment bonds have been included in the accompanying financial statements.

CITY OF CALABASAS  
Notes to Financial Statements (Continued)  
June 30, 2003

AD#	Special Assessment Bonds	Amount of Issue	Outstanding June 30, 2003
98-1	Community Facilities District	\$ 12,515,000	\$ 11,200,000
2001-1	Community Facilities District	28,645,000	28,385,000

H. Restatements to the Financial Statements and Changes in Accounting Policy

The City implemented GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments and GASB Statement No. 38, Certain Financial Statement Note Disclosures during the fiscal year ended June 30, 2003. Capital assets were adjusted by the City as a result of a physical inventory of all fixed assets.

	<u>Governmental Activities</u>
Beginning Fund Equity July 1, 2002	\$ 24,970,446
Capital assets previously reported in account group	8,778,075
Accumulated depreciation on capital assets as of June 30, 2002	(1,903,790)
Restatement for capital asset inventory	(102,040)
Restatement for infrastructure, GASB No. 34	41,294,148
Accumulated depreciation on infrastructure	(11,356,984)
Long term debt previously reported in account group	<u>(6,429,030)</u>
Beginning net assets, July 1, 2002 restated	<u>\$ 55,250,825</u>



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REQUIRED  
SUPPLEMENTARY  
INFORMATION

CITY OF CALABASAS  
 Required Supplementary Information  
 PERS Schedule of Funding Progress (in thousands)  
 June 30, 2003

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (Excess Assets) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll [(B-A)/C]
6/30/00	\$ 2,512,657	\$ 1,858,768	\$ (653,889)	135.2%	\$ 1,995,135	(32.8)%
6/30/01	2,345,315	2,864,236	518,921	81.9%	2,783,831	18.6%
6/30/02	3,013,635	2,970,452	(43,183)	101.5%	2,831,464	(1.5)%

CITY OF CALABASAS  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 9,898,000	\$ 9,898,000	\$ 10,850,716	\$ 952,716
Licenses and fees	1,265,925	1,265,925	1,230,510	(35,415)
Intergovernmental	1,144,868	1,144,868	1,223,283	78,415
Fines and forfeitures	214,500	214,500	245,511	31,011
Other	4,115,200	4,515,200	3,104,084	(1,411,116)
<b>Total Revenues</b>	<b>16,638,493</b>	<b>17,038,493</b>	<b>16,654,104</b>	<b>(384,389)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	3,812,655	4,653,897	4,949,740	(295,843)
Public safety	2,871,810	2,871,810	2,757,266	114,544
Public works	1,854,575	1,861,933	1,770,923	91,010
Community development	2,039,875	2,159,640	2,085,578	74,062
Community services	2,433,345	2,460,851	2,170,966	289,885
Capital outlay	210,000	879,595	760,644	118,951
<b>Total Expenditures</b>	<b>13,222,260</b>	<b>14,887,726</b>	<b>14,495,117</b>	<b>392,609</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>3,416,233</b>	<b>2,150,767</b>	<b>2,158,987</b>	<b>8,220</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	87,500	87,500	454,044	366,544
Transfers out	(4,638,352)	(5,622,937)	(3,327,915)	2,295,022
<b>Total Other Financing Sources (Uses)</b>	<b>(4,550,852)</b>	<b>(5,535,437)</b>	<b>(2,873,871)</b>	<b>2,661,566</b>
<b>Net Change in Fund Balance</b>	<b>(1,134,619)</b>	<b>(3,384,670)</b>	<b>(714,884)</b>	<b>2,669,786</b>
<b>Fund Balances, Beginning</b>	<b>15,452,002</b>	<b>15,452,002</b>	<b>15,452,002</b>	
<b>Fund Balances, Ending</b>	<b>\$ 14,317,383</b>	<b>\$ 12,067,332</b>	<b>\$ 14,737,118</b>	<b>\$ 2,669,786</b>

See Accompanying Note to Required Supplementary Information.

CITY OF CALABASAS  
 Developer Impact Fees Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Developer fees	\$ 35,000	\$ 35,000	\$ 3,245,177	\$ 3,210,177
Other	70,000	70,000	63,210	(6,790)
Total Revenues	<u>105,000</u>	<u>105,000</u>	<u>3,308,387</u>	<u>3,203,387</u>
Expenditures:				
Current:				
Community services	7,000	7,000		7,000
Total Expenditures	<u>7,000</u>	<u>7,000</u>		<u>7,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>98,000</u>	<u>98,000</u>	<u>3,308,387</u>	<u>3,210,387</u>
Other Financing Sources (Uses):				
Transfers out	(665,000)	(719,209)	(569,347)	149,862
Total Other Financing Sources (Uses)	<u>(665,000)</u>	<u>(719,209)</u>	<u>(569,347)</u>	<u>149,862</u>
Net Change in Fund Balance	(567,000)	(621,209)	2,739,040	3,360,249
Fund Balances, Beginning	<u>1,896,528</u>	<u>1,896,528</u>	<u>1,896,528</u>	
Fund Balances, Ending	<u>\$ 1,329,528</u>	<u>\$ 1,275,319</u>	<u>\$ 4,635,568</u>	<u>\$ 3,360,249</u>

See Accompanying Note to Required Supplementary Information.

CITY OF CALABASAS  
 Landscape District Maintenance Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,785,000	\$ 2,785,000	\$ 2,981,956	\$ 196,956
Other	28,000	28,000	14,469	(13,531)
Total Revenues	<u>2,813,000</u>	<u>2,813,000</u>	<u>2,996,425</u>	<u>183,425</u>
Expenditures:				
Current:				
Community services	<u>2,662,650</u>	<u>2,664,621</u>	<u>2,877,070</u>	<u>(212,449)</u>
Total Expenditures	<u>2,662,650</u>	<u>2,664,621</u>	<u>2,877,070</u>	<u>(212,449)</u>
Net Change in Fund Balance	150,350	148,379	119,355	(29,024)
Fund Balances, Beginning	<u>865,736</u>	<u>865,736</u>	<u>865,736</u>	
Fund Balances, Ending	<u>\$ 1,016,086</u>	<u>\$ 1,014,115</u>	<u>\$ 985,091</u>	<u>\$ (29,024)</u>

See Accompanying Note to Required Supplementary Information.

CITY OF CALABASAS  
 Grants Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental	\$ 2,624,722	\$ 3,235,828	\$ 1,135,465	\$ (2,100,363)
Other	1,500	1,500	124	(1,376)
Total Revenues	<u>2,626,222</u>	<u>3,237,328</u>	<u>1,135,589</u>	<u>(2,101,739)</u>
Expenditures:				
Current:				
Community services	15,000	15,000	36,021	(21,021)
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>36,021</u>	<u>(21,021)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,611,222</u>	<u>3,222,328</u>	<u>1,099,568</u>	<u>(2,122,760)</u>
Other Financing Sources (Uses):				
Transfers out	(2,648,991)	(3,260,097)	(785,645)	2,474,452
Total Other Financing Sources (Uses)	<u>(2,648,991)</u>	<u>(3,260,097)</u>	<u>(785,645)</u>	<u>2,474,452</u>
Net Change in Fund Balance	(37,769)	(37,769)	313,923	351,692
Fund Balances, Beginning	<u>(937,059)</u>	<u>(937,059)</u>	<u>(937,059)</u>	
Fund Balances, Ending	<u>\$ (974,828)</u>	<u>\$ (974,828)</u>	<u>\$ (623,136)</u>	<u>\$ 351,692</u>

See Accompanying Note to Required Supplementary Information.

CITY OF CALABASAS  
 B & T Lost Hills District Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Other	\$ 125,000	\$ 125,000	\$ 74,620	\$ (50,380)
Total Revenues	<u>125,000</u>	<u>125,000</u>	<u>74,620</u>	<u>(50,380)</u>
Expenditures:				
Current:				
Community services			1,597	(1,597)
Total Expenditures			<u>1,597</u>	<u>(1,597)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>125,000</u>	<u>125,000</u>	<u>73,023</u>	<u>(51,977)</u>
Other Financing Sources (Uses):				
Transfers out	<u>(589,000)</u>	<u>(936,679)</u>	<u>(142,731)</u>	<u>793,948</u>
Total Other Financing Sources (Uses)	<u>(589,000)</u>	<u>(936,679)</u>	<u>(142,731)</u>	<u>793,948</u>
Net Change in Fund Balance	(464,000)	(811,679)	(69,708)	741,971
Fund Balances, Beginning	<u>3,680,763</u>	<u>3,680,763</u>	<u>3,680,763</u>	
Fund Balances, Ending	<u>\$ 3,216,763</u>	<u>\$ 2,869,084</u>	<u>\$ 3,611,055</u>	<u>\$ 741,971</u>

See Accompanying Note to Required Supplementary Information.



**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF CALABASAS  
Note to Required Supplementary Information  
June 30, 2003

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

The City Council reviews and adopts an annual budget for the General and Special Revenue Funds. The City Council holds public hearings and may modify the appropriations by general approval. Budgeted amounts may be transferred between departments with the City Manager's approval. The legal level of expenditure control is at the fund level. Operating appropriations lapse at the end of each fiscal year.

The budget is reported on the same basis as the fund types and on a basis consistent with generally accepted accounting principles. Additional appropriations or other changes during the year may be submitted by the departments for Council review and approval.

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SUPPLEMENTARY  
INFORMATION

CITY OF CALABASAS  
 Capital Projects Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	Budget	Actual	Variance Positive (Negative)
Expenditures:			
Capital outlay	\$ 11,367,379	\$ 4,858,795	\$ 6,508,584
Total Expenditures	11,367,379	4,858,795	6,508,584
Other Financing Sources (Uses):			
Transfers in	12,024,609	4,902,765	(7,121,844)
Net Change in Fund Balance	657,230	43,970	(613,260)
Fund Balances (deficit), Beginning	(219,294)	(219,294)	
Fund Balances (deficit), Ending	\$ 437,936	\$ (175,324)	\$ (613,260)

## DESCRIPTIONS OF NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Proposition A Fund – used to account for the City's share of an additional one-half percent sales tax which was approved in 1980 and is collected by the County of Los Angeles and is used to finance transportation projects.

Highway Users Tax Fund – used to account for the expenditures financed by money apportioned under the Streets and Highways Code of the State of California.

Proposition C Fund – used to account for the City's share of an additional one-half percent sales tax which was approved in 1990 and is collected by the County of Los Angeles to finance transportation projects.

South Coast Air Quality Management Fund – used to account for the City's share of additional motor vehicle registration fees imposed by the South Coast Air Quality Management District to finance the implementation of mobile source emission reduction programs under the provisions of the California Clean Air Act.

Community Development Block Grant Fund – used to account for expenditures of funds made available from the U.S. Department of Housing and Urban Development for community development and housing assistance.

Park and Recreation Improvement Fund – used to account for grant revenue that is specifically restricted to park and recreation improvement projects.

AB 939 Fund – used to account for recycling program revenue as required by Assembly Bill 939.

TDA Fund – used to account for State Transportation Development Act, Article 3 funds for bike route and pedestrian facilities improvements.

Affordable Housing Fund – used to account for activities related to the City's affordable housing program.

Local Law Enforcement Grant Fund – used to account for expenditures of funds made available from the U.S. Department of Justice for local law enforcement assistance.

Storm Damage Fund – used to account for expenditures of funds made available from the Federal Emergency Management Agency and the State of California Office of Emergency Services for disaster relief necessitated by 1993 Winter Storms.

COPS AB 3229 Fund – used to account for monies received from the State of California to be used for policing activities in accordance with Assembly Bill 3229.

Library District Fund – used to account for expenditures and receipts, including secured property tax, of the City's Library.

### DEBT SERVICE FUND

The Debt Service Fund - used to account for the accumulation of resources for payment of interest and principal on general long-term debt.

CITY OF CALABASAS  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2003

	Special Revenue Funds		
	Proposition A	Highway Users Tax	Proposition C
<u>Assets</u>			
Cash and investments	\$ 197,181	\$ 985,112	\$ 657,937
Cash with fiscal agent			
Accounts and taxes receivable			
Interest receivable	764	3,712	4,558
Due from other agencies	28,109	36,906	23,314
Total Assets	\$ 226,054	\$ 1,025,730	\$ 685,809
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 22,674		\$ 4,037
Due to other funds			
Deferred revenue			
Total Liabilities	22,674		4,037
Fund Balances:			
Reserved:			
Debt service			
Unreserved:			
Designated for capital improvements		\$ 870,000	270,378
Undesignated	203,380	155,730	411,394
Total Fund Balances	203,380	1,025,730	681,772
Total Liabilities and Fund Balances	\$ 226,054	\$ 1,025,730	\$ 685,809



Special Revenue Funds

South Coast Air Quality Management	Community Development Block Grant	Park and Recreation Improvement	AB 939
\$ 97,836		\$ 270,009	\$ 606,487
384 5,462	\$ 44,195	13,033	37,776
<u>\$ 103,682</u>	<u>\$ 44,195</u>	<u>\$ 283,042</u>	<u>\$ 644,263</u>
\$ 260	\$ 42,395 1,051 29,625	\$ 13,957 12,754	\$ 12,330
<u>260</u>	<u>73,071</u>	<u>26,711</u>	<u>12,330</u>
<u>103,422</u>	<u>(28,876)</u>	<u>256,331</u>	<u>631,933</u>
<u>103,422</u>	<u>(28,876)</u>	<u>256,331</u>	<u>631,933</u>
<u>\$ 103,682</u>	<u>\$ 44,195</u>	<u>\$ 283,042</u>	<u>\$ 644,263</u>

(Continued)

CITY OF CALABASAS  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
June 30, 2003

	Special Revenue Funds		
<u>Assets</u>	<u>TDA</u>	<u>Affordable Housing</u>	<u>Local Law Enforcement Grant</u>
Cash and investments	\$ 30,522	\$ 1,050,280	\$ 5,953
Cash with fiscal agent			
Accounts and taxes receivable			
Interest receivable	121	4,170	
Due from other agencies			
Total Assets	\$ 30,643	\$ 1,054,450	\$ 5,953
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 30,522		\$ 5,953
Due to other funds			
Deferred revenue			
Total Liabilities	30,522		5,953
Fund Balances:			
Reserved:			
Debt service			
Unreserved:			
Designated for capital improvements			
Undesignated	121	\$ 1,054,450	
Total Fund Balances	121	1,054,450	
Total Liabilities and Fund Balances	\$ 30,643	\$ 1,054,450	\$ 5,953

Special Revenue Funds

<u>Storm Damage</u>	<u>COPS AB 3229</u>	<u>Library District</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
	\$ 104,558	\$ 1,232,812		\$ 5,238,687
			\$ 465,517	465,517
\$ 73,287				73,287
	535	4,821	250	19,315
		29,311		218,106
<u>\$ 73,287</u>	<u>\$ 105,093</u>	<u>\$ 1,266,944</u>	<u>\$ 465,767</u>	<u>\$ 6,014,912</u>
\$ 73,287	\$ 11,861	\$ 112,993		\$ 256,982
73,288				74,338
				115,667
<u>146,575</u>	<u>11,861</u>	<u>112,993</u>		<u>446,987</u>
			\$ 465,767	465,767
				1,140,378
<u>(73,288)</u>	<u>93,232</u>	<u>1,153,951</u>		<u>3,961,780</u>
<u>(73,288)</u>	<u>93,232</u>	<u>1,153,951</u>	<u>465,767</u>	<u>5,567,925</u>
<u>\$ 73,287</u>	<u>\$ 105,093</u>	<u>\$ 1,266,944</u>	<u>\$ 465,767</u>	<u>\$ 6,014,912</u>

CITY OF CALABASAS  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2003

	Special Revenue Funds		
	Proposition A	Highway Users Tax	Proposition C
Revenues:			
Taxes	\$ 275,449	\$ 424,892	\$ 225,448
Intergovernmental			
Developer fees			
Other	9,718	14,307	22,314
Total Revenues	285,167	439,199	247,762
Expenditures:			
Current:			
General government			
Public safety			
Public works			
Community development			
Community services	222,137		24,719
Capital outlay			
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures	222,137		24,719
Excess (Deficiency) of Revenues Over Expenditures	63,030	439,199	223,043
Other Financing Sources (Uses):			
Transfers in			
Transfers out			(598,421)
Total Other Financing Sources (Uses)			(598,421)
Net Change in Fund Balances	63,030	439,199	(375,378)
Fund Balances, Beginning,	140,350	586,531	1,057,150
Fund Balances, Ending	\$ 203,380	\$ 1,025,730	\$ 681,772

Special Revenue Funds

South Coast Air Quality Management	Community Development Block Grant	Park and Recreation Improvement	AB 939
\$ 23,164	\$ 74,667	\$ 11,926	\$ 144,183
1,744	30,000		
24,908	104,667	11,926	144,183
	134,292	81,702	67,187
4,529			
4,529	134,292	81,702	67,187
20,379	(29,625)	(69,776)	76,996
		67,250	
		67,250	
20,379	(29,625)	(2,526)	76,996
83,043	\$ 749	258,857	554,937
\$ 103,422	\$ (28,876)	\$ 256,331	\$ 631,933

(Continued)

CITY OF CALABASAS  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
For the Year Ended June 30, 2003

	Special Revenue Funds		
	TDA	Affordable Housing	Local Law Enforcement Grant
Revenues:			
Taxes			
Intergovernmental			\$ 12,265
Developer fees		\$ 238,900	
Other	\$ 612	19,045	1,969
Total Revenues	612	257,945	14,234
Expenditures:			
Current:			
General government			
Public safety			35,718
Public works			
Community development			
Community services	30,522		
Capital outlay			
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures	30,522		35,718
Excess (Deficiency) of Revenues Over Expenditures	(29,910)	257,945	(21,484)
Other Financing Sources (Uses):			
Transfers in			15,266
Transfers out			
Total Other Financing Sources (Uses)			15,266
Net Change in Fund Balances	(29,910)	257,945	(6,218)
Fund Balances, Beginning,	30,031	796,505	6,218
Fund Balances, Ending	\$ 121	\$ 1,054,450	\$ -

Special Revenue Funds

<u>Storm Damage</u>	<u>COPS AB 3229</u>	<u>Library District</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
		\$ 862,779		\$ 1,788,568
\$ 810,552	\$ 100,000	28,050	\$ 335,135	1,539,942
	2,749	43,678	13,211	238,900
<u>810,552</u>	<u>102,749</u>	<u>934,507</u>	<u>348,346</u>	<u>3,726,757</u>
	106,037			141,755
		707,067		134,292
		91,824		1,133,334
			35,000	96,353
			<u>318,698</u>	<u>35,000</u>
	<u>106,037</u>	<u>798,891</u>	<u>353,698</u>	<u>318,698</u>
<u>810,552</u>	<u>(3,288)</u>	<u>135,616</u>	<u>(5,352)</u>	<u>1,867,325</u>
	(15,266)			82,516
				(613,687)
	(15,266)			(531,171)
810,552	(18,554)	135,616	(5,352)	1,336,154
<u>(883,840)</u>	<u>111,786</u>	<u>1,018,335</u>	<u>471,119</u>	<u>4,231,771</u>
<u>\$ (73,288)</u>	<u>\$ 93,232</u>	<u>\$ 1,153,951</u>	<u>\$ 465,767</u>	<u>\$ 5,567,925</u>

CITY OF CALABASAS  
 Nonmajor Proposition A Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 287,500	\$ 275,449	\$ (12,051)
Other	8,000	9,718	1,718
Total Revenues	<u>295,500</u>	<u>285,167</u>	<u>(10,333)</u>
Expenditures:			
Current:			
Community services	301,700	222,137	79,563
Total Expenditures	<u>301,700</u>	<u>222,137</u>	<u>79,563</u>
Net Change in Fund Balance	(6,200)	63,030	69,230
Fund Balances , Beginning	<u>140,350</u>	<u>140,350</u>	
Fund Balances, Ending	<u><u>\$ 134,150</u></u>	<u><u>\$ 203,380</u></u>	<u><u>\$ 69,230</u></u>



CITY OF CALABASAS  
 Nonmajor Highway Users Tax Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 429,500	\$ 424,892	\$ (4,608)
Other	12,000	14,307	2,307
Total Revenues	441,500	439,199	(2,301)
Net Change in Fund Balance	441,500	439,199	(2,301)
Fund Balances , Beginning	586,531	586,531	
Fund Balances, Ending	\$ 1,028,031	\$ 1,025,730	\$ (2,301)

CITY OF CALABASAS  
 Nonmajor Proposition C Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Taxes	\$ 220,000	\$ 225,448	\$ 5,448
Other	30,000	22,314	(7,686)
Total Revenues	<u>250,000</u>	<u>247,762</u>	<u>(2,238)</u>
Expenditures:			
Current:			
Community services	64,000	24,719	39,281
Excess (Deficiency) of Revenues Over Expenditures	<u>186,000</u>	<u>223,043</u>	<u>37,043</u>
Other Financing Sources (Uses):			
Transfers out	<u>(808,305)</u>	<u>(598,421)</u>	<u>209,884</u>
Net Change in Fund Balance	(622,305)	(375,378)	246,927
Fund Balances, Beginning	<u>1,057,150</u>	<u>1,057,150</u>	
Fund Balances, Ending	<u>\$ 434,845</u>	<u>\$ 681,772</u>	<u>\$ 246,927</u>

CITY OF CALABASAS  
 Nonmajor South Coast Air Quality Management Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 23,000	\$ 23,164	\$ 164
Other	1,800	1,744	(56)
Total Revenues	24,800	24,908	108
Expenditures:			
Capital outlay	29,800	4,529	25,271
Net Change in Fund Balance	(5,000)	20,379	25,379
Fund Balances , Beginning	83,043	83,043	
Fund Balances, Ending	\$ 78,043	\$ 103,422	\$ 25,379

CITY OF CALABASAS  
 Nonmajor Community Development Block Grant Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 115,000	\$ 74,667	\$ (40,333)
Other	2,500	30,000	27,500
Total Revenues	117,500	104,667	(12,833)
Expenditures:			
Current:			
Community development	92,648	134,292	(41,644)
Excess (Deficiency) of Revenues Over Expenditures	24,852	(29,625)	(54,477)
Other Financing Sources (Uses):			
Transfers out	(42,500)		42,500
Net Change in Fund Balance	(17,648)	(29,625)	(11,977)
Fund Balances , Beginning	749	749	
Fund Balances, Ending	\$ (16,899)	\$ (28,876)	\$ (11,977)

CITY OF CALABASAS  
 Nonmajor Park and Recreation Improvement Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 137,000	\$ 11,926	\$ (125,074)
Expenditures:			
Current:			
Community services	247,000	81,702	165,298
Excess (Deficiency) of Revenues Over Expenditures	(110,000)	(69,776)	40,224
Other Financing Sources (Uses):			
Transfers in		67,250	67,250
Net Change in Fund Balance	(110,000)	(2,526)	107,474
Fund Balances, Beginning	258,857	258,857	
Fund Balances, Ending	\$ 148,857	\$ 256,331	\$ 107,474

CITY OF CALABASAS  
 Nonmajor AB939 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 125,000	\$ 144,183	\$ 19,183
Expenditures:			
Current:			
Community services	115,000	67,187	47,813
Net Change in Fund Balance	10,000	76,996	66,996
Fund Balances , Beginning	554,937	554,937	
Fund Balances, Ending	\$ 564,937	\$ 631,933	\$ 66,996

CITY OF CALABASAS  
 Nonmajor TDA Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other		\$ 612	\$ 612
Expenditures:			
Current:			
Community services		30,522	(30,522)
Net Change in Fund Balance		(29,910)	(29,910)
Fund Balances , Beginning	\$ 30,031	30,031	
Fund Balances, Ending	\$ 30,031	\$ 121	\$ (29,910)

CITY OF CALABASAS  
 Nonmajor Affordable Housing Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Developer fees	\$ 50,000	\$ 238,900	\$ 188,900
Other	25,000	19,045	(5,955)
Total Revenues	75,000	257,945	182,945
Net Change in Fund Balance	75,000	257,945	182,945
Fund Balances, Beginning	796,505	796,505	
Fund Balances, Ending	\$ 871,505	\$ 1,054,450	\$ 182,945



CITY OF CALABASAS  
 Nonmajor Local Law Enforcement Grant Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 15,000	\$ 12,265	\$ (2,735)
Other	<u>200</u>	<u>1,969</u>	<u>1,769</u>
Total Revenues	<u>15,200</u>	<u>14,234</u>	<u>(966)</u>
Expenditures:			
Current:			
Public safety	<u>37,500</u>	<u>35,718</u>	<u>1,782</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(22,300)</u>	<u>(21,484)</u>	<u>816</u>
Other Financing Sources (Uses):			
Transfers in	<u>26,000</u>	<u>15,266</u>	<u>(10,734)</u>
Net Change in Fund Balance	3,700	(6,218)	(9,918)
Fund Balances , Beginning	<u>6,218</u>	<u>6,218</u>	
Fund Balances, Ending	<u>\$ 9,918</u>	<u>\$ -</u>	<u>\$ (9,918)</u>

CITY OF CALABASAS  
 Nonmajor Storm Damage Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Intergovernmental	<u>\$ 810,550</u>	<u>\$ 810,552</u>	<u>\$ 2</u>
Total Revenues	<u>810,550</u>	<u>810,552</u>	<u>2</u>
Net Change in Fund Balance	810,550	810,552	2
Fund Balances (Deficits), Beginning	<u>(883,840)</u>	<u>(883,840)</u>	
Fund Balances (Deficits), Ending	<u><u>\$ (73,290)</u></u>	<u><u>\$ (73,288)</u></u>	<u><u>\$ 2</u></u>

CITY OF CALABASAS  
 Nonmajor COPS - AB3229 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 100,000	\$ 100,000	
Other	<u>3,000</u>	<u>2,749</u>	\$ (251)
Total Revenues	<u>103,000</u>	<u>102,749</u>	<u>(251)</u>
Expenditures:			
Current:			
Public safety	<u>123,077</u>	<u>106,037</u>	<u>17,040</u>
Total Expenditures	<u>123,077</u>	<u>106,037</u>	<u>17,040</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(20,077)</u>	<u>(3,288)</u>	<u>17,291</u>
Other Financing Sources (Uses):			
Transfers out	<u>(26,000)</u>	<u>(15,266)</u>	<u>10,734</u>
Net Change in Fund Balance	(46,077)	(18,554)	28,025
Fund Balances, Beginning	<u>111,786</u>	<u>111,786</u>	
Fund Balances, Ending	<u><u>\$ 65,709</u></u>	<u><u>\$ 93,232</u></u>	<u><u>\$ 28,025</u></u>

CITY OF CALABASAS  
 Nonmajor Library District Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 781,500	\$ 862,779	\$ 81,279
Intergovernmental	25,000	28,050	3,050
Other	<u>33,000</u>	<u>43,678</u>	<u>10,678</u>
<b>Total Revenues</b>	<u>839,500</u>	<u>934,507</u>	<u>95,007</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Community services	725,330	707,067	18,263
Capital outlay	<u>91,067</u>	<u>91,824</u>	<u>(757)</u>
<b>Total Expenditures</b>	<u>816,397</u>	<u>798,891</u>	<u>17,506</u>
<b>Net Change in Fund Balance</b>	23,103	135,616	112,513
<b>Fund Balances , Beginning</b>	<u>1,018,335</u>	<u>1,018,335</u>	
<b>Fund Balances, Ending</b>	<u><u>\$ 1,041,438</u></u>	<u><u>\$ 1,153,951</u></u>	<u><u>\$ 112,513</u></u>

CITY OF CALABASAS  
 Nonmajor Debt Service Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2003

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 347,410	\$ 335,135	\$ (12,275)
Other	10,000	13,211	3,211
Total Revenues	357,410	348,346	(9,064)
Expenditures:			
Debt service:			
Principal	35,000	35,000	
Interest and fiscal charges	312,410	318,698	(6,288)
Total Expenditures	347,410	353,698	(6,288)
Net Change in Fund Balance	10,000	(5,352)	(15,352)
Fund Balances , Beginning	471,119	471,119	
Fund Balances, Ending	\$ 481,119	\$ 465,767	\$ (15,352)

## DESCRIPTIONS OF AGENCY FUNDS

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Las Virgenes Parking Authority – used to account for assets held for the Las Virgenes Parking Authority.

Community Facilities District 98-1 – used to account for monies held to account for debt service requirements of Community Facilities District No. 98-1.

Community Facilities District 2001-1 – used to account for monies held to account for debt service requirements of Community Facilities District No. 2001-1.

CITY OF CALABASAS  
Combining Statement of Agency Funds  
June 30, 2003

<u>Assets</u>	<u>Las Virgenes Parking Authority Fund</u>	<u>Community Facilities District 98-1</u>	<u>Community Facilities District 2001-1</u>	<u>Total</u>
Cash and investments	\$ 61,464			\$ 61,464
Special tax receivable		\$ 30,545	\$ 5,922	36,467
<b>Total Assets</b>	<b>\$ 61,464</b>	<b>\$ 30,545</b>	<b>\$ 5,922</b>	<b>\$ 97,931</b>
 <u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 61,464			\$ 61,464
Due to fiscal agent		\$ 30,545	\$ 5,922	36,467
<b>Total Liabilities</b>	<b>\$ 61,464</b>	<b>\$ 30,545</b>	<b>\$ 5,922</b>	<b>\$ 97,931</b>

CITY OF CALABASAS  
Statement of Changes in Agency Funds  
For the Year Ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2003</u>
<u>Las Virgenes Parking Authority Fund</u>				
Assets:				
Cash and investments	\$ 42,549	\$ 224,918	\$ 206,003	\$ 61,464
Liabilities:				
Accounts payable and accrued liabilities	\$ 42,549	\$ 216,071	\$ 197,156	\$ 61,464
<u>Community Facilities District 98-1</u>				
Assets:				
Cash and investments	\$ 102,095	\$ 1,182,822	\$ 1,284,917	
Special tax receivable	63,169	30,545	63,169	\$ 30,545
	<u>\$ 165,264</u>	<u>\$ 1,213,367</u>	<u>\$ 1,348,086</u>	<u>\$ 30,545</u>
Liabilities:				
Due to fiscal agent	\$ 165,264	\$ 30,545	165,264	\$ 30,545
	<u>\$ 165,264</u>	<u>\$ 30,545</u>	<u>\$ 165,264</u>	<u>\$ 30,545</u>
<u>Community Facilities District 2001-1</u>				
Assets:				
Cash and investments	\$ 348,564	\$ 2,202,161	\$ 2,550,725	
Special tax receivable		5,922		\$ 5,922
	<u>\$ 348,564</u>	<u>\$ 2,208,083</u>	<u>\$ 2,550,725</u>	<u>\$ 5,922</u>
Liabilities:				
Due to fiscal agent	\$ 348,564	\$ 5,922	348,564	\$ 5,922
	<u>\$ 348,564</u>	<u>\$ 5,922</u>	<u>\$ 348,564</u>	<u>\$ 5,922</u>
<u>Total Agency Funds</u>				
Assets:				
Cash and investments	\$ 493,208	\$ 3,609,901	\$ 4,041,645	\$ 61,464
Special tax receivable	63,169	36,467	63,169	36,467
	<u>\$ 556,377</u>	<u>\$ 3,646,368</u>	<u>\$ 4,104,814</u>	<u>\$ 97,931</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 42,549	\$ 216,071	\$ 197,156	\$ 61,464
Due to fiscal agent	513,828	36,467	513,828	36,467
	<u>\$ 556,377</u>	<u>\$ 252,538</u>	<u>\$ 710,984</u>	<u>\$ 97,931</u>