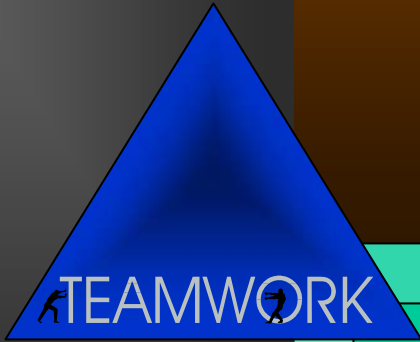


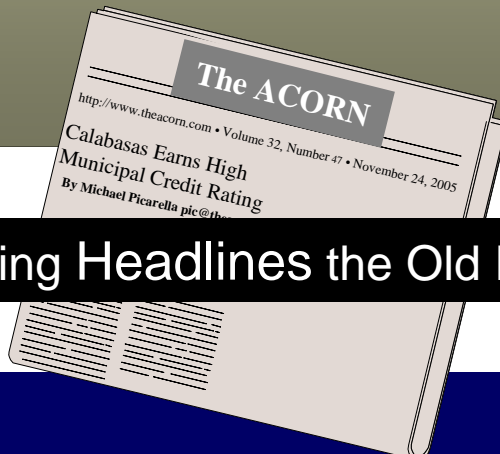
"Cultivating a thriving city is not a financial science.
It's about creating an environment that maximizes citizen buy-in".

---Gary J. Lysik, CFO



CITY of CALABASAS, CA
**Comprehensive Annual
FINANCIAL REPORT**

For the Fiscal Year Ended:
June 30, 2005



We're making Headlines the Old Fashion Way . . .

CALABASAS in the NEWS

**Calabasas Earns High
Municipal Credit Rating**

November 24, 2005

**\$27M City Hall, Theater & Library Complex
Will Come in on Time and on Budget**

June 9, 2005

**Traffic Light Poised to
Improve Intersection**

March 9, 2005

**New Medians Coming to
Las Virgenes Road
in Calabasas**

January 29, 2004

Calabasas Earns Water Quality Award

October 20, 2005

**Calabasas Staff Earns
Public TV Acclaim**

June 2, 2005

... We're EARNING them.



CITY of CALABASAS

26135 Mureau Rd. Calabasas CA 91302-3172
Phone 818.878.4225 Fax 818.878.4215
<http://www.cityofcalabasas.com>

Comprehensive Annual Financial Report
Year Ended June 2005

OFFICE OF FINANCE
Gary J. Lysik
Chief Financial Officer

Cover Design and Report Prepared and Compiled by

MunicipalXpress
PO Box 1392
Canyon Country, CA 91386
Phone 818.206.3535
<http://www.municipalXpress.com>

In Conjunction With
The City of Calabasas Office of Finance



Table of Contents

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal.....	7
Mission and Value Statements.....	13
City Organization Chart.....	14
<i>Commissions.....</i>	<i>14</i>
City Officials.....	15
City Management.....	17
Map of the City.....	18
<u>FINANCIAL SECTION</u>	
Highlights.....	19
Independent Auditor’s Report.....	21
Management’s Discussion and Analysis.....	23
Basic Financial Statements.....	39
<i>Government-wide Financial Statements.....</i>	<i>39</i>
Statement of Net Assets.....	39
Statement of Activities.....	40
<i>Fund Financial Statements.....</i>	<i>42</i>
Balance Sheet – Governmental Funds.....	42
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.....	44
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds....	46
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	48
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	49
General Fund.....	49
Developer Impact Fees Special Revenue Fund.....	51
Landscape Maintenance District Special Revenue Fund.....	52
Grants Special Revenue Fund.....	53
Statement of Net Assets – Proprietary Fund.....	54
Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Fund.....	55
Statement of Cash Flows – Proprietary Funds.....	56
Statement of Fiduciary Net Assets.....	57



Notes to Basic Financial Statements	58
Supplemental Information.....	85
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual</i>	<i>85</i>
Capital Improvement Capital Projects Fund	85
Civic Center Capital Projects Fund.....	86
Nonmajor Governmental Funds	87
<i>Definitions.....</i>	<i>87</i>
<i>Combining Balance Sheet – Nonmajor Governmental Funds</i>	<i>90</i>
<i>Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non Major Governmental Funds.....</i>	<i>94</i>
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual</i>	<i>98</i>
Special Revenue Funds	98
Proposition A.....	98
Highway Users Tax	99
Proposition C.....	100
South Coast Air Quality Management.....	101
Community Development Block Grant.....	102
Park and Recreation Improvement	103
AB 939	104
B&T Lost Hills District.....	105
Used Oil Grant.....	106
TDA.....	107
Affordable Housing.....	108
Storm Damage.....	109
COPS – AB 3229	110
Library District.....	111
Debt Service Fund.....	112
Agency Funds.....	113
<i>Definitions.....</i>	<i>113</i>
<i>Combining Statement of Assets and Liabilities</i>	<i>114</i>
<i>Combining Statement of Changes in Assets and Liabilities</i>	<i>116</i>
Additional Reports	119
<i>Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....</i>	<i>119</i>

STATISTICAL SECTION

Financial Trends	121
<i>Net Assets by Component.....</i>	<i>122</i>



<i>Changes in Net Assets</i>	123
<i>Fund Balances – Governmental Funds</i>	124
<i>Change in Fund Balances – Governmental Funds</i>	126
Revenue Capacity	128
<i>Assessed Values of Taxable Property</i>	129
<i>Property Tax Rates – All Overlapping Governments</i>	130
<i>Principal Property Tax Payers</i>	132
<i>Secured Property Tax Levies and Collections</i>	133
Debt Capacity	134
<i>Ratios of Outstanding Debt by Type</i>	135
<i>Estimated Direct and Overlapping Governmental Activities Debt</i>	136
<i>Legal Debt Margin Information</i>	138
Demographic and Economic Information	140
<i>Demographic and Economic Statistics</i>	141
<i>Principal Employers</i>	142
Operating Information	144
<i>Full-Time Equivalent City Government Employees by Function/Department</i>	145
<i>Operating Indicators by Function / Program</i>	146
<i>Capital Asset Statistics by Function / Program</i>	147



Office of **FINANCE**
A Leader in “Transparent Accounting”

Gary J. Lysik, Chief Financial Officer, 26135 Mureau Road, Calabasas, CA 91302 (818) 878-4225 FAX (818) 878-4215 <http://www.cityofcalabasas.com>

December 28, 2005

The Honorable Mayor Barry Groveman
The Honorable Members of the City Council
Citizens of the City of Calabasas, CA

LETTER OF TRANSMITTAL

The Comprehensive Annual Financial Report (CAFR) represents a compilation of financial data that details the City’s financial workings. Information contained in this report was prepared in strict accordance with guidelines set forth by the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO). With this writing, the City of Calabasas’ Office of Finance is pleased to be among the first of many California cities to fully implement GASB 44 as a part of their CAFR. The CAFR is intended to provide readers with a clearly articulated, user-friendly reporting of the City’s financial affairs. As such, the City assumes responsibility for content accuracy, completeness, and objectivity of the presentation.

The CAFR is presented in three primary sections:

- 1) *Introductory Section* - includes this letter of transmittal, a list of principal officials, an outline of city management staff, an organization chart, and a map of the City.
- 2) *Financial Section* – consists of the Independent Auditor’s Report, Management’s Discussion and Analysis (MD&A), financial statements, notes to the financial statements, and required supplementary information.
- 3) *Statistical Section* – supplies specific financial information on a multi-year basis and provides general demographic data.

Within the CAFR, readers will find reporting on all funds and account groups for the City of Calabasas. In accordance with the criteria established by GASB Statement No. 14, the City of Calabasas Facilities Corporation’s financial data has been included within the City’s general purpose financial statements as a “blended” component unit because the primary government is financially accountable for the Corporation.

THE PRIMARY GOVERNMENT

The City of Calabasas was incorporated on April 5, 1991. It is classified as a general law city because it is reliant upon California state law to define procedural regulations utilized by City Council. Through a



general election process, the five-member council is elected to staggered four year terms. The council serves as the City’s primary governing body.

In April of each year the council selects one of its members to serve as Mayor and one to serve as Mayor Pro Tem. Calabasas City Council retains authority over the management of the City. Additionally, a City manager oversees daily functions and ensures that directions of the council are carried out.

For financial reporting purposes, the primary government consists of all legally joined funds, organizations, agencies, boards, commissions, and authorities that are considered part of the City’s legal domain.

Additionally, reporting for contractual services provided by Los Angeles County or private vendors such as law enforcement, fire protection, animal control, public works maintenance, park maintenance, and traffic signal maintenance are also included in the financials. Reporting for other contractual services such as refuse collection, landscape maintenance, street sweeping, crossing guards, parking administration, janitorial services, and major capital projects is included as well. The City provides Planning, Building and Safety, Code Enforcement, Engineering, Traffic and Transportation, Recreation Programs, Media Operations, Financial Support, and Administrative Services with City employees.

THE CITY OF CALABASAS

Situated approximately 25 miles west of downtown Los Angeles (8 miles east of the Ventura County line), Calabasas is located in western Los Angeles County in the foothills of the Santa Monica Mountains National Recreation Area and adjacent to the San Fernando Valley. The first recorded occupation in the area was by Chumash Native Americans who settled along the banks of Calabasas Creek during the mid-1800s. Today, neighboring communities include Agoura Hills, Malibu, Westlake Village and Hidden Hills.

The City’s distinctive character is in part derived from its natural environment, oak-studded hillsides, and natural open space. Other notable characteristics include its physical diversity, small town atmosphere, and active population.

Primary access to this community is from the 101 Ventura Freeway or by taking Malibu Canyon Road north four miles from Pacific Coast Highway.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

Accurate accounting of the City’s assets is essential to safeguard against loss and misrepresentation. Calabasas’ system of accounting establishes solid control of the City’s financial assets and allows for



budgeting and reliable performance reporting. It provides for the proper recording of financial transactions and lends itself to the establishment of accurate financial statements.

The City's recently adopted financial approach includes a two-year budget that is approved on an annual basis. In other words, each year the City Council is presented with a new, rolling two-year budget for approval. One benefit resulting from this approach is that the City always has at least a 12-month (look-ahead) budget that has not yet been executed. From a budgetary standpoint, providing a longer forward plan better prepares staff to manage future projects. It should be noted that although in its infancy, this approach has already proven beneficial, particularly in regards to the Capital Improvement Program (CIP).

CAPITAL IMPROVEMENTS

Calabasas' Capital Improvement Program is a component of the budget process and addresses the City's short and long-term capital needs. The CIP includes a plan to effectively maintain existing infrastructure as well as provide new facilities to support population growth and replace older assets that are no longer useful or are unsafe. Among the City's future capital projects is the construction of a new Civic Center campus, which is to include a City Hall, a new Library, and underground parking. Additionally, the City has highlighted projects to improve transportation in and around Calabasas.

CASH MANAGEMENT

The City makes investments in accordance with the provisions of Government Code Section 53600, et seq. and of the City's Investment Policy. The standard of prudence used by investment officials of the City is the "prudent person" standard which states that investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The criteria for selecting investments and the absolute order of priority shall be: 1) safety, 2) credit risk, 3) market risk, 4) Liquidity, and 5) yield.

The City invests in two different investment vehicles including the State Treasurer's Local Agency Investment Fund (LAIF) and in securities issued by the U.S. Government. The average yield on investment for the year was 3.88%, with total earnings for all funds equaling \$1,335,349.

RISK MANAGEMENT

As a California Joint Powers Insurance Authority (CJPIA) member, the City of Calabasas maintains full coverage for all municipal events under its general liability policy. This policy provides for total coverage, including bodily injury, property damage, or personal injury. In addition to general liability, the City



maintains coverage for automobiles, workers' compensation, property, environmental, public official bonds, and special events.

LOCAL ECONOMIC CONDITION AND OUTLOOK

Calabasas is one of America's wealthiest communities with a current per capita income of \$53,812, which is 2.4 times that of the State of California. At \$112,339, the median household income in Calabasas in 2005 was nearly twice that of the State of California. The median age of Calabasas residents in 2005 was 38.1, while the median age in the United States as a whole was 35.3 years.

As with the greater region, the local area housing market has been characterized by substantial growth in the number of units and values over the last 20 years. Reflecting the severity of the recent recession, pricing and the number of units sold dropped in the early 1990's only to rebound significantly during the last five years. Further cause for increased demand and rising prices is the limited number of new projects being built in the City. The median home value was \$782,000.

Labeled a business friendly city, Calabasas continues to entice companies to relocate to and remain in the City by refraining from charging a business tax. As a result, the City enjoys a strong and diverse business and retail base both of which contribute greatly to revenue received through sales tax. All indicators predict a very strong financial future for the City.

ACCOMPLISHMENTS

The financial state of the City of Calabasas is better today than prior fiscal years. The City's higher credit rating recently issued by Moody's provides a solid testimony to this assertion. Fundamentally, the improved positioning of the City's finances is a relational byproduct of clearly defined, consistent management practices and responsible stewardship of the City's assets. Following are undertakings that have helped to strengthen the City's financial stability.

1. Refunding the existing 1999 Certificates of Participation (COPs).

The 1999 COPs (\$6.345 million) were issued to a) purchase Creekside Park, b) purchase the future Civic Center site, and c) refund the Mello Roos Tax associated with the Civic Center site. A strategic decision to refund the 1999 COPs allowed for the removal of all encumbrances on the property on which the new civic center will be constructed. The significance of detaching the civic center site from the 1999 bond issuance eliminates the exposure of a reduction or nullification of the grant issued by the California State Library, Office of Library Construction for the construction of the new library due to ownership issues. The potential savings of this effort is the amount of the grant from the Office of Library Construction totaling \$8.2 million.



Refunding also allowed the City to take advantage of historically lower interest rates enabling the City to pay off the amount owed for Creekside Park 12 years earlier than its originally scheduled term. Actual gross saving realized as a result of this action is over \$3.0 million.

2. Revamp instead of replace the City's Financial Tracking System.

Since its incorporation the City has used a financial tracking system [Fund Balance] to keep record of its financial transactions. However, years of growth and increased financial intricacies has significantly burdened the system. Rather than retire the existing system, Fund Balance has been revamped thereby allowing for system performance enhancement while saving the City nearly \$650,000 - the cost of an adequate system replacement.

3. Grant Management

A grant reimbursement program was instituted. As a result of the program, grant reimbursement requests submitted total \$3,074,904.59. Of this, \$2,738,706.09 has been collected.

ACKNOWLEDGEMENTS

Within the Department of Finance, I am particularly proud to be at the helm of a committed team of individuals, each contributing to the soundness of the numbers and to the accuracy in which they are reported.

Luisa Barancik: painstakingly prepared payments to vendors of the City and had a careful eye for ensuring proper coding and correctness regarding the issuance of money for payment.

Paul Chung: did an outstanding job at keeping track of revenue received by the City and administering payroll for all City employees (including those from the Community Center), in an accurate and timely fashion.

Natalie Fridman: contributed greatly to preparing and maintaining accurate records regarding refundable deposit accounts. Her commitment to ensuring that each individual project was properly and completely accounted for was essential to building and maintaining community confidence.

Lesley Pelka: made significant contributions in numerous ways, from the day-to-day postings of all accounting transactions to interfacing directly with the auditors. She was committed to meeting established deadlines and completing a multitude of different assignments.

Claudia Reyes: contributed greatly by identifying and gathering data required for GASB 44 compliance. Throughout the year, she was also responsible for the reconciliation of the bank account statements which ensured that the City's financial records were accurate and free from material misrepresentation.

Shaylene Stepner: was responsible for the accuracy and maintenance of the Grant Fund (Fund 36) and all related components. She provided requested information to the auditors regarding grant activity in a timely and accurate fashion. Additionally, she provided a contract log making it easier to verify agreements with vendors for payment purposes.



Sandy Smith: made contributions in almost every facet of the department. Assisting with gathering data for the preparation of the CAFR, her presence continues to provide value and efficiency.

Karlo Gorgon (Media Department): for his willingness to provide hands-on support as it relates to media consultation.

Certainly the Mayor (Barry Groveman), council members (James Bozajian, Mary Sue Maurer, Jonathon Wolfson, and Mayor Pro Tem Dennis Washburn), and the city manager (Tony Coroalles) must be acknowledged for providing a design template for cultivating a strong finance organization.

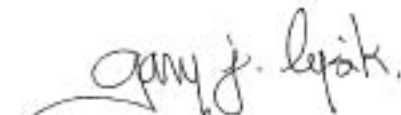
INDEPENDENT AUDIT

For the fiscal year ended June 30, 2005, the City's financial statements were audited by the certified public accounting firm of Moss, Levy & Hartzheim to ensure that the financial statements of the City were free of material misstatement. The audit a) examined activities, documents, and disclosures used to create the financial statements, b) assessed the accounting principles used by management, and c) evaluated the overall financial statement presentation. The results of the audit are as follows:

- The City's financial statements are free of material misstatement and are presented in accordance with Generally Accepted Accounting Principles (GAAP).
- Internal control over financial reporting and its operation was considered free from material weaknesses.
- Financial statements fairly depict the respective financial position of governmental activities, business-type activities, and each major fund as of June 30, 2005.

In this, it is my goal to provide readers and citizens an accurate depiction of the financial standing and activities regarding the City of Calabasas.

Respectfully submitted,



Gary J. Lysik, Chief Financial Officer
City of Calabasas



Mission and Value Statements

MEMO

Mission Statement

In a spirit of excellence, integrity, and dedication, the Finance Department is committed to providing timely, accurate, clear, and complete information and support to other City departments, citizens, and the community at large.

Values

Quality

A high standard of excellence drives Finance to provide outstanding levels of support, service, and products. The Department strives to be exemplary in all activities and continuously exceed expectations.

Integrity

The Finance Department commits to conforming to the highest level of ethical standards. The services and decisions we offer will be honest, fair, and impartial.

Leadership

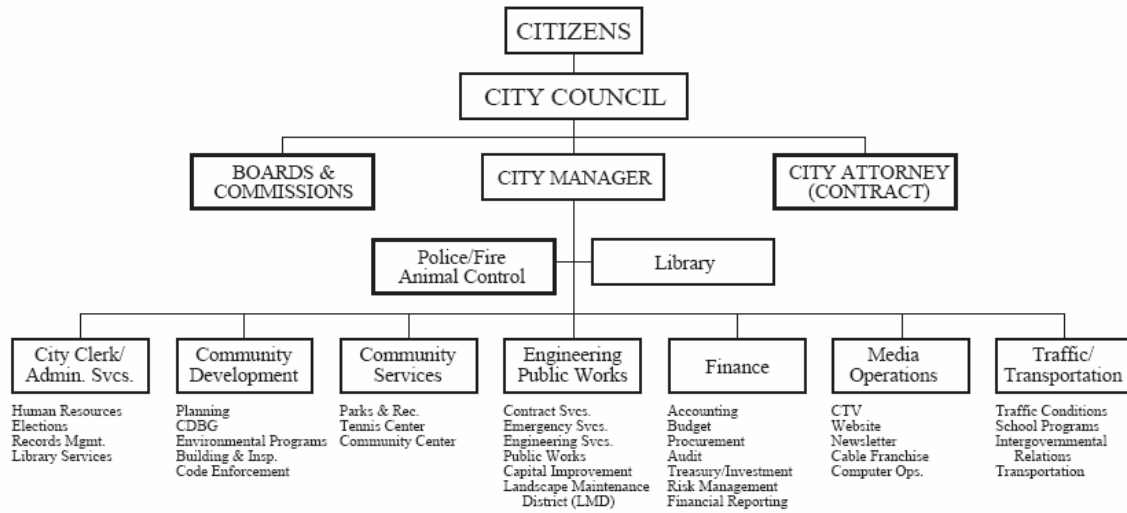
The Department leads by example while encouraging growth and advancement in the organization. Finance provides direction through experience and desires to be acknowledged as the “Go-To Organization” for critical decision making needs.

Teamwork

Finance aims to make the best decisions collectively and in the best interest of the City. As a team, we capitalize on the strengths of each member. In this way, we “Advance the Flame” and provide superior support for staff members and residents.



City Organization Chart



Commissions

- Communications and Technology Commission – Robert J. Lia, Chair
- Environmental Commission – Ronit Levy-Getter, Chair
- Library Commission – Robert Hill, President
- Parks, Recreation and Education Commission – Myra Turek, Chair
- Planning Commission – Gary Klein, Chair
- Public Safety Commission – Richard Woolard, Chair
- Traffic and Transportation Commission – Peter Valk, Chair



City Officials



Barry Groveman
Mayor

First Elected: 2003

Biographical Information:

- Mayor and Councilmember, City of Calabasas
- Environmental lawyer
- Former Prosecutor
- Co-Author, Proposition 65 – Safe Drinking Water Act
- Head, Public law and Environment Practice, Musick, Peeler LLP
- Chair, Inland Empire Water Quality Task Force
- Special Assistant District Attorney, Environmental Crime
- Board Member, Boy's Home
- Member, Mountain Park Homeowners Association



Dennis Washburn
Mayor Pro Tem

First Elected: 1991

Biographical Information:

- CLVFF Trustee since 1/92
- Executive Director, Foundation for Pierce College
- Mayor and Councilmember, City of Calabasas
- Founder / President, Las Virgenes-Malibu-Conejo Council of Governments
- Director, Resource Conservation District of the Santa Monica Mountains
- Vice President, Marketing and Sales, Chadpak Company, Inc.

Mr. Washburn was re-elected to a fourth term in 2003, has served for the past 15 years on the Calabasas City Council, and served three terms as Mayor. A long list of civic and community involvements includes: Regional Council Member of the Southern California Association of Governments (SCAG), Vice President and elected director of the Santa Monica Mountains Resource Conservation District, Commissioner of the Santa Monica Bay Restoration Commission, Chair of the Santa Monica Mountains Fund; Chairman of the both the SCAG Energy & Environment Policy Committee and Water Policy Task Force; Chairman of the Malibu Creek Watershed Council. He served as president of the Las Virgenes Homeowners Federation, the Greater Mulwood Homeowners Association, and Executive Vice President of the Calabasas Cityhood Committee. He has received many awards for his community services from congressmen, state legislators, county supervisors, Park Agencies, the Goodyear Conservation Award (1994), the Calabasas Chamber of Commerce - Bill Van Giesen - "Man of the Year" Award (2000), and in 2003, the Calabasas Historical Society presented Dennis with its "Living History Award." Mr. Dennis Washburn holds a BA in International Relations/Political Science from U.C.-Berkeley, an MBA in Marketing/Finance from San Diego State University, was a lecturer/assistant professor in Business Management at SDSU, and is a Certificated Mediator, focusing on public sector conflict resolution.



James Bozajian
Councilmember

First Elected: 1997

Biographical Information: James Bozajian is currently serving his third term on the Calabasas City Council. He was Mayor in 1998-99 and 2003-04. Mr. Bozajian remains actively involved in many community organizations. He is Chairman of the Agoura Hills/Calabasas Community Center Joint Powers Authority, and is on the Board of Directors of the Calabasas Historical Society. From 1993 to 1997, he served on the Calabasas Community Policing Commission. Mr. Bozajian received a Bachelor of Arts degree in History from UCLA and graduated from USC School of Law. He has been a Deputy District Attorney for the County of Los Angeles for 15 years. He has served on the Board of Directors of the Los Angeles County Association of Deputy District Attorneys for 13 years, including two terms as President.



Mary Sue Maurer
Councilmember

Year First Elected: 2005

Biographical Information:

- Member, Calabasas Education Commissioner
- Vice President, Greater Mulwood Homeowners Association
- Member, LVUSD Health Task Force
- Volunteer, Boy Scouts of America
- Co-Founder, Middle School Now
- Field Deputy to Assemblymember Fran Pavley



Jonathon Wolfson
Councilmember

Year First Elected: 2005

Biographical Information:

- Commissioner, Planning Commission – City of Calabasas
- Lawyer, Cinmark Company
- Juris Doctorate (J.D.), George Washington University
- Master of Arts Degree (M.A.), Boston College
- Bachelor of Arts Degree (B.A.), George Washington University
- Member, California Bar Association
- Executive Vice President, Congregation Or Ami
- Member, Calabasas Hills Homeowners Association
- Member, Mountain Park Homeowners Association



City Management



Tony Corrales
City Manager



Gary J. Lysik
Chief Financial Officer



Michael Colantuono
City Attorney

Chuck Mink, *Public Works Director*

Robin Parker, *Assistant City Manager/City Clerk*

Jeff Rubin, *Community Services Director*

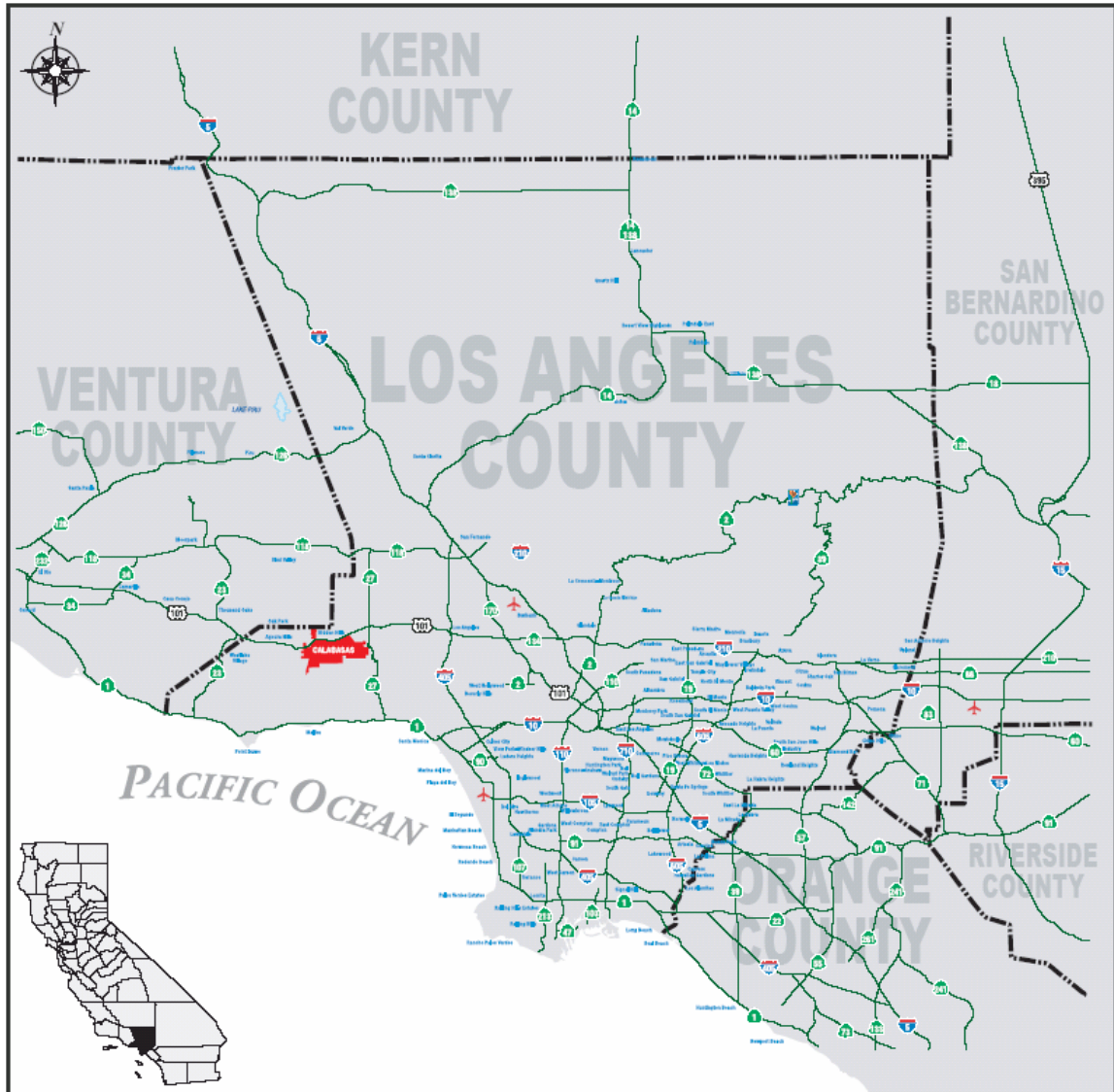
Deborah Steller, *Media Operations Director*

Maureen Tamuri, *Community Development Director*

Robert Yalda, *Traffic & Transportation Director*



Map of the City



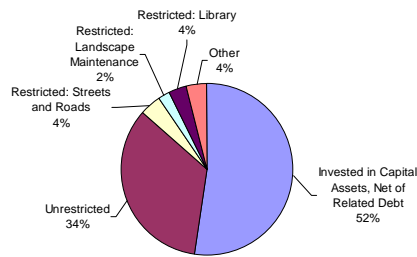


Highlights

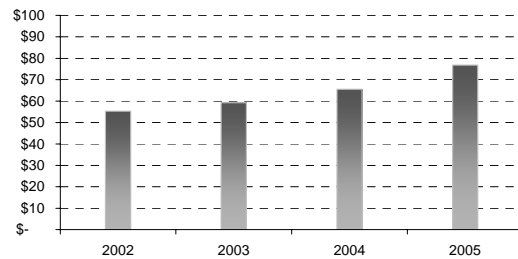
The Financial Section details the City's financial workings for fiscal year ended June 30, 2005. This section is expected to enlighten readers as to financial highlights, occurrences, and events affecting the City's annual budget.

The City continues to enjoy financial growth. Please reference the charts and graphs below for an overview of the City's financial standing.

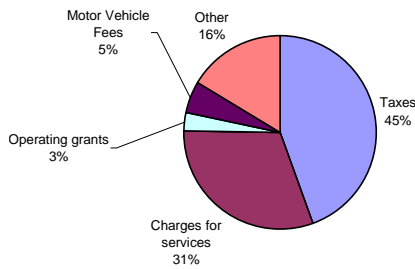
Net Assets - Primary Government
For the Fiscal Year Ended June 30, 2005
(as a percent)



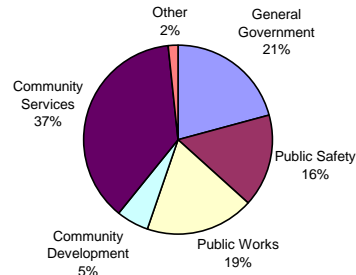
Total Net Assets - Governmental Activities
For the Fiscal Year Ended June 30, 2005
(amounts in millions)



Revenues by Source - Governmental Activities
For the Fiscal Year Ended June 30, 2005
(as a percent)



Expenses - Governmental Activities
For the Fiscal Year Ended June 30, 2005
(as a percent)





THIS PAGE LEFT INTENTIONALLY BLANK



MOSS, LEVY & HARTZHEIM

CERTIFIED PUBLIC ACCOUNTANTS
9107 WILSHIRE BLVD., SUITE 400
BEVERLY HILLS, CALIFORNIA 90210

TELEPHONE (310) 273-2745
FAX (310) 273-1689
E-MAIL: mlhbh@pacbell.net

MEMBER:

AMERICAN INSTITUTE OF C.P.A.S
CALIFORNIA SOCIETY OF C.P.A.S
CALIFORNIA SOCIETY OF
MUNICIPAL FINANCE OFFICERS
CALIFORNIA ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS

OFFICES:

BEVERLY HILLS, CALIFORNIA
SANTA MARIA, CALIFORNIA

ROBERT M. MOSS, C.P.A.*
RONALD A. LEVY, C.P.A.*
CRAIG A. HARTZHEIM, C.P.A.*
HADLEY HUI, C.P.A.
PAUL NIEDERMULLER, C.P.A.

*DENOTES PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR’S REPORT

The Honorable City Council
Of the City of Calabasas
Calabasas, California

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 fiscal year ended June 30, 2005, 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, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Developer Impact Fees Special Revenue Fund, Landscape District Maintenance Special Revenue Fund, and Grants Special Revenue Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2005 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 grant agreements and other matters. 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 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.

The Management’s Discussion and Analysis on pages 23 through 38 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 inquires 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’s basic financial statements. The introductory section, combining nonmajor fund financial statements, major capital projects budgetary comparison schedule, nonmajor funds budgetary comparison schedules, combining agency fund statement of net assets, statement of changes in assets and liabilities agency funds, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements, major capital projects budgetary comparison schedule, nonmajor funds budgetary comparison schedules, and combining agency fund statement of net assets, and statement of changes in assets and liabilities agency funds 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. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Moss, Levy & Hartzheim
October 28, 2005



Management’s Discussion and Analysis

Management’s Discussion and Analysis (MD&A)
Fiscal Year Ended June 30, 2005

Note: Throughout this discussion the term "City" as used herein refers to The City of Calabasas and all subordinate entities falling under its immediate financial domain.

Management’s Discussion and Analysis (MD&A) is presented as a supplement to the City’s financial statement. The MD&A offers an objective narrative of the City’s financial activities based upon facts, decisions, and conditions known to management as of the auditor’s report date for the fiscal year ended June 30, 2005. Readers are encouraged to utilize this report in conjunction with the information outlined in the City’s financial statements and notes to the financial statements (found on subsequent pages). A summary of the fiscal year’s financial picture immediately follows.

Summary Highlights

- City assets exceeded liabilities by \$79.3 million
- Total net assets increased by \$11.1 million
- Combined ending fund balances for governmental funds experienced a 20% increase
- \$37.5 million available for the City’s governmental activity
- Unreserved fund balance for the general fund was \$19.4 million

OVERVIEW OF THE FINANCIAL STATEMENTS

This document memorializes the financial activities of the City from an unaudited managerial perspective using an integrated approach as prescribed by GASB Statement No. 34. Its goal: To provide readers with an easy-to-understand user friendly overview of the City’s basic financial statements that are inclusive of 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. Additionally, this financial report is in full compliance with GASB Statement No. 44 one year earlier than required by the Governmental Accounting Standards Board. GASB 44 adds new information in the statistical section that users have identified as important and eliminates certain previous requirements. This statement specifies that the statistical section should include ten-year trends in three types of operating information: government employment levels, operating statistics, and capital asset information. This Statement also clarifies certain features of previously required information, such as which governmental funds to include in information about trends in changes in fund balances.

Information outlined in government-wide financial statements is drawn from numerical data relating to the City’s major funds. Government-wide financial statements detail all capital assets, including infrastructure, depreciation and long-term debt. Examples covered in this printing include general, special revenue, capital projects, and non-major governmental funds. Fund financial statements primarily contain information about

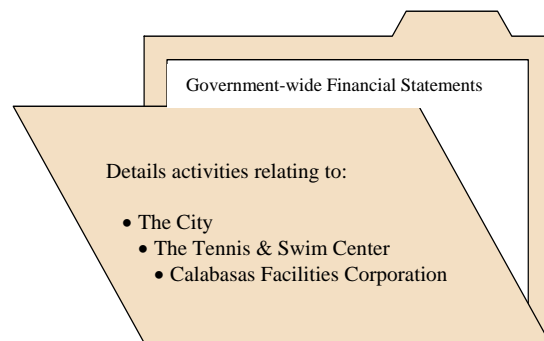


short-term fiscal accountability for governmental funds and longer-term operational accountability for proprietary and agency funds such as the Tennis and Swim Center and the Las Virgenes Parking Authority Fund respectively. Notes to the financial statements include support and other qualifying documentation as warranted.

The aforementioned are covered in subsequent sections.

Government-wide financial statements.

As previously discussed, government-wide financial statements detail all capital assets, including infrastructure, depreciation, and long-term debt. Specifically, these statements are designed to provide an expansive overview of the City’s finances. Given its scope and in an effort to adequately present this data in a comprehensible format, government-wide financial statements are divided into two subcategories, the Statement of Net Assets and the Statement of Activities. These statements reasonably chart long- and short-term information regarding the City’s financial condition.



The City’s statements provide a manageable yet comprehensive view of the City’s economic position, appropriately accounting for all revenue and expenses during the specified fiscal year. To accomplish this, government-wide financial statements are reported utilizing the flow of economic resources (cost of services) measurement focus and the accrual method of accounting. Using the flow of economic resources measurement focus allows the City to provide financial transparency insofar as all assets and liabilities are listed on the Statement of Net Assets. The added use of the accrual basis of accounting allows the City a ‘real-time’ advantage as revenues are recognized when earned and expenses are recognized when incurred.

The Statement of Net Assets outlines the City’s assets and liabilities. The difference between the assets and liabilities is recorded as net assets (assets - liabilities = net assets). While fluctuations are expected, over time increases or decreases in the City’s net assets could be used to gauge the City’s financial standing in order to ascertain whether it is improving or deteriorating.

The Statement of Activities demonstrates how the City’s net assets evolve during the current fiscal year. Specifically, this statement provides comparative analysis between direct expenses and program revenues for each functional activity of the City. In this forum, net asset changes are recorded in real time when triggered by underlying events without respect to the timing of the related cash flows. Because of this it is expected that revenue and expenses for some items (such as uncollected taxes and earned but unused vacation and/or sick leave) will result in recorded cash flows in future fiscal periods.

Combined, the *Statements* reveal functions of the City that can be divided into two categories: 1) Governmental activities, and 2) Business-type activities.

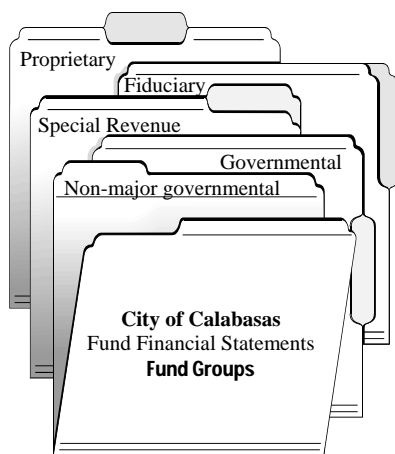
Governmental activities are chiefly supported by a) taxes elicited from such sources as utility users tax, transient occupancy tax, sales tax, property tax, and franchise tax, and by b) intergovernmental revenues such as motor vehicle in-lieu fees. Governmental activities of the City are inclusive of general government, police, public works, traffic and transportation, community development, and community services such as parks and recreation. As mentioned earlier, tax revenue principally funds these activities. Consequently, a good portion of the City’s basic services is reported in this category.



Component units are legally separate entities that the City is either financially accountable for or shares a significant relationship with in such a way that their exclusion would cause the City’s financial statements to be misleading or incomplete. The Calabasas Facilities Corporation (termed the “Corporation”) meets the criteria of component unit classification and has thus been included as a blended component unit in the governmental activities statements.

Business-type activities are funded in large part through the assignment of user fees charged to external parties for goods or services. In other words, the City charges a fee to parties to cover all or most of the cost of certain services it provides. The City’s Tennis and Swim Center is reported in this category.

Fund Financial Statements.



Fund Financial Statements cover segregated groupings of related accounts whose funds have been designated for specific activities or purpose. They provide a detailed accounting of revenue and expenditures, assets and liabilities, and remaining fund balances for each fund. This helps to ensure and demonstrate finance-related legal compliance.

Fund financial statements differ from activity reports due to the way capital outlay, depreciation, long-term debt, compensated absences, deferred revenues, and intergovernmental receivables are reported. The impact of these differences is laid out in the notes accompanying the financial statements.

Funds required by State law and by bond covenants (i.e., Proposition A & C, and Highway Users Tax) are part of the fund financial statements. Likewise, other funds (i.e., Developer

Impact Fees, Grants, and Storm Damage) established to provide the City with tighter fiscal controls and accountability are itemized on these statements. The following sections provide a more in-depth detailing of the fund groups.

Governmental funds are reported in essentially the same fashion as governmental activities in the government-wide financial statements with an exception---governmental fund financial statements focus on near-term inflows and outflows of spendable resources and balances of spendable resources. This means governmental fund financial statements identify current sources and uses of money within the immediate fiscal year. Benefits derived include a detailed *short-term view* of the City’s general government operations and the basic services it provides, which assist in determining whether there are sufficient financial resources available to meet the City’s current needs.

Since the scope of the governmental funds is different than that of the government-wide financial statements, it is beneficial to comparatively examine information presented for the governmental funds with information presented for governmental activities in the government-wide financial statements. From this, readers gain a clearer picture of the long-term impacts current financial decisions might yield. When examined together, the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances provide the reader with a different snapshot that identifies variances between the two different methodologies of accounting for governmental activities and governmental funds. The City maintains 21 governmental funds including the general fund.

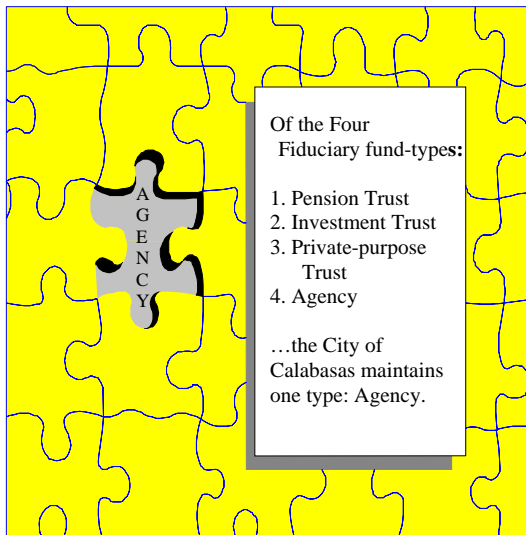
Governmental funds statements are included in subsequent pages of this report.



Proprietary funds record revenues when they are earned and record expenses at the time liabilities are incurred. Proprietary funds can be divided into two fund types: enterprise funds and internal service funds. Enterprise funds display financial activities operating in a similar fashion to a business enterprise. Specifically, these funds account for services for which the City charges a user fee. Enterprise funds are documented in the business-type activities section of the governmental-wide financial statements. They account for operations that provide services primarily to customers outside the financial reporting entity (the City).

Internal service funds are generally used to accumulate and allocate costs internally among the City’s various functions. These funds might include general benefits and insurance, duplicating and printing, office maintenance, architectural services, and information technology, to name a few. Given these services

largely benefit governmental activities rather than business-type functions, City services that might ordinarily be reported in this area have been included with governmental activities in the government-wide financial statements.



The City maintains one type of proprietary fund (the enterprise fund), which accounts for the Tennis and Swim Center. Readers will find accounting for the Tennis and Swim Center recorded in the business-type activities section of the governmental-wide financial statements. Here, all capital acquisitions are recorded as fund assets and depreciation is included as a current operating expense.

Propriety funds financial statements follow on subsequent pages of this report.

Fiduciary fund statements are used to present assets held in trust or agency capacity for others. As such, these funds cannot be used to support the City’s own programs. The City oversees six agency funds that fall under the fiduciary fund type.

Agency funds report resources held by the City in a purely custodial capacity (assets = liabilities). Generally, management of agency funds typically involves the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

The City holds funds for the following agencies: 1) Las Virgenes Parking Authority, 2) Community Facilities District 98-1, 3) Community Facilities District 2001-1, 4) Deposits, 5) Las Virgenes Unified School District, and 6) Education Fund.

The City’s agency fund activities are reported in a Combining Statement of Assets and Liabilities and a Combining Statement of Changes in Assets and Liabilities. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes provide additional support information that is essential in assisting readers in gaining a full understanding of the data provided in the government-wide and fund financial statements.



Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* concerning the City’s Special Revenue Funds, Debt Service Fund, and Agency Funds. Reports include schedules of revenues, expenditures, and changes in fund balances (budget and actual) for each specific fund in these three fund categories.

GOVERNMENT- WIDE FINANCIAL ANALYSIS

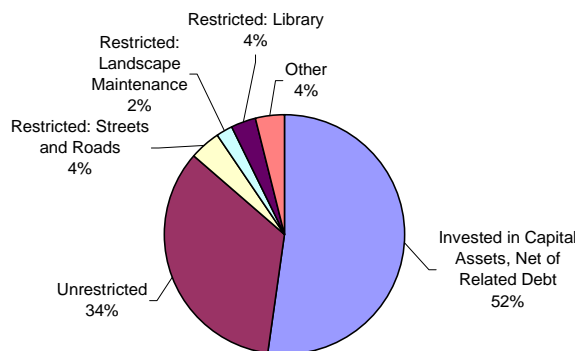
Net assets. Recall that the statement of net assets outlines the City’s assets and liabilities with the delta of the two being recorded as the net assets. The City’s net assets can be separated into three primary categories: 1) Capital assets – net of related debt, 2) unrestricted assets, and 3) restricted assets. As shown in Chart 1, the largest portions of the City’s net assets are found in capital assets – net of related debt (52%) and unrestricted assets (34%). The percentage of net assets subject to external use restrictions makes up 14% of the net asset portfolio. Streets and roads, library, and landscape maintenance fall under this category.

For purposes of discussion, 52% of the City’s net assets are derived from investments in capital assets such as land, buildings, machinery and equipment – net of accumulated depreciation, minus the remaining outstanding debt related to these acquisitions. Despite equity gains that might be experienced, capital assets are not available for future spending since they are tangible assets used to provide services to citizens. Consequently, resources required to address related debt must be secured from other sources.

Chart 1 Percentage of net assets by asset type and category.

Chart 1

Net Assets - Primary Government
 For the Fiscal Year Ended June 30, 2005
 (as a percent)



Thirty-four percent (\$27.1 million) of the City’s net assets are unrestricted meaning they can be used in any way (subject to the approval of council) to meet the City’s ongoing obligations to citizens and creditors. As



CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Management’s Discussion & Analysis

shown in Table 1, positive balances in all three categories of net assets, for both the government as a whole, as well as for its separate governmental and business-type activities are reported. Additionally, Table 1 presents condensed financial information derived from the Statement of Net Assets.

Changes in net assets. Current fiscal year changes in net assets reflect an increase by \$11.1 million dollars (16.3%) over the prior fiscal year bringing the total net assets for both governmental activities and business-type activities to \$79.3 million. The increase can be attributed to an overall reduction in general government reportable expenses for governmental activities coupled with a relatively steady contribution of revenue. Table 2 further details the contributing factors regarding the change in net assets for the primary government.

Table 1. Condensed financial information derived from statement of net assets.

Table 1

Net Assets - Primary Government
 For the Fiscal Year Ended June 30, 2005
 (amounts in millions)

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Cash and investments	\$ 37.4	\$ 30.4	\$ 0.9	\$ 0.9	\$ 38.3	\$ 31.3
Other current assets	3.9	3.9	0.1	-	4.0	3.9
Capital Assets	45.3	39.9	2.0	0.8	47.3	40.7
Other non-current assets	0.2	0.3	-	1.3	0.2	1.6
Total assets	\$ 86.8	\$ 74.5	\$ 3.0	\$ 3.0	\$ 89.8	\$ 77.5
Current liabilities	\$ 3.8	\$ 2.6	\$ 0.4	\$ 0.3	\$ 4.2	\$ 2.9
Non-current liabilities	6.3	6.4	-	-	6.3	6.4
Total liabilities	\$ 10.1	\$ 9.0	\$ 0.4	\$ 0.3	\$ 10.5	\$ 9.3
Total Net Assets:	\$ 76.7	\$ 65.5	\$ 2.6	\$ 2.7	\$ 79.3	\$ 68.2
Invested in capital assets, net of related debt	\$ 39.4	\$ 34.5	\$ 2.0	\$ 2.1	\$ 41.4	\$ 36.6
Restricted	10.8	10.5	-	-	10.8	10.5
Unrestricted	26.5	20.5	0.6	0.6	27.1	21.1
Total Net Assets	\$ 76.7	\$ 65.5	\$ 2.6	\$ 2.7	\$ 79.3	\$ 68.2

Governmental activities. As stated earlier, taxes and intergovernmental revenue chiefly support governmental activities.

Governmental activities expenses totaled \$21.2 million. Of this, \$8.0 million (community services department expenses) and \$4.4 million (general government department expenses) account for slightly greater than 50% of governmental activity expenditures. City funding for governmental activities was derived from \$17.7 million (55%) in general revenue and such sources as program revenue, which contributed \$14.6 million (45%). Program revenue funds were secured from \$10.1 million in charges for services and \$4.5 million grant money.

The City’s governmental activities have been accounted for in six departmental categories: 1) Community services, 2) general government, 3) public safety, 4) public works, 5) other, and 6) community development (see Chart 2).

Total net assets for governmental activities were \$76.7 million representing an upward adjustment of \$11.2 million since the fiscal year ended June 30, 2004. Chart 3 presents a four-year comparison of net assets for governmental activities.



As of this printing, tax revenue (45%) was the single greatest source of City revenues for governmental activities. Total tax revenues collected for governmental activities improved by \$0.8 million compared to the prior fiscal year. A strong economy and the boost in new automobile sales contributed to the increase in sales tax revenue. Charts 4 and 5 present the percentage of total expenses for each program of governmental activities and the percentage of total revenues by source.

Table 2 Condensed financial information derived from the statement of activities.

Table 2

Changes in Net Assets - Primary Government
 For the Fiscal Year Ended June 30, 2005
 (amounts in millions)

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Revenue:						
Program Revenue:						
Charges for services	\$ 10.1	\$ 5.4	\$ 2.8	\$ 2.8	\$ 12.9	\$ 8.2
Operating grants and contributions	0.9	1.7	-	-	0.9	1.7
Capital grants and contributions	3.6	0.5	-	-	3.6	0.5
General Revenue:						
Taxes:						
Utility users tax	3.0	3.3	-	-	3.0	3.3
Transient occupancy tax	1.2	1.1	-	-	1.2	1.1
Sales tax	5.7	5.2	-	-	5.7	5.2
Property tax	3.5	3.3	-	-	3.5	3.3
Franchise tax	0.6	0.3	-	-	0.6	0.3
Other tax	0.4	0.4	-	-	0.4	0.4
Motor vehicle in-lieu	1.7	1.0	-	-	1.7	1.0
Use of money and property	1.3	0.5	-	-	1.3	0.5
Miscellaneous	0.3	0.5	-	-	0.3	0.5
Transfers	-	0.2	-	(0.2)	-	-
Extraordinary Item:						
Insurance settlement	-	2.8	-	-	-	2.8
Prior period adjustments	-	0.5	-	(0.1)	-	0.4
Total Revenue	\$ 32.3	\$ 26.7	\$ 2.8	\$ 2.5	\$ 35.1	\$ 29.2
Expenses:						
General Government	\$ 4.4	\$ 4.2	\$ -	\$ -	\$ 4.4	\$ 4.2
Public Safety	3.4	3.1	-	-	3.4	3.1
Public Works	4.0	2.9	-	-	4.0	2.9
Community Development	1.1	1.1	-	-	1.1	1.1
Community Services	8.0	7.8	-	-	8.0	7.8
Interest and fiscal charges	0.3	0.3	-	-	0.3	0.3
Unallocated depreciation	-	1.1	-	-	-	1.1
Tennis and Swim Center	-	-	2.9	2.6	2.9	2.6
Total Expenses	\$ 21.2	\$ 20.5	\$ 2.9	\$ 2.6	\$ 24.1	\$ 23.1
Change in Net Assets	\$ 11.1	\$ 6.2	\$ (0.1)	\$ (0.1)	\$ 11.0	\$ 6.1
Net Assets 7/1/04	65.5	59.3	2.7	2.8	68.2	62.1
Prior Period Adjustments	0.1	-	-	-	0.1	-
Net Assets 6/30/05	\$ 76.7	\$ 65.5	\$ 2.6	\$ 2.7	\$ 79.3	\$ 68.2



Chart 2 Program comparisons of governmental activity expenses, with related revenues.

Chart 2

Expenses and Program Revenues - Governmental Activities

For the Fiscal Year Ended June 30, 2005
(amounts in millions)

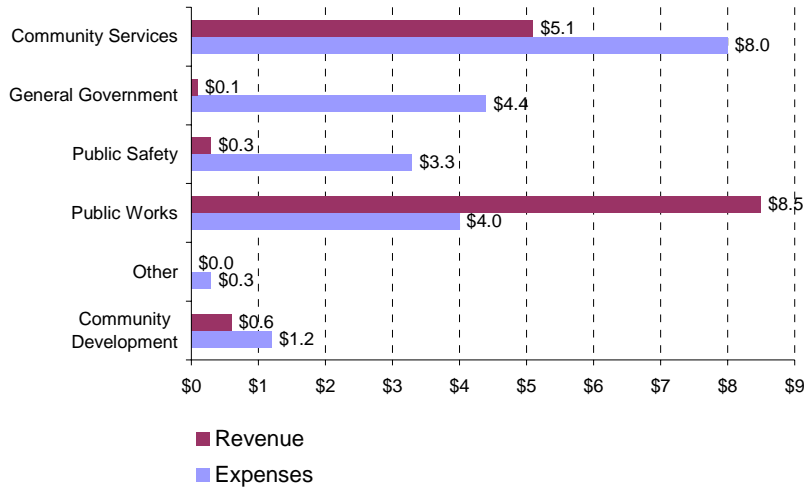
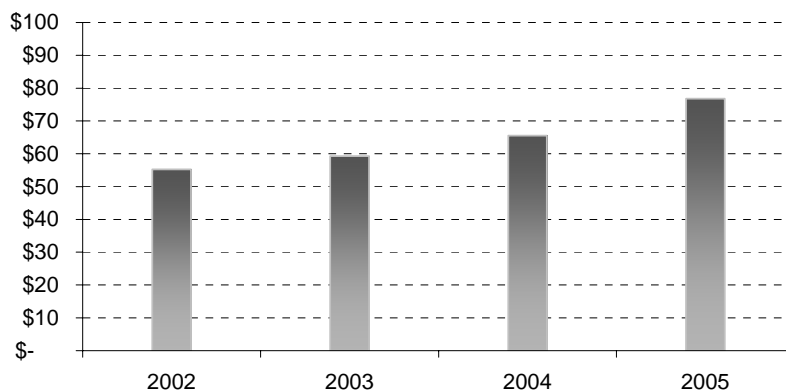


Chart 3 Four-year comparisons of net assets for governmental activities.

Chart 3

Total Net Assets - Governmental Activities

For the Fiscal Year Ended June 30, 2005
(amounts in millions)





Charts 4 & 5 Percentage of total program expenses and the percentage of total revenues by source, respectively.

Chart 4

Expenses - Governmental Activities
 For the Fiscal Year Ended June 30, 2005
 (as a percent)

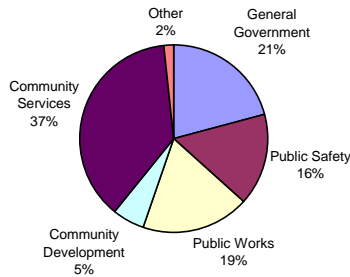
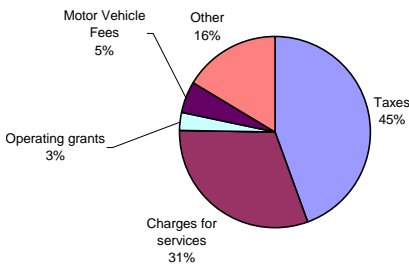


Chart 5

Revenues by Source - Governmental Activities
 For the Fiscal Year Ended June 30, 2005
 (as a percent)

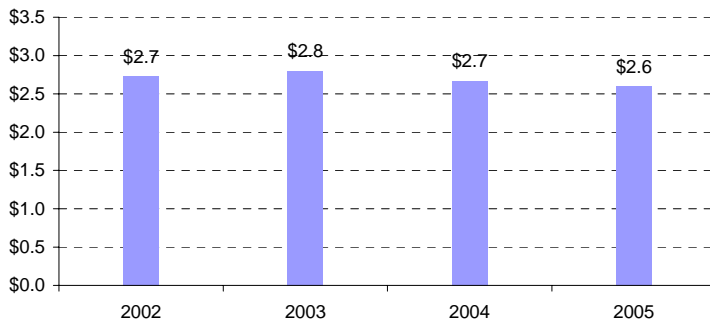


Business-type activities. As mentioned earlier, business-type activities are funded in large part through the assignment of user fees imposed on external parties in exchange for goods or services. The Tennis and Swim Center (the “Center”) is reported in this category. Business-activity revenue increased by \$0.3 million over the prior fiscal year due to stable revenue from charges for services and the absence of interfund transfers and prior period adjustments. The City’s net assets for business-type activities related to the Center decreased by \$0.1 million due to slightly higher operational expenses at the center. Chart 6 shows a four-year history of net assets for business-type activities.

Chart 6 Four-year histories of total net assets for business-type activities.

Chart 6

Total Net Assets - Business-type Activities
 For the Fiscal Year Ended June 30, 2005
 (amounts in millions)





At the close of the current fiscal year, total net assets for business-type activities were \$2.6 million. Revenue, mainly stemming from Center fees, totaled \$2.8 million.

As shown in the Statement of Revenues, Expenses, and Changes in Net Assets (Proprietary Fund), amounts paid to operate the facility include: \$1.4 million – outside services, \$0.5 million – supplies, and \$1.0 million – administrative costs.

FUND FINANCIAL ANALYSIS

Governmental funds. As stated, governmental funds financial statements identify current sources and uses of money. Benefits derived include a detailed *short-term view* of the City’s general government operations and the basic services it provides, which assists in determining whether there are sufficient financial resources available to meet the City’s current needs.

The financial position of the City’s governmental funds improved when compared to the previous fiscal year. The \$19.4 million general fund balance depicts an overall gain of \$2.5 million mainly due to an increase in revenue received to this fund. The increase in revenue received from taxes can be linked to a strong economy, consequently, fund balances for the governmental funds as a whole experienced growth.

The total ending fund balance for the City’s governmental funds was \$37.5 million, which represented a \$6.1 million or 20% increase over the prior fiscal year. Of the total fund balance, \$37.0 million was identified as unreserved thereby making these funds available for appropriation. The reserved portion of the fund balance totaled \$0.5 million, which is committed to debt service and to offset non-current financial resources not likely to be executed in the near term.

Revenue. Total General Fund revenue increased by \$3.6 million bringing the total revenue for the fiscal year to \$19.9 million. Of this, \$12.8 million (65%) was generated by taxes, \$3.0 million (licenses and fees), \$1.7 million (intergovernmental), \$1.2 million (charges for services), and \$1.2 million (others) represents source specific income that contributed to the general fund’s total revenue balance (see Chart 7).

Expenditures. Very little change in General Fund expenditures of \$14.9 million from the prior fiscal year is noted. The slight increase (\$0.3 million) in general government expenses is attributed to increased activity in the areas of Public Safety and Community Development. Public Safety costs experienced a \$0.2 million increase because of higher cost of services performed by the County of Los Angeles. Community Service expenses remained unchanged at \$3.3 million, mostly for park maintenance programs.

Special revenue funds. Fund balances for special revenue funds (developer impact fees, landscape maintenance districts, grants) experienced a \$2.6 million increase, mostly attributed to the receipt of developer fees during the fiscal period, bringing their combined total to \$8.2 million. Total available funds for the landscape maintenance districts increased by \$0.4 million over the prior reporting fiscal year making its total fund balance \$1.8 million. Outstanding grant reimbursements not yet received but are expected total \$1.0 million.

Capital projects. The capital project fund should reflect a zero or near zero fiscal year ending balance. This is expected since capital project fund revenues are project specific and are funded by other sources in amounts equal to the amount spent. Lower from the prior fiscal year by \$1.9 million, this year’s expenditures totaled \$5.3 million. Primary expenditures included \$1.9 million for public work projects, \$1.3 million for transportation projects, and \$2.1 million for costs associated with the new civic center.

Non-major governmental funds. The City’s non-major governmental funds include affordable housing, the library district, bridge and thoroughfare / Lost Hills district, highway users tax, and others.



Total revenue of \$3.3 million for non-major governmental funds represents a \$0.1 million increase from last fiscal year. The major revenue sources included intergovernmental revenue at \$1.5 million, taxes at \$1.0 million, and uses of money and property at \$0.5 million. (See Chart 8).

Expenditures totaled \$2.3 million, down \$0.1 million from last fiscal year. The greatest expenditure of \$1.5 million was in the area of community services. Debt service payments for the 1999 Certificates of Participation (used to lease the proposed Civic Center Site and Creekside Park) totaled \$0.4 million. Other expenditures including Public Works projects, spending for public safety, community development, and various capital projects accounted for the remaining costs incurred (see Chart 9). The total fund balances of all non-major governmental funds decreased by \$0.3 million bringing the total fund balances to \$9.0 million (see Chart 10).

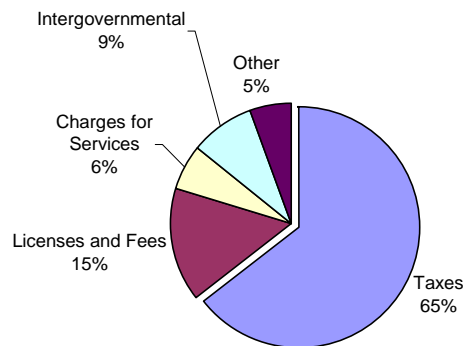
Proprietary funds. As mentioned in the business-type activities discussion, the City accounts for one proprietary fund: The Tennis and Swim Center. The Center received its operating revenue exclusively from fees associated with services. This fiscal year, total revenue received was \$2.8 million, equivalent to that of last fiscal year. Operating expenses totaled \$2.9 million, an amount greater than last fiscal year by \$0.3 million.

Fiduciary (agency) funds. The City of Calabasas has six agency funds, which consist of Las Virgenes Parking Authority, Community Facilities District 98-1, Community Facilities District 2001-1, Deposits, Las Virgenes Unified School District, and the Education Fund. Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. Assets of the agency funds total \$9.5 million.

Chart 7 General fund revenue sources.

Chart 7

Revenue by Source - General Fund
For the Fiscal Year Ended June 30, 2005
(as a percent)





CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Management’s Discussion & Analysis

Charts 8 and 9 Percentage of total program expenses for each non-major governmental funds and the percentage of total revenues by source, respectively.

Chart 8

Revenue by Source - Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2005
(as a percent)

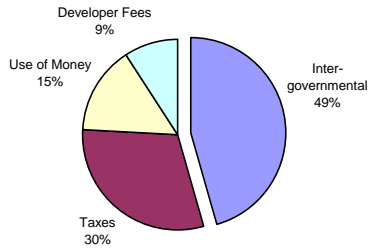


Chart 9

Expenses - Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2005
(as a percent)

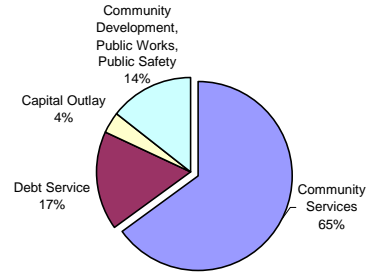
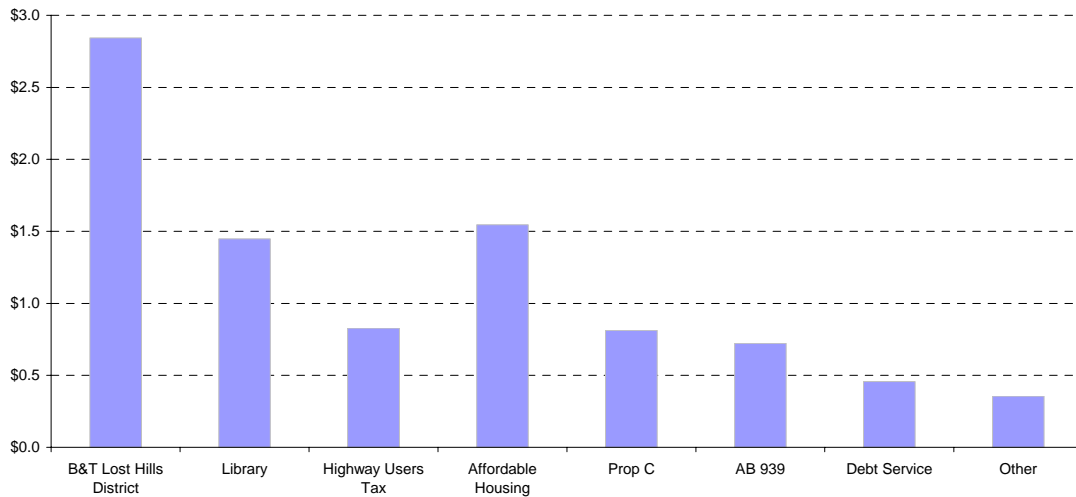


Chart 10 Fiscal year ending fund balances for the non-major governmental funds.

Chart 10

Fund Balances - Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2005
(amounts in millions)





CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City’s current fiscal year investment in capital assets for its governmental and business-type activities amounted to \$47.3 million (net of accumulated depreciation). Table 3 shows this investment by investment category. Depreciable property includes equipment, buildings, improvements other than buildings, and infrastructure. Infrastructure assets are items that are normally immovable and can be preserved for a greater number of years than most capital assets, such as roads, bridges, streets and sidewalks, drainage systems, and lighting systems.

Table 3 Summary of capital assets for governmental and business-type activities.

Table 3

Capital Assets

For the Fiscal Year Ended June 30, 2005
 (amounts in millions)

	Governmental Activities	Business-type Activities	Total
Land	\$ 5.022	\$ 0.838	\$ 5.860
Construction in progress	8.654	0.368	9.022
Buildings	0.881	0.796	1.677
Equipment	0.808	0.042	0.850
Investment in joint venture	1.663	-	1.663
Infrastructure	28.276	-	28.276
Total	\$ 45.304	\$ 2.044	\$ 47.348

Long-term liabilities. Debt liability for governmental activities decreased slightly (\$0.1 million) by last fiscal year’s comparison due to normal amortization of the existing debt. In 1999, the Corporation issued \$6.345 million in Certificates of Participation (COP) for the lease of two properties: Creekside Park and the proposed Civic Center site. Total outstanding balance owed for the COP is \$6.085 million. (See Table 4).

Table 4 Summary of long-term obligations for governmental and business-type activities.

Table 4

Long-Term Obligations

For the Fiscal Year Ended June 30, 2005
 (amounts in millions)

	Governmental Activities	Business-type Activities	Total
Facilities corporation COP - Series 1999	\$ 6.085	\$ -	\$ 6.085
Compensated absences payable	0.315	0.016	0.331
Total	\$ 6.400	\$ 0.016	\$ 6.416



GENERAL FUND BUDGETARY HIGHLIGHTS

- In July 2005, the City adopted a biennial budget identifying revenue and expenditures for the two-year period ending June 2007. Council renews the budget annually or as need arises.
- Increased revenue from taxes, licenses and fees, intergovernmental transfers, and uses of money and property caused the fiscal year revenue for the General Fund to end up \$3.9 million greater than the original budgeted amount. Total revenue received during the fiscal year was \$19.9 million, \$3.6 million greater than the previous fiscal period.
- The City under-ran its budgeted expenditures by \$0.5 million, mostly in the areas of community development and public works.
- Net of transfers and prior period adjustments, the General Fund’s ending fund balance for fiscal year ended June 30, 2005 was \$19.4 million, up \$2.5 million from the previous fiscal year.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Economic Factors

Like many California cities, the City has been called to address several economic challenges. It is expected that the future cost of inflation as it pertains to employee salaries and the cost to purchase materials including those required for the Civic Center project, and services will require focus. Higher forecasted health costs, worker’s compensation, and retirement benefits will be reflected in the upcoming budget.

Revenue from sales tax generated by new automobile dealerships in the City will help defray rising costs; and, of course, revenue received from citizen participation in programs the City offers is likely to increase to deal with increasing costs associated with providing the programs. It is expected that property tax revenue and transfer tax revenue will continue to experience growth due to the rising cost of housing coupled with associated housing sales activity.

Next Year’s Budget

The budget has four main purposes:

1. Present a clear picture to residents, council, and staff regarding the City’s direction,
2. Provide an overview and summary of City Funds,
3. Identify Capital Improvement Projects (CIPs), Department / City special projects, and other discretionary spending items, and
4. Improve financial tracking

The 2005-06 proposed General Fund spending plan is approximately \$17.4 million.

A new two-year budget with an annual review is being developed and is slated for release on July 1, 2006. The finance department is implementing a budgetary approach that will result in a balanced budget in the general fund. The goal is to implement a budget whereby total projected expenditures will be less than or equal to total projected revenue.

It should be noted that while a balanced budget is the goal, it remains possible that individual funds may experience greater out-flows relative to in-flows for the same period. Still, those funds are expected to have a positive ending fund balance to pay for the overages.



City management, namely the City Manager and the Chief Financial Officer will be especially challenged in two areas: 1) to reduce expenditures through the discovery and implementation of cost saving programs; 2) to increase revenue through innovation.

REQUESTS FOR INFORMATION

This financial report is designed to provide interested parties with a general overview of the City of Calabasas’ finances. Questions concerning the information provided in this report or requests for additional information should be addressed to:

City of Calabasas
Finance Department
26135 Mureau Road
Calabasas, California 91302

This report is also available on the Finance Department’s website at <http://www.cityofcalabasas.com>.



THIS PAGE LEFT INTENTIONALLY BLANK

CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Basic Financial Statements



**CITY OF CALABASAS
STATEMENT OF NET ASSETS
June 30, 2005**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Current Assets:			
Cash and investments	\$ 36,972,435	\$ 947,862	\$ 37,920,297
Cash and investments with fiscal agents	468,678		468,678
Accounts and taxes receivable	2,566,151	1,892	2,568,043
Interest receivable	244,038	1,237	245,275
Intergovernmental receivable	681,164		681,164
Loans receivable- employees	10,559		10,559
Prepaid items		2,835	2,835
Due from agency funds	418,235		418,235
Total Current Assets	41,361,260	953,826	42,315,086
Non-current Assets:			
Notes receivable	36,095		36,095
Deferred charges	158,586		158,586
Capital assets:			
Not being depreciated	13,676,700	837,819	14,514,519
Being depreciated, net of accumulated depreciation	31,627,369	1,206,232	32,833,601
Total Non-current Assets	45,498,750	2,044,051	47,542,801
Total Assets	86,860,010	2,997,877	89,857,887
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	3,673,309	402,856	4,076,165
Interest payable	25,611		25,611
Current portion of long-term liabilities	75,000		75,000
Total Current Liabilities	3,773,920	402,856	4,176,776
Non-current Liabilities			
Long-term liabilities, net of current portion	6,325,483	15,558	6,341,041
Total Non-current Liabilities	6,325,483	15,558	6,341,041
Total Liabilities	10,099,403	418,414	10,517,817
NET ASSETS			
Invested in capital assets, net of related debt	39,377,655	2,044,051	41,421,706
Restricted for:			
Library	2,777,241		2,777,241
Debt service	430,472		430,472
Streets/roads	3,266,198		3,266,198
Housing	1,525,170		1,525,170
Landscape maintenance	1,783,511		1,783,511
Transit	269,389		269,389
Recycling	722,280		722,280
Public safety	65,621		65,621
Unrestricted	26,543,070	535,412	27,078,482
Total Net Assets	\$ 76,760,607	\$ 2,579,463	\$ 79,340,070

See Accompanying Notes to Basic Financial Statements



CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Basic Financial Statements

**CITY OF CALABASAS
 STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2005**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 4,388,680	\$ 37,300	\$ -	\$ -
Public safety	3,352,542	279,737		
Public works	3,978,104	6,198,546		2,340,141
Community development	1,153,303		586,826	
Community services	7,969,825	3,552,160	346,613	1,246,217
Interest and fiscal charges	325,447			
Total Governmental Activities	21,167,901	10,067,743	933,439	3,586,358
Business-type Activities:				
Tennis & swim center	2,917,890	2,826,061		
Total Business-type Activities	2,917,890	2,826,061		
Total Primary Government	\$ 24,085,791	\$ 12,893,804	\$ 933,439	\$ 3,586,358

General Revenues:

- Taxes:
 - Utility users taxes
 - Transient occupancy taxes
 - Sales taxes
 - Property taxes
 - Franchise taxes
 - Other taxes
- Other intergovernmental-motor vehicle in-lieu
- Use of money and property
- Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets - Beginning of Fiscal Year

Prior Period Adjustments

Net Assets - Beginning of Fiscal Year, Restated

Net Assets - End of Fiscal Year

See Accompanying Notes to Basic Financial Statements

CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Basic Financial Statements



Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (4,351,380)	\$ -	\$ (4,351,380)
(3,072,805)		(3,072,805)
4,560,583		4,560,583
(566,477)		(566,477)
(2,824,835)		(2,824,835)
(325,447)		(325,447)
(6,580,361)		(6,580,361)
	(91,829)	(91,829)
	(91,829)	(91,829)
(6,580,361)	(91,829)	(6,672,190)
3,019,532		3,019,532
1,241,711		1,241,711
5,680,413		5,680,413
3,468,510		3,468,510
590,388		590,388
370,110		370,110
1,735,620		1,735,620
1,327,849	2,910	1,330,759
298,641		298,641
17,732,774	2,910	17,735,684
11,152,413	(88,919)	11,063,494
65,493,305	2,668,382	68,161,687
114,889		114,889
65,608,194	2,668,382	68,276,576
\$ 76,760,607	\$ 2,579,463	\$ 79,340,070



CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Basic Financial Statements

CITY OF CALABASAS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2005

		Special Revenue Funds	
	General	Developer Impact Fees	Landscape District Maintenance
ASSETS:			
Cash and investments	\$ 16,614,691	\$ 6,870,408	\$ 2,145,201
Cash and investments with fiscal agents			
Receivables:			
Accounts and taxes	1,800,232	157,722	53,633
Interest	129,611	43,906	13,695
Intergovernmental			
Due from other funds	2,387,689		
Loans receivable, employees	10,559		
Notes receivable			
Total Assets	<u>\$ 20,942,782</u>	<u>\$ 7,072,036</u>	<u>\$ 2,212,529</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,271,792	\$ -	\$ 429,018
Deposits			
Due to other funds	60,000		
Deferred revenue	202,690		
Total Liabilities	<u>1,534,482</u>		<u>429,018</u>
Fund balances			
Reserved:			
Debt service			
Unreserved:			
Designated for capital improvements		7,072,036	
Undesignated	19,408,300		1,783,511
Total Fund Balances	<u>19,408,300</u>	<u>7,072,036</u>	<u>1,783,511</u>
Total Liabilities and Fund Balances	<u>\$ 20,942,782</u>	<u>\$ 7,072,036</u>	<u>\$ 2,212,529</u>

See Accompanying Notes to Basic Financial Statements

CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Basic Financial Statements



<u>Special Revenue Funds</u>	<u>Capital Projects</u>			
<u>Grants</u>	<u>Capital Improvement</u>	<u>Civic Center</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1,008,036	\$ 1,630,085	\$ 8,704,014 468,678	\$ 36,972,435 468,678
		415,429	139,135 56,826	2,566,151 244,038
681,164	60,000			681,164 2,447,689
			36,095	10,559 36,095
<u>\$ 681,164</u>	<u>\$ 1,068,036</u>	<u>\$ 2,045,514</u>	<u>\$ 9,404,748</u>	<u>\$ 43,426,809</u>
\$ -	\$ 1,144,989	\$ 716,612	\$ 110,898	\$ 3,673,309
1,722,936			246,518 37,667	2,029,454 240,357
<u>1,722,936</u>	<u>1,144,989</u>	<u>716,612</u>	<u>395,083</u>	<u>5,943,120</u>
			456,083	456,083
(1,041,772)	(76,953)	1,328,902	8,553,582	7,072,036 29,955,570
<u>(1,041,772)</u>	<u>(76,953)</u>	<u>1,328,902</u>	<u>9,009,665</u>	<u>37,483,689</u>
<u>\$ 681,164</u>	<u>\$ 1,068,036</u>	<u>\$ 2,045,514</u>	<u>\$ 9,404,748</u>	<u>\$ 43,426,809</u>



CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Basic Financial Statements

CITY OF CALABASAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2005

Fund balances for governmental funds		\$	37,483,689
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. This is the amount net of accumulated depreciation.			
			45,304,069
Long-term debt liabilities, including bonds payable and interest payable, are not due and payable in the current period and therefore are not reported in the funds.			
	Certificates of participants	(6,085,000)	
	Compensated absences	(315,483)	
	Interest payable	<u>(25,611)</u>	(6,426,094)
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 accruals basis.			
			1,572
Intergovernmental receivables which are not financial resources but are revenues under the full accrual method.			
			202,690
Deferred charges represent costs of issuance of long-term debt issuances which are recorded as expenditures in the governmental funds but which are capitalized and amortized in the statement of net assets. This amount is net of accumulated amortization.			
			158,586
Long-term notes receivable are offset by deferred revenue in the governmental funds as they do not represent financial resources.			
			<u>36,095</u>
Net assets of governmental activities		\$	<u><u>76,760,607</u></u>

See Accompanying Notes to Basic Financial Statements



THIS PAGE LEFT INTENTIONALLY BLANK



CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Basic Financial Statements

**CITY OF CALABASAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2005**

	Special Revenue Funds			
	General	Developer Impact Fees	Landscape District Maintenance	Grants
REVENUES				
Taxes	\$ 12,785,464	\$ -	\$ 844,513	\$ -
Licenses and fees	3,045,314			
Intergovernmental	1,735,620			1,633,628
Fines and forfeitures	179,737			
Developer fees		3,187,895		
Use of money and property	612,063	137,576	30,924	
Charges for services	1,208,632		2,337,981	
Other, donations, and reimbursements	298,642			
Total Revenues	19,865,472	3,325,471	3,213,418	1,633,628
EXPENDITURES				
Current:				
General government	4,281,416			
Public safety	3,238,553			
Public works	2,777,444			
Community development	1,041,235			
Community services	3,255,277		2,860,260	62,684
Capital outlay	367,247			1,009,543
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	14,961,172	2,860,260	1,072,227	1,072,227
Excess of Revenues over (under) Expenditures	4,904,300	3,325,471	353,158	561,401
OTHER FINANCING SOURCES (USES)				
Transfers in	59,543			
Transfers out	(2,512,965)	(654,449)		(940,060)
Total Other Financing Sources (Uses)	(2,453,422)	(654,449)	353,158	(378,659)
Net Change in Fund Balance	2,450,878	2,671,022	353,158	(378,659)
Fund Balances (deficit), Beginning of Fiscal Year	16,842,533	4,401,014	1,430,353	(663,113)
Prior Period Adjustments	114,889			
Fund Balances (deficit), Beginning of Fiscal Year (restated)	16,957,422	4,401,014	1,430,353	(663,113)
Fund Balances (deficit), End of Fiscal Year	\$ 19,408,300	\$ 7,072,036	\$ 1,783,511	\$ (1,041,772)

See Accompanying Notes to Basic Financial Statements

CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Basic Financial Statements



Capital Projects			
Capital Improvement	Civic Center	Nonmajor Governmental Funds	Total Governmentals Funds
\$ -	\$ -	\$ 985,966	\$ 14,615,943
	1,211,444	1,473,904	3,045,314
		8,184	6,054,596
		300,821	187,921
		554,786	3,488,716
			1,335,349
			3,546,613
			298,642
	1,211,444	3,323,661	32,573,094
			4,281,416
		112,253	3,350,806
		108,976	2,886,420
		108,613	1,149,848
3,230,616	6,368	1,474,815	7,659,404
	2,041,252	80,664	6,729,322
		65,000	65,000
		318,890	318,890
3,230,616	2,047,620	2,269,211	26,441,106
(3,230,616)	(836,176)	1,054,450	6,131,988
3,191,295	2,165,078		5,415,916
		(1,308,442)	(5,415,916)
3,191,295	2,165,078	(1,308,442)	
(39,321)	1,328,902	(253,992)	6,131,988
(37,632)		9,263,657	31,236,812
			114,889
(37,632)		9,263,657	31,351,701
\$ (76,953)	\$ 1,328,902	\$ 9,009,665	\$ 37,483,689



CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Basic Financial Statements

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2005

Net change in fund balances - total governmental funds		\$	6,131,988
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are 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	\$	6,811,252	
Depreciation		<u>(1,490,964)</u>	5,320,288
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.			65,000
Interest is not accrued in the governmental funds. However, it is to be accrued in the statement of activities. This is the net change.			211
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.			(32,739)
Deferred revenues, not recognized in revenue in governmental fund statements because the revenue was not available within 60 days of close of fiscal year. This is the net change.			(7,500)
Amortization of deferred charges is not an expense of the governmental funds, but under the full accrual method is a component of interest expense.			(6,768)
Intergovernmental receivables are not reported as revenue in the governmental funds because it is not available within 60 days after the close of the fiscal year. This is the net change.			<u>(318,067)</u>
Change in net assets of governmental activities		\$	<u>11,152,413</u>

See Accompanying Notes to Basic Financial Statements



**CITY OF CALABASAS
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 11,407,800	\$ 11,407,800	\$ 12,785,464	\$ 1,377,664
Licenses and fees	1,190,000	1,190,000	3,045,314	1,855,314
Intergovernmental	1,190,000	1,190,000	1,735,620	545,620
Fines and forfeitures	230,500	230,500	179,737	(50,763)
Use of money and property	331,300	331,300	612,063	280,763
Charges for services	1,223,150	1,223,150	1,208,632	(14,518)
Other, donations, and reimbursements	374,750	374,750	298,642	(76,108)
Total Revenues	15,947,500	15,947,500	19,865,472	3,917,972
EXPENDITURES				
Current:				
General government	4,140,140	4,140,140	4,281,416	(141,276)
Public safety	3,272,710	3,272,710	3,238,553	34,157
Public works	2,978,400	2,978,400	2,777,444	200,956
Community development	1,492,200	1,492,200	1,041,235	450,965
Community services	3,117,850	3,117,850	3,255,277	(137,427)
Capital outlay	417,500	417,500	367,247	50,253
Total Expenditures	15,418,800	15,418,800	14,961,172	457,628
 Excess of Revenues over (under) Expenditures	 528,700	 528,700	 4,904,300	 4,375,600

Continued

See Accompanying Notes to Basic Financial Statements



CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Basic Financial Statements

CITY OF CALABASAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2005
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 25,000	\$ 25,000	\$ 59,543	\$ 34,543
Transfers out	(2,664,778)	(2,664,778)	(2,512,965)	151,813
Total Other Financing Sources (Uses)	<u>(2,639,778)</u>	<u>(2,639,778)</u>	<u>(2,453,422)</u>	<u>186,356</u>
Net Change in Fund Balance	<u>(2,111,078)</u>	<u>(2,111,078)</u>	<u>2,450,878</u>	<u>4,561,956</u>
Fund Balances, Beginning of Fiscal Year	16,842,533	16,842,533	16,842,533	
Prior Period Adjustments			114,889	114,889
Fund Balances, Beginning of fiscal year (restated)	<u>16,842,533</u>	<u>16,842,533</u>	<u>16,957,422</u>	<u>114,889</u>
Fund Balances, End of Fiscal Year	<u>\$ 14,731,455</u>	<u>\$ 14,731,455</u>	<u>\$ 19,408,300</u>	<u>\$ 4,676,845</u>

See Accompanying Notes to Basic Financial Statements



**CITY OF CALABASAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 DEVELOPER IMPACT FEES SPECIAL REVENUE FUND
 For the Fiscal Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Developer fees	\$ 2,000,000	\$ 2,000,000	\$ 3,187,895	\$ 1,187,895
Use of money and property	74,600	74,600	137,576	62,976
Total Revenues	<u>2,074,600</u>	<u>2,074,600</u>	<u>3,325,471</u>	<u>1,250,871</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,170,500)	(1,170,500)	(654,449)	516,051
Total Other Financing Sources (Uses)	<u>(1,170,500)</u>	<u>(1,170,500)</u>	<u>(654,449)</u>	<u>516,051</u>
Net Change in Fund Balance	904,100	904,100	2,671,022	1,766,922
Fund Balance, Beginning of Fiscal Year	<u>4,401,014</u>	<u>4,401,014</u>	<u>4,401,014</u>	<u></u>
Fund Balance, End of Fiscal Year	<u>\$ 5,305,114</u>	<u>\$ 5,305,114</u>	<u>\$ 7,072,036</u>	<u>\$ 1,766,922</u>

See Accompanying Notes to Basic Financial Statements



CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Basic Financial Statements

CITY OF CALABASAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LANDSCAPE MAINTENANCE DISTRICT SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 792,800	\$ 792,800	\$ 844,513	\$ 51,713
Use of money and property	23,700	23,700	30,924	7,224
Charges for services	2,259,400	2,259,400	2,337,981	78,581
Total Revenues	3,075,900	3,075,900	3,213,418	137,518
EXPENDITURES				
Current:				
Community services	2,675,700	2,675,700	2,860,260	(184,560)
Total Expenditures	2,675,700	2,675,700	2,860,260	(184,560)
Excess of Revenues over (under) Expenditures	400,200	400,200	353,158	(47,042)
Net Change in Fund Balance	400,200	400,200	353,158	(47,042)
Fund Balance, Beginning of Fiscal Year	1,430,353	1,430,353	1,430,353	
Fund Balance, End of Fiscal Year	\$ 1,830,553	\$ 1,830,553	\$ 1,783,511	\$ (47,042)

See Accompanying Notes to Basic Financial Statements



**CITY OF CALABASAS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GRANTS SPECIAL REVENUE FUND
 For the Fiscal Year Ended June 30, 2005**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,452,000	\$ 3,452,000	\$ 1,633,628	\$ (1,818,372)
Total Revenues	<u>3,452,000</u>	<u>3,452,000</u>	<u>1,633,628</u>	<u>(1,818,372)</u>
EXPENDITURES				
Current:				
Community services	15,000	15,000	62,684	(47,684)
Capital outlay			1,009,543	(1,009,543)
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>1,072,227</u>	<u>(1,057,227)</u>
Excess of Revenues over (under) Expenditures	<u>3,437,000</u>	<u>3,437,000</u>	<u>561,401</u>	<u>(2,875,599)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,585,300)</u>	<u>(2,585,300)</u>	<u>(940,060)</u>	<u>1,645,240</u>
Total Other Financing Sources (Uses)	<u>(2,585,300)</u>	<u>(2,585,300)</u>	<u>(940,060)</u>	<u>1,645,240</u>
Net Change in Fund Balance	<u>851,700</u>	<u>851,700</u>	<u>(378,659)</u>	<u>(1,230,359)</u>
Fund Balance (deficit), Beginning of Fiscal Year	(663,113)	(663,113)	(663,113)	
Fund Balance (deficit), End of Fiscal Year	<u>\$ 188,587</u>	<u>\$ 188,587</u>	<u>\$ (1,041,772)</u>	<u>\$ (1,230,359)</u>

See Accompanying Notes to Basic Financial Statements



CITY OF CALABASAS
Statement of Net Assets
Proprietary Fund
June 30, 2005

	<u>Tennis and Swim Center</u>
ASSETS	
Cash and investments	\$ 947,862
Accounts and taxes receivable	1,892
Interest receivable	1,237
Prepaid items	2,835
Property, plant, and equipment, net	<u>2,044,051</u>
Total Assets	<u>2,997,877</u>
LIABILITIES	
Accounts payable and accrued liabilities	402,856
Compensated absences	<u>15,558</u>
Total Liabilities	<u>418,414</u>
NET ASSETS	
Invested in capital assets, net of related debt	2,044,051
Unrestricted	<u>535,412</u>
Total Net Assets	<u>\$ 2,579,463</u>

See Accompanying Notes to Basic Financial Statements



**CITY OF CALABASAS
 STATEMENT OF REVENUES,
 EXPENSES, AND CHANGES IN NET ASSETS
 PROPRIETARY FUND
 For the Fiscal Year Ended June 30, 2005**

	Tennis and Swim Center
OPERATING REVENUES	
Tennis and swim fees	\$ 2,776,901
Other	49,160
	<u>2,826,061</u>
OPERATING EXPENSES	
Administration	450,604
Salaries and benefits	410,020
Outside services	105,641
Materials, supplies, and other operating expenses	354,359
Utilities	140,748
Top Seed	1,273,046
Depreciation	183,472
	<u>2,917,890</u>
Total Operating Expenses	2,917,890
Operating Income	(91,829)
NON-OPERATING REVENUES	
Interest	2,910
	<u>2,910</u>
Change in Net Assets	(88,919)
	<u>(88,919)</u>
Net Assets, Beginning of Fiscal Year	2,668,382
Net Assets, End of Fiscal Year	<u>\$ 2,579,463</u>

See Accompanying Notes to Basic Financial Statements



**CITY OF CALABASAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2005**

	<u>Tennis and Swim Center</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from tennis and swim fees	\$ 2,776,901
Receipts from other operating activities	49,160
Payments to suppliers	(2,176,410)
Payments for salaries	<u>(409,830)</u>
Net Cash Provided by Operating Activities	<u>239,821</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	<u>(137,031)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(137,031)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>2,310</u>
Net Cash Provided by Investing Activities	<u>2,310</u>
Increase (decrease) in cash and cash equivalents	105,100
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>842,762</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 947,862</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income	\$ (91,829)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	183,472
Changes in assets and liabilities:	
(Increase) decrease in compensated absences	3,841
(Increase) decrease in prepaid expenses	(669)
Increase (decrease) in account payable and accrued liabilities	<u>145,006</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 239,821</u>

See Accompanying Notes to Basic Financial Statements



CITY OF CALABASAS
Statement of Fiduciary Net Assets
June 30, 2005

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 5,220,160
Cash and investments with fiscal agents	4,065,823
Special taxes receivable	243,993
Accounts receivable	<u>13,376</u>
Total Assets	<u>9,543,352</u>
LIABILITIES	
Accounts payable and accrued liabilities	2,396,763
Deposits	189,942
Due to other funds	418,235
Due to bondholders	<u>6,538,412</u>
Total Liabilities	<u>9,543,352</u>
NET ASSETS	<u><u>\$ -</u></u>

See Accompanying Notes to Basic Financial Statements



**CITY OF CALABASAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Calabasas (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (USGAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

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 as amended by GASB Statement No. 39. 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. 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.

There are no entities which meet the Governmental Accounting Standards Board Statement No. 14 as amended by GASB Statement No. 39, criteria for discrete disclosure within these financial statements.

B. Government-wide and Fund Financial Statement

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 been made to



CITY OF CALABASAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Government-wide and Fund Financial Statement (Continued)

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 reply 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, the proprietary fund, 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 Financial Statement 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 the 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 the 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 fiscal year-end. Expenditures generally are recorded when the liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures when due. Capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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.



CITY OF CALABASAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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 other funds.

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.

Grants Special Revenue Fund – used to account for other grants requiring segregated fund accounting. Financing is provided by federal, state, and county agencies.

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



CITY OF CALABASAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Civic Center Capital Projects Fund – used to account for the construction of new city hall.

The City reports the following major proprietary fund:

Tennis and Swim Center - used to account for operations of the Tennis and Swim Center 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 long-term debt.

Fiduciary Funds:

Agency Funds - 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, Net Assets, or Equity

Cash and Investments

The City pools idle cash from all funds for the purpose of increasing income through investment. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balances of each fund.

In compliance with the applicable State statute, the Statement of Investment Policy is adopted annually by the City Council. Investments authorized under the Investment Policy included:

- Local Agency Investment Fund (LAIF) – State of California Investment Pool
- U.S. Treasury Obligations
- Federal Agency Securities
- Certificates of Deposit
- Savings Accounts



CITY OF CALABASAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. Assets, Liabilities, Net Assets, or Equity (Continued)

Cash and Investments (Continued)

The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 31, “Accounting and Financial Reporting for Certain Investments and External Pools”, which require governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred.

The City’s investments are carried at fair value which equal cost. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. LAIF determines the fair value of its portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows for the proprietary fund, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered cash equivalents.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as interfund receivables or interfund payables.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and tax receivables are shown net of an allowance for uncollectible accounts if applicable, and estimated refunds due.

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations – are established by the Assessor of the County of Los Angeles for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value



CITY OF CALABASAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. Assets, Liabilities, Net Assets, or Equity (Continued)

Receivables and Payables (Continued)

Property Valuations (Continued)

are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Levies – are limited to 1% of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates – are attached annually on January 1 proceeding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections – are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

Tax Levy Apportionments – Due to the nature of the City-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees – The State of California FY 1990-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld during the fiscal year.

Prepaid Items

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Net Assets, or Equity (Continued)

Capital Assets

Capital assets, which include property, improvements, 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 \$1,000. Such capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their fair 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 asset 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

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 unused vacation benefits will not be liquidated with available financial resources, a long-term liability for accrued vacation benefits is recorded. Proprietary fund types accrue vacation benefits in the period they are earned.

Long-Term Obligations

In the government-wide financial statements, and proprietary type 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. 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. Amortization of bond premiums or discounts, and issuance costs are included in interest expense.



CITY OF CALABASAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. Assets, Liabilities, Net Assets, or Equity (Continued)

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Assets and Fund Equity

In the government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, and laws and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. The City's other restricted net assets are temporarily restricted (ultimately expendable assets). All other net assets are considered unrestricted.

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. Undesignated fund balance represents that portion of fund balance which is available for budgeting in future periods.

E. 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 at 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 CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 accounting principles generally accepted in the United States of America. Additional appropriations or other changes during the fiscal year may be submitted by the department for Council review and approval.

B. Excess Expenditures over Appropriations

At June 30, 2005, the following funds expenditures exceeded final budgeted appropriations:

	Final Budget	Expenditures	Excess
Major Funds:			
General			
General government	\$ 4,140,140	\$ 4,281,416	\$ 141,276
Community services	3,117,850	3,255,277	137,427
Landscape District Maintenance			
Community services	2,675,700	2,860,260	184,560
Grants			
Community services	15,000	62,685	47,685
Capital outlay		1,009,543	1,009,543
Civic Center			
Community services		6,368	6,368
Nonmajor Funds:			
Proposition C			
Community services	53,500	54,249	749
B & T Lost Hills District			
Community services		1,580	1,580
Use Oil Grant			
Community services	20,000	32,591	12,591
Affordable Housing			
Community development		8,543	8,543



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures over Appropriations (Continued)

Excess of expenditures over appropriations in departments/cost centers of individual funds are as follows:

	Final Budget	Expenditures	Excess
Nonmajor Funds:			
Storm Damage			
Public works	\$ -	\$ 108,976	\$ 108,976
COPS - AB 3229			
Public safety	100,000	112,253	12,253
Library District			
Community services	881,750	903,612	21,862
Debt Service			
Interest and fiscal charges	309,900	318,890	8,990

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of June 30, 2005 are classified in the accompanying financial statements as follows:

Statement of net assets:		
Cash and investments	\$	37,920,297
Restricted cash and investments with fiscal agents		468,678
Fiduciary funds:		
Cash and investments		5,220,160
Restricted cash and investments with fiscal agents		4,065,823
Total cash and investments	\$	47,674,958

Cash and investments as of June 30, 2005 consist of the following:

Cash on hand	\$	2,050
Deposits with financial institutions		3,322,293
Investments		44,350,615
Total cash and investments	\$	47,674,958

A. Investments Authorized by the California Government Code and the Entity's Investment Policy

The table below identifies the **investment types** that are authorized for the City of Calabasas (City) by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 3 CASH AND INVESTMENTS (Continued)

A. Investments Authorized by the California Government Code and the Entity’s Investment Policy (Continued)

interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California government Code or the City’s investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (State Pool)	N/A	None	\$40 million
U.S. Treasury Obligations	N/A	None	None
U.S. Government Agency Issues	5 years	None	None
Insured Passbook on Demand Deposits with Banks and Savings and Loans	N/A	None	\$ 100,000
Certificates of Deposit	2 years	None	\$ 100,000
Bankers Acceptances			
Commercial Paper	N/A	None	None
Mutual Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies the **Investment types** that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address **interest rate risk, credit risk, and concentration of credit risk.**



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 3 CASH AND INVESTMENTS (Continued)

B. Investments Authorized by Debt Agreements (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (State Pool)	N/A	None	\$40 million
U.S. Treasury Obligations	N/A	None	None
U.S. Government Agency Issues	5 years	None	None
Insured Passbook on Demand Deposits with Banks and Savings and Loans	N/A	None	\$ 100,000
Certificates of Deposit	2 years	None	\$ 100,000
Bankers Acceptances			
Commercial Paper	N/A	None	None
Mutual Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Investment Agreements	N/A	None	None

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 3 CASH AND INVESTMENTS (Continued)

C. Disclosures Relating to Interest Rate Risk (Continued)

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>	<u>More Than 60 Months</u>
State Investment Pool	\$ 39,816,113	\$ 39,816,113	\$ -	\$ -	\$ -
Held by Bond Trustees:					
Money Market Funds	388,046	388,046			
Federal Agency Securities	2,021,418	2,021,418			
Investment Agreement	2,125,038				2,125,038
	<u>\$ 44,350,615</u>	<u>\$ 42,225,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,125,038</u>

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

E. 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. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>			
				<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
State Investment Pool	39,816,113	N/A	\$ -	\$ -	\$ -	\$ -	\$ 39,816,113
Held by Bond Trustee:							
Money Market Funds	388,046	N/A					388,046
Investment Agreement	2,125,038	N/A					2,125,038
Federal Agency Securities	2,021,418	N/A		2,021,418			
Total	<u>\$ 44,350,615</u>		<u>\$ -</u>	<u>\$ 2,021,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,329,197</u>



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 3 CASH AND INVESTMENTS (Continued)

F. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
IXIS Funding Corp	Investment Agreement	\$ 2,125,038

Investments in any one issuer that represent 5% or more of total investments by reporting unit (primary government, governmental activities, business type activities, fiduciary funds, major funds, nonmajor funds in the aggregate, etc.) are as follows:

\$2,125,038 of the cash and investments (including amounts held by bond trustee) reported in the Community Facilities District 2001-1 Fund (an agency fund) are held in form of a nonnegotiable unrated investment contract issued by the IXIS Funding Corp that matures on August 1, 2031.

G. 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 the 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 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 the 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 government unit). The fair 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.



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 3 CASH AND INVESTMENTS (Continued)

G. Custodial Credit Risk (Continued)

As of June 30, 2005, \$3,082,780 of the City’s deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts. As of June 30, 2005, City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
Federal agency securities	\$ 2,021,418
Money market funds	388,046
Investment agreement	2,125,038

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). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 4 ACCOUNTS RECEIVABLE

The following is a list of accounts receivable at June 30, 2005:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Governmental Activities -			
Accounts and taxes	\$ 2,566,151	\$ -	\$ 2,566,151
Intergovernmental	681,164		681,164
	<u>\$ 3,247,315</u>	<u>\$ -</u>	<u>\$ 3,247,315</u>
Business-type Activities -			
Accounts and taxes	<u>\$ 1,892</u>	<u>\$ -</u>	<u>\$ 1,892</u>
Fiduciary Funds:			
Special taxes	\$ 243,993	\$ -	\$ 243,993
Accounts	13,376		13,376
	<u>\$ 257,369</u>	<u>\$ -</u>	<u>\$ 257,369</u>

NOTE 5 NOTES AND LOANS RECEIVABLE

A. The City has established a program whereby employees can receive an interest free loan to purchase computers. This allows employees access to technology which is compatible to that of the City. Loans are repaid through payroll deductions. During the fiscal year



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 5 NOTES AND LOANS RECEIVABLE (Continued)

ended June 30, 2005, seven new loans were given totaling \$13,361 and principal loans were paid in the amount of \$9,036 leaving an outstanding balance as of June 30, 2005 of \$10,559.

- B. The City through the Community Development Block Grant Program has given funds to residents in the form of rehabilitation assistance to assist low income residents in fixing up their residences. These notes can be either amortized or deferred and two notes amounting to \$20,000 will be forgiven if outstanding for 10 years on a graduated schedule. The outstanding balance of the notes as of June 30, 2005 was \$36,095.

NOTE 6 DEFERRED CHARGES

Deferred charges consist of issuance costs and discounts for debt issues. The following is the list of deferred charges at June 30, 2005:

	<u>Amortization Period</u>	<u>Deferred Charges</u>	<u>Accumulated Amortization</u>	<u>Amortization for the Fiscal Year</u>
1999 Certificates of Participation	357 months	<u>\$ 201,450</u>	<u>\$ 42,864</u>	<u>\$ 6,768</u>

NOTE 7 INTERFUND ACTIVITY

The following represents the interfund activity of the City for the fiscal year ended June 30, 2005.

A. Due To/ From Other Funds

Current interfund balances arise in the normal course of business and to assist funds with negative cash balance at the fiscal year end. They are expected to be repaid shortly after the end of the fiscal year.



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 7 INTERFUND ACTIVITY (Continued)

A. Due To/ From Other Funds (Continued)

Due to/Due from	Interfund Receivables	Interfund Payables
Major Funds		
To: General	\$ 2,387,689	\$ -
To: Capital Improvement	60,000	
From: General		60,000
From: Grants		1,722,936
Nonmajor Funds:		
From: Community Development Block Grant		26,364
From: Debt Service		10,295
From: Storm Damage		204,067
From: Used Oil Grant		5,792
Agency Funds:		
From: Deposits		418,235
	\$ 2,447,689	\$ 2,447,689

B. Transfers

With council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made an expenditure on behalf of another fund.

Fund	Transfers-in	Transfers-out
Major Funds:		
General	\$ 59,543	\$ 2,512,965
Capital Projects	3,191,295	
Civic Center	2,165,078	
Grants Special Revenue		940,060
Developer Impact Fees		654,449
Landscape District Maintenance Special Revenue		
Nonmajor Funds:		
Highway Users Tax Special Revenue		962,124
Proposition C Special Revenue		103,347
B & T Lost Hills District Special Revenue		147,880
Storm Damage Special Revenue		95,091
Totals	\$ 5,415,916	\$ 5,415,916



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 8 CAPITAL ASSETS

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.

A summary of changes in capital assets for the City’s governmental activities for the fiscal year ended June 30, 2005 is as follows:

	July 1, 2004	Additions	Deletions	Balance at June 30, 2005
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,745,921	\$ 1,275,897	\$ -	\$ 5,021,818
Construction in progress	4,244,687	4,410,195		8,654,882
	7,990,608	5,686,092		13,676,700
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	1,553,838			1,553,838
Equipment	1,672,519	420,818		2,093,337
Investment in joint venture - community center	2,813,060			2,813,060
Infrastructure	42,138,850	704,342		42,843,192
	48,178,267	1,125,160		49,303,427
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings	(569,740)	(103,589)		(673,329)
Equipment	(1,176,873)	(108,631)		(1,285,504)
Investment in joint venture - community center	(962,793)	(187,537)		(1,150,330)
Infrastructure	(13,475,688)	(1,091,207)		(14,566,895)
	(16,185,094)	(1,490,964)		(17,676,058)
Total accumulated depreciation				
Total capital assets, being depreciated, net	31,993,173	(365,804)		31,627,369
Governmental activities capital assets, net	\$39,983,781	\$ 5,320,288	\$ -	\$ 45,304,069



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 8 CAPITAL ASSETS (Continued)

A summary of changes in property, improvements, and equipment in the Enterprise Fund – Tennis and Swim Center for the fiscal year ended June 30, 2005 is as follows:

	<u>Balance at</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2005</u>
Business type activities:				
Capital assets, not being depreciated:				
Land	\$ 837,819	\$ -	\$ -	\$ 837,819
Total capital assets, not being depreciated	<u>837,819</u>			<u>837,819</u>
Capital assets, being depreciated:				
Improvements	457,799	23,670		481,469
Buildings	1,964,847	86,669		2,051,516
Machinery and equipment	<u>327,080</u>	<u>26,692</u>		<u>353,772</u>
Total capital assets, being depreciated	<u>2,749,726</u>	<u>137,031</u>		<u>2,886,757</u>
Less accumulated depreciation for:				
Improvements	(85,905)	(27,163)		(113,068)
Buildings	(1,122,024)	(133,653)		(1,255,677)
Machinery and equipment	<u>(289,124)</u>	<u>(22,656)</u>		<u>(311,780)</u>
Total accumulated depreciation	<u>(1,497,053)</u>	<u>(183,472)</u>		<u>(1,680,525)</u>
Total capital assets, being depreciated, net	<u>1,252,673</u>	<u>(46,441)</u>		<u>1,206,232</u>
Business-type activities capital assets, net	<u>\$2,090,492</u>	<u>\$ (46,441)</u>	<u>\$ -</u>	<u>\$ 2,044,051</u>

Depreciation expense was charged to the following functions:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
General government	\$ 98,881	\$ -
Public safety	1,736	
Public works	1,091,207	
Community services	299,140	
Tennis and swim center		183,472
Total	<u>\$ 1,490,964</u>	<u>\$ 183,472</u>



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 9 LONG-TERM DEBT

A. Changes in Long-term Debt

Summary of changes in long-term liabilities for governmental activities is as follows:

	<u>Balance at</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2005</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Facilities corporation certificates of participation - series 1999	\$ 6,150,000	\$ -	\$(65,000)	\$ 6,085,000	\$ 75,000
Compensated absences payable	<u>282,744</u>	<u>32,739</u>	<u> </u>	<u>315,483</u>	<u> </u>
Total governmental long-term debt	<u>\$ 6,432,744</u>	<u>\$ 32,739</u>	<u>\$(65,000)</u>	<u>\$ 6,400,483</u>	<u>\$ 75,000</u>

Summary of changes in long-term liabilities for business-type activities is as follows:

	<u>Balance at</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2005</u>
Business-type activities				
Compensated absences payable	<u>\$ 11,717</u>	<u>\$ 3,841</u>	<u>\$ -</u>	<u>\$ 15,558</u>

B. 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 fiscal years 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.



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 9 **LONG-TERM DEBT** (Continued)

B. Facilities Corporation Certificates of Participation – 1999 (Continued)

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.

\$ 6,085,000

C. Compensated Absences

The City’s policies relating to compensated absences are Described in Note 1 of the Notes to Financial Statements. This liability will be paid in future fiscal years from future resources.

\$ 315,483

D. Minimum Requirement Future Payments

The annual requirements to amortize outstanding long-term debt of the City’s Governmental Activities as of June 30, 2005, excluding compensated absences are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 75,000	\$ 305,828	\$ 380,828
2007	95,000	302,380	397,380
2008	110,000	298,123	408,123
2009	125,000	293,125	418,125
2010	145,000	287,248	432,248
2011-2015	985,000	1,312,275	2,297,275
2016-2020	1,270,000	1,031,633	2,301,633
2021-2025	1,635,000	654,995	2,289,995
2026-2029	<u>1,645,000</u>	<u>178,369</u>	<u>1,823,369</u>
Totals	<u>\$ 6,085,000</u>	<u>\$ 4,663,976</u>	<u>\$ 10,748,976</u>



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 10 DEFINED BENEFIT PENSION PLAN

A. 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, 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.

B. 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 8.291% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

C. Annual Pension Costs

For 2005, the City’s annual pension cost of \$335,071 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) 7.75% investment rate of return (net administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.00%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). PERS unfounded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2004 was 14 years.

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2003	\$134,191	100%	\$ -
6/30/2004	166,471	100%	-
6/30/2005	335,071	100%	-



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 10 DEFINED BENEFIT PENSION PLAN (Continued)

C. Annual Pension Costs (Continued)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (Excess Assets)	Funded Ratio	Covered Payroll	UAAL As a % of Covered Payroll
6/30/2002	\$ 3,013,635	\$ 2,970,452	\$ 43,183	98.6%	\$ 2,831,464	1.5 %
6/30/2003	3,953,176	3,404,251	548,925	86.1%	3,194,114	17.2 %
6/30/2004	N/A	N/A	N/A	N/A	N/A	N/A

NOTE 11 RISK MANAGEMENT

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 coverage's. 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.

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 with a \$50,000,000 annual aggregate.

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 to \$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.



CITY OF CALABASAS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 11 **RISK MANAGEMENT** (Continued)

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 \$6,364,242. 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 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's property currently has earthquake protection in the amount of \$1,557,938. There is a deductible of 5% of the 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 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.

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.

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 fiscal year.



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 12 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, 2005. A copy of the Authority financial statements can be obtained at: 27040 Malibu Hills Rd, Calabasas, CA 91301.

NOTE 13 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.

NOTE 14 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>	
2006	\$ 744,515
2007	681,472
2008	146,968
	<u>\$ 1,572,955</u>



**CITY OF CALABASAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2005**

NOTE 15 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 \$64 and \$32 per month for 2005 and 2004 respectively. 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 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 \$640 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 2004-05, the City paid \$39,552 for post-employment medical benefits covering 7 participants.

NOTE 16 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.

<u>AD#</u>	<u>Special Assessment Bonds</u>	<u>Amount of Issue</u>	<u>Outstanding June 30, 2005</u>
98-1	Community Facilities District	\$ 12,515,000	\$ 10,225,000
2001-1	Community Facilities District	28,645,000	26,555,000

NOTE 17 PRIOR PERIOD ADJUSTMENTS/RESTATEMENTS

The following list is an explanation of prior period adjustments and restatements made to the fund financial statements as well as the government-wide statements.

Governmental Funds:

General Fund –

- a) (\$56,984) for an overstatement of recreation clearing account.
- b) \$171,873 for an overstatement of prior year's deposits payable.



THIS PAGE LEFT INTENTIONALLY BLANK



**CITY OF CALABASAS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND
 For the Fiscal Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Capital outlay	<u>\$ 6,166,500</u>	<u>\$ 6,166,500</u>	<u>\$ 3,230,616</u>	<u>\$ 2,935,884</u>
Total Expenditures	<u>6,166,500</u>	<u>6,166,500</u>	<u>3,230,616</u>	<u>2,935,884</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>6,166,500</u>	<u>6,166,500</u>	<u>3,191,295</u>	<u>(2,975,205)</u>
Net Changes in Fund Balance			(39,321)	(39,321)
Fund Balance (deficit), Beginning of Fiscal Year	<u>(37,632)</u>	<u>(37,632)</u>	<u>(37,632)</u>	
Fund Balance (deficit), Ending of Fiscal Year	<u>\$ (37,632)</u>	<u>\$ (37,632)</u>	<u>\$ (76,953)</u>	<u>\$ (39,321)</u>



CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Supplemental Information

CITY OF CALABASAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CIVIC CENTER CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,211,444	\$ 1,211,444
Total Revenues			1,211,444	1,211,444
EXPENDITURES				
Current:				
Community services			6,368	(6,368)
Capital outlay	2,115,078	2,115,078	2,041,252	73,826
Total Expenditures	2,115,078	2,115,078	2,047,620	67,458
Excess of Revenues Over (Under) Expenditures	(2,115,078)	(2,115,078)	(836,176)	1,278,902
OTHER FINANCING SOURCES (USES)				
Transfers in	2,115,078	2,115,078	2,165,078	50,000
Transfers out				
Total Other Financing Sources (Uses)	2,115,078	2,115,078	2,165,078	50,000
Net Change in Fund Balance			1,328,902	1,328,902
Fund Balance, Beginning of Fiscal Year				
Fund Balance, End of Fiscal Year	\$ -	\$ -	\$ 1,328,902	\$ 1,328,902



**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 provision 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.

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

Used Oil Grant Fund – used to account for funds received from recycling of used oil.

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.

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

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



THIS PAGE LEFT INTENTIONALLY BLANK



CITY OF CALABASAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2005

	Special Revenue Funds		
	Proposition A	Highway Users Tax	Proposition C
ASSETS			
Cash and investments	\$ 290,521	\$ 779,139	\$ 813,709
Cash and investments with fiscal agents			
Receivables:			
Accounts and taxes		41,380	
Interest	1,744	6,721	5,281
Intergovernmental			
Notes receivable			
Total Assets	<u>\$ 292,265</u>	<u>\$ 827,240</u>	<u>\$ 818,990</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 49,663	\$ -	\$ 6,458
Due to other funds			
Deferred revenue			
Total Liabilities	<u>49,663</u>		<u>6,458</u>
Fund Balances:			
Reserved:			
Debt service			
Unreserved:			
Undesignated	<u>242,602</u>	<u>827,240</u>	<u>812,532</u>
Total Fund Balances	<u>242,602</u>	<u>827,240</u>	<u>812,532</u>
Total Liabilities and Fund Balances	<u>\$ 292,265</u>	<u>\$ 827,240</u>	<u>\$ 818,990</u>

CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Nonmajor Governmental Funds



Special Revenue Funds					
South Coast Air Quality Management	Community Development Block Grant	Park and Recreation Improvement	AB 939	B & T Lost Hills District	Used Oil Grant
\$ 105,249	\$ -	\$ 131,186	\$ 683,989	\$ 2,825,520	\$ -
627	15,363	16,602	40,004	17,822	
	36,095	931	4,390		
<u>\$ 105,876</u>	<u>\$ 51,458</u>	<u>\$ 148,719</u>	<u>\$ 728,383</u>	<u>\$ 2,843,342</u>	<u>\$ -</u>
\$ -	\$ 9,241	\$ 3,495	\$ 6,103	\$ -	\$ -
	26,364				5,792
	36,095				1,572
	71,700	3,495	6,103		7,364
105,876	(20,242)	145,224	722,280	2,843,342	(7,364)
105,876	(20,242)	145,224	722,280	2,843,342	(7,364)
<u>\$ 105,876</u>	<u>\$ 51,458</u>	<u>\$ 148,719</u>	<u>\$ 728,383</u>	<u>\$ 2,843,342</u>	<u>\$ -</u>

Continued



CITY OF CALABASAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2005
(Continued)

	<u>Special Revenue Funds</u>		
	<u>TDA</u>	<u>Affordable Housing</u>	<u>Storm Damage</u>
ASSETS			
Cash and investments	\$ 26,706	\$ 1,536,039	\$ -
Cash and investments with fiscal agents			
Receivables:			
Accounts and taxes			
Interest	81	9,373	
Intergovernmental			
Notes receivables			
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 26,787</u>	<u>\$ 1,545,412</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
Due to other funds			204,067
Deferred revenue			
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u> </u>	<u>204,067</u>
Fund Balances:			
Reserved:			
Debt Service			
Unreserved:			
Undesignated	<u>26,787</u>	<u>1,545,412</u>	<u>(204,067)</u>
Total Fund Balances	<u>26,787</u>	<u>1,545,412</u>	<u>(204,067)</u>
Total Liabilities and Fund Balances	<u>\$ 26,787</u>	<u>\$ 1,545,412</u>	<u>\$ -</u>



<u>Special Revenue Funds</u>			
<u>COPS AB 3229</u>	<u>Library District</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 83,612	\$ 1,428,344	\$ -	\$ 8,704,014
		468,678	468,678
	25,786		139,135
564	9,292		56,826
			36,095
<u>\$ 84,176</u>	<u>\$ 1,463,422</u>	<u>\$ 468,678</u>	<u>\$ 9,404,748</u>
\$ 18,555	\$ 15,083	\$ 2,300	\$ 110,898
		10,295	246,518
			37,667
<u>18,555</u>	<u>15,083</u>	<u>12,595</u>	<u>395,083</u>
		456,083	456,083
<u>65,621</u>	<u>1,448,339</u>		<u>8,553,582</u>
<u>65,621</u>	<u>1,448,339</u>	<u>456,083</u>	<u>9,009,665</u>
<u>\$ 84,176</u>	<u>\$ 1,463,422</u>	<u>\$ 468,678</u>	<u>\$ 9,404,748</u>



CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Nonmajor Governmental Funds

**CITY OF CALABASAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUND
 For the Fiscal Year Ended June 30, 2005**

	Special Revenue Funds		
	Proposition A	Highway Users Tax	Proposition C
REVENUES			
Taxes	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties			
Intergovernmental	307,469	425,220	255,101
Developer fees			
Use of money and property	5,239	24,033	16,042
Other, donations, and reimbursements			
	<u>312,708</u>	<u>449,253</u>	<u>271,143</u>
Total Revenues			
EXPENDITURES			
Current:			
Public safety			
Public works			
Community development			
Community services	279,390		54,249
Capital outlay			
Debt service:			
Principal retirement			
Interest and other charges			
	<u>279,390</u>	<u></u>	<u>54,249</u>
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	<u>33,318</u>	<u>449,253</u>	<u>216,894</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers out		(962,124)	(103,347)
	<u></u>	<u>(962,124)</u>	<u>(103,347)</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	33,318	(512,871)	113,547
Fund Balances (deficits), Beginning of Fiscal Year	<u>209,284</u>	<u>1,340,111</u>	<u>698,985</u>
Fund Balances (deficits), End of Fiscal Year	<u>\$ 242,602</u>	<u>\$ 827,240</u>	<u>\$ 812,532</u>

CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Nonmajor Governmental Funds



Special Revenue Funds					
South Coast Air Quality Management	Community Development Block Grant	Park and Recreation Improvement	AB 939	B & T Lost Hills District	Used Oil Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26,192	99,099	34,773	165,193		21,713
1,884	7,500	5,196	4,389	56,809	59
<u>28,076</u>	<u>106,599</u>	<u>39,969</u>	<u>169,582</u>	<u>56,809</u>	<u>21,772</u>
	100,070				
21,654		73,593	129,800	1,580	32,591
<u>21,654</u>	<u>100,070</u>	<u>73,593</u>	<u>129,800</u>	<u>1,580</u>	<u>32,591</u>
6,422	6,529	(33,624)	39,782	55,229	(10,819)
				(147,880)	
				(147,880)	
6,422	6,529	(33,624)	39,782	(92,651)	(10,819)
<u>99,454</u>	<u>(26,771)</u>	<u>178,848</u>	<u>682,498</u>	<u>2,935,993</u>	<u>3,455</u>
<u>\$ 105,876</u>	<u>\$ (20,242)</u>	<u>\$ 145,224</u>	<u>\$ 722,280</u>	<u>\$ 2,843,342</u>	<u>\$ (7,364)</u>

Continued



CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Nonmajor Governmental Funds

**CITY OF CALABASAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUND
 For the Fiscal Year Ended June 30, 2005
 (Continued)**

	Special Revenue Funds		
	TDA	Affordable Housing	Storm Damage
REVENUES			
Taxes	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties			
Intergovernmental	26,368		
Developer fees		300,821	
Use of money and property	173	26,984	
Other, donations, and reimbursements			
	<u>26,541</u>	<u>327,805</u>	<u></u>
Total Revenues			
EXPENDITURES			
Current:			
Public safety			
Public works			108,976
Community development		8,543	
Community services			
Capital outlay			
Debt service:			
Principal retirement			
Interest and other charges			
	<u></u>	<u></u>	<u></u>
Total Expenditures		8,543	108,976
	<u>26,541</u>	<u>319,262</u>	<u>(108,976)</u>
Excess of Revenues Over (Under) Expenditures			
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers out			(95,091)
	<u></u>	<u></u>	<u>(95,091)</u>
Total Other Financing Sources (Uses)			(95,091)
Net Change In Fund Balances	26,541	319,262	(204,067)
Fund Balances (deficits), Beginning of Fiscal Year	<u>246</u>	<u>1,226,150</u>	<u></u>
Fund balances (deficits) - End of Fiscal Year	<u>\$ 26,787</u>	<u>\$ 1,545,412</u>	<u>\$ (204,067)</u>



Special Revenue Funds			
Cops AB3229	Library District	Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ 985,966	\$ -	\$ 985,966
	8,184		8,184
100,000	12,776		1,473,904
			300,821
2,005	26,607	377,866	554,786
<u>102,005</u>	<u>1,033,533</u>	<u>377,866</u>	<u>3,323,661</u>
112,253			112,253
			108,976
			108,613
	903,612		1,474,815
	59,010		80,664
		65,000	65,000
		318,890	318,890
<u>112,253</u>	<u>962,622</u>	<u>383,890</u>	<u>2,269,211</u>
<u>(10,248)</u>	<u>70,911</u>	<u>(6,024)</u>	<u>1,054,450</u>
			(1,308,442)
			(1,308,442)
(10,248)	70,911	(6,024)	(253,992)
75,869	1,377,428	462,107	9,263,657
<u>\$ 65,621</u>	<u>\$ 1,448,339</u>	<u>\$ 456,083</u>	<u>\$ 9,009,665</u>



**CITY OF CALABASAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PROPOSITION A SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2005**

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 298,760	\$ 307,469	\$ 8,709
Use of money and property	3,800	5,239	1,439
Other	2,500		(2,500)
	<u>305,060</u>	<u>312,708</u>	<u>7,648</u>
EXPENDITURES			
Current:			
Community services	304,700	279,390	25,310
	<u>304,700</u>	<u>279,390</u>	<u>25,310</u>
Net Change in Fund Balance	360	33,318	32,958
Fund Balance - Beginning of Fiscal Year	209,284	209,284	
Fund Balance - End of Fiscal Year	<u>\$ 209,644</u>	<u>\$ 242,602</u>	<u>\$ 32,958</u>



CITY OF CALABASAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HIGHWAY USERS TAX SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 387,125	\$ 425,220	\$ 38,095
Use of money and property	19,400	24,033	4,633
Total Revenues	<u>406,525</u>	<u>449,253</u>	<u>42,728</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(725,000)</u>	<u>(962,124)</u>	<u>(237,124)</u>
Total Other Financing Sources (Uses)	<u>(725,000)</u>	<u>(962,124)</u>	<u>(237,124)</u>
Net Change In Fund Balance	(318,475)	(512,871)	(194,396)
Fund Balance - Beginning of Fiscal Year	<u>1,340,111</u>	<u>1,340,111</u>	
Fund Balance - End of Fiscal Year	<u>\$ 1,021,636</u>	<u>\$ 827,240</u>	<u>\$ (194,396)</u>



**CITY OF CALABASAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PROPOSITION C SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2005**

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 247,803	\$ 255,101	\$ 7,298
Use of money and property	8,000	16,042	8,042
Total Revenues	<u>255,803</u>	<u>271,143</u>	<u>15,340</u>
EXPENDITURES			
Current:			
Community services	<u>53,500</u>	<u>54,249</u>	<u>(749)</u>
Total Expenditures	<u>53,500</u>	<u>54,249</u>	<u>(749)</u>
Excess of Revenues Over (Under) Expenditures	<u>202,303</u>	<u>216,894</u>	<u>14,591</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(761,000)</u>	<u>(103,347)</u>	<u>657,653</u>
Total Other Financing Sources (Uses)	<u>(761,000)</u>	<u>(103,347)</u>	<u>657,653</u>
Net Change in Fund Balance	(558,697)	113,547	672,244
Fund Balance - Beginning of Fiscal Year	<u>698,985</u>	<u>698,985</u>	
Fund Balance - End of Fiscal Year	<u>\$ 140,288</u>	<u>\$ 812,532</u>	<u>\$ 672,244</u>



CITY OF CALABASAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SOUTH COAST AIR QUALITY MANAGEMENT SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 23,000	\$ 26,192	\$ 3,192
Use of money and property	1,700	1,884	184
Total Revenues	<u>24,700</u>	<u>28,076</u>	<u>3,376</u>
EXPENDITURES			
Capital outlay	<u>24,500</u>	<u>21,654</u>	<u>2,846</u>
Total Expenditures	<u>24,500</u>	<u>21,654</u>	<u>2,846</u>
Net Change in Fund Balance	200	6,422	6,222
Fund Balance - Beginning of Fiscal Year	<u>99,454</u>	<u>99,454</u>	
Fund Balance - End of Fiscal Year	<u>\$ 99,654</u>	<u>\$ 105,876</u>	<u>\$ 6,222</u>



CITY OF CALABASAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 135,000	\$ 99,099	\$ (35,901)
Use of money and property		7,500	7,500
Total Revenues	<u>135,000</u>	<u>106,599</u>	<u>(28,401)</u>
EXPENDITURES			
Current:			
Community development	<u>132,000</u>	<u>100,070</u>	<u>31,930</u>
Total Expenditures	<u>132,000</u>	<u>100,070</u>	<u>31,930</u>
Excess of Revenues Over (Under) Expenditures	<u>3,000</u>	<u>6,529</u>	<u>3,529</u>
Net Change in Fund Balance	3,000	6,529	3,529
Fund Balance - Beginning of Fiscal Year	<u>(26,771)</u>	<u>(26,771)</u>	
Fund Balance - End of Fiscal Year	<u>\$ (23,771)</u>	<u>\$ (20,242)</u>	<u>\$ 3,529</u>



CITY OF CALABASAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARK AND RECREATION IMPROVEMENT SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 322,000	\$ 34,773	\$ (287,227)
Use of money and property		5,196	5,196
Total Revenues	<u>322,000</u>	<u>39,969</u>	<u>(282,031)</u>
EXPENDITURES			
Current:			
Community services	<u>322,000</u>	<u>73,593</u>	<u>248,407</u>
Total Expenditures	<u>322,000</u>	<u>73,593</u>	<u>248,407</u>
Excess of Revenues Over (Under) Expenditures		<u>(33,624)</u>	<u>(33,624)</u>
Net Change in Fund Balance		(33,624)	(33,624)
Fund Balance - Beginning of Fiscal Year	<u>178,848</u>	<u>178,848</u>	
Fund Balance - End of Fiscal Year	<u>\$ 178,848</u>	<u>\$ 145,224</u>	<u>\$ (33,624)</u>



CITY OF CALABASAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
AB 939 SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 128,000	\$ 165,193	\$ 37,193
Use of money and property		4,389	4,389
Total Revenues	<u>128,000</u>	<u>169,582</u>	<u>41,582</u>
EXPENDITURES			
Current:			
Community services	<u>203,000</u>	<u>129,800</u>	<u>73,200</u>
Total Expenditures	<u>203,000</u>	<u>129,800</u>	<u>73,200</u>
Excess of Revenues Over (Under) Expenditures	<u>(75,000)</u>	<u>39,782</u>	<u>114,782</u>
Net Change in Fund Balance	(75,000)	39,782	114,782
Fund Balance - Beginning of Fiscal Year	<u>682,498</u>	<u>682,498</u>	
Fund Balance - End of Fiscal Year	<u><u>\$ 607,498</u></u>	<u><u>\$ 722,280</u></u>	<u><u>\$ 114,782</u></u>



**CITY OF CALABASAS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 B & T LOST HILLS DISTRICT SPECIAL REVENUE FUND
 For the Fiscal Year Ended June 30, 2005**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Use of money and property	\$ 100,200	\$ 56,809	\$ (43,391)
Total Revenues	<u>100,200</u>	<u>56,809</u>	<u>(43,391)</u>
EXPENDITURES			
Current:			
Community services		<u>1,580</u>	<u>(1,580)</u>
Total Expenditures		<u>1,580</u>	<u>(1,580)</u>
Excess of Revenues Over (Under) Expenditures	<u>100,200</u>	<u>55,229</u>	<u>(44,971)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(500,000)</u>	<u>(147,880)</u>	<u>352,120</u>
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>(147,880)</u>	<u>352,120</u>
Net Change in Fund Balance	(399,800)	(92,651)	307,149
Fund Balance - Beginning of Fiscal Year	<u>2,935,993</u>	<u>2,935,993</u>	
Fund Balance - End of Fiscal Year	<u>\$ 2,536,193</u>	<u>\$ 2,843,342</u>	<u>\$ 307,149</u>



CITY OF CALABASAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
USED OIL GRANT SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 20,000	\$ 21,713	\$ 1,713
Use of money and property		59	59
Total Revenues	<u>20,000</u>	<u>21,772</u>	<u>1,772</u>
EXPENDITURES			
Current:			
Community services	<u>20,000</u>	<u>32,591</u>	<u>(12,591)</u>
Total Expenditures	<u>20,000</u>	<u>32,591</u>	<u>(12,591)</u>
Net Change in Fund Balance		(10,819)	(10,819)
Fund Balance - Beginning of Fiscal Year	<u>3,455</u>	<u>3,455</u>	
Fund Balance - End of Fiscal Year	<u>\$ 3,455</u>	<u>\$ (7,364)</u>	<u>\$ (10,819)</u>



CITY OF CALABASAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TDA SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Intergovernmental revenue	\$ 10,685	\$ 26,368	\$ 15,683
Use of money and property	100	173	73
Total Revenues	<u>10,785</u>	<u>26,541</u>	<u>15,756</u>
Net Change in Fund Balance	10,785	26,541	15,756
Fund Balance - Beginning of Fiscal Year	<u>246</u>	<u>246</u>	
Fund Balance - End of Fiscal Year	<u>\$ 11,031</u>	<u>\$ 26,787</u>	<u>\$ 15,756</u>



CITY OF CALABASAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
AFFORDABLE HOUSING SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Developer fees	\$ 85,000	\$ 300,821	\$ 215,821
Use of money and property	18,700	26,984	8,284
Total Revenues	<u>103,700</u>	<u>327,805</u>	<u>224,105</u>
EXPENDITURES			
Current:			
Community development		8,543	(8,543)
Total Expenditures		<u>8,543</u>	<u>(8,543)</u>
Excess of Revenues Over (Under) Expenditures	<u>103,700</u>	<u>319,262</u>	<u>215,562</u>
Net Change in Fund Balance	103,700	319,262	215,562
Fund Balance - Beginning of Fiscal Year	<u>1,226,150</u>	<u>1,226,150</u>	
Fund Balance - End of Fiscal Year	<u>\$ 1,329,850</u>	<u>\$ 1,545,412</u>	<u>\$ 215,562</u>



**CITY OF CALABASAS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 STORM DAMAGE SPECIAL REVENUE FUND
 For the Fiscal Year Ended June 30, 2005**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES			
Current:			
Public works	\$ -	\$ 108,976	\$ (108,976)
Total Expenditures	<u> </u>	<u>108,976</u>	<u>(108,976)</u>
Excess of Revenues Over (Under) Expenditures	<u> </u>	<u>(108,976)</u>	<u>(108,976)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u> </u>	<u>(95,091)</u>	<u>(95,091)</u>
Total Other Financing Sources (Uses)	<u> </u>	<u>(95,091)</u>	<u>(95,091)</u>
Net Change in Fund Balance		(204,067)	(204,067)
Fund Balance - Beginning of Fiscal Year	<u> </u>	<u> </u>	<u> </u>
Fund Balance - End of Fiscal Year	<u>\$ -</u>	<u>\$ (204,067)</u>	<u>\$ (204,067)</u>



CITY OF CALABASAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COPS - AB 3229 SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 100,000	\$ 100,000	\$ -
Use of money and property	1,700	2,005	305
Total Revenues	<u>101,700</u>	<u>102,005</u>	<u>305</u>
EXPENDITURES			
Current:			
Public safety	<u>100,000</u>	<u>112,253</u>	<u>(12,253)</u>
Total Expenditures	<u>100,000</u>	<u>112,253</u>	<u>(12,253)</u>
Excess of Revenues Over (Under) Expenditures	<u>1,700</u>	<u>(10,248)</u>	<u>(11,948)</u>
Net Change in Fund Balance	1,700	(10,248)	(11,948)
Fund Balance - Beginning of Fiscal Year	<u>75,869</u>	<u>75,869</u>	
Fund Balance - End of Fiscal Year	<u>\$ 77,569</u>	<u>\$ 65,621</u>	<u>\$ (11,948)</u>



CITY OF CALABASAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LIBRARY DISTRICT SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Taxes	\$ 926,300	\$ 985,966	\$ 59,666
Fines and forfeitures	10,000	8,184	(1,816)
Intergovernmental	11,400	12,776	1,376
Use of money and property	20,800	26,607	5,807
	<u>968,500</u>	<u>1,033,533</u>	<u>65,033</u>
EXPENDITURES			
Current:			
Community services	881,750	903,612	(21,862)
Capital outlay	90,000	59,010	30,990
	<u>971,750</u>	<u>962,622</u>	<u>9,128</u>
Net Change in Fund Balance	(3,250)	70,911	74,161
Fund Balance - Beginning of Fiscal Year	<u>1,377,428</u>	<u>1,377,428</u>	
Fund Balance - End of Fiscal Year	<u>\$ 1,374,178</u>	<u>\$ 1,448,339</u>	<u>\$ 74,161</u>



CITY OF CALABASAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Use of money and property	\$ 382,800	\$ 377,866	\$ (4,934)
Total Revenues	<u>382,800</u>	<u>377,866</u>	<u>(4,934)</u>
EXPENDITURES			
Debt service			
Principal retirement	65,000	65,000	
Interest and fiscal charges	<u>309,900</u>	<u>318,890</u>	<u>(8,990)</u>
Total Expenditures	<u>374,900</u>	<u>383,890</u>	<u>(8,990)</u>
Net Change in Fund Balance	7,900	(6,024)	(13,924)
Fund Balance - Beginning of Fiscal Year	<u>462,107</u>	<u>462,107</u>	
Fund Balance - End of Fiscal Year	<u>\$ 470,007</u>	<u>\$ 456,083</u>	<u>\$ (13,924)</u>



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 ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2005**

Assets	<u>Las Virgenes Parking Authority Fund</u>	<u>Community Facilities District 98-1</u>	<u>Community Facilities District 2001-1</u>
Cash and investments	\$ 55,952	\$ 416,486	\$ 1,812,110
Cash and investments with fiscal agent		1,552,740	2,513,083
Special tax receivable		204,183	39,810
Accounts receivable			
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 55,952</u>	<u>\$ 2,173,409</u>	<u>\$ 4,365,003</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 55,952	\$ -	\$ -
Deposits			
Due to other funds			
Due to bondholders		2,173,409	4,365,003
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>\$ 55,952</u>	<u>\$ 2,173,409</u>	<u>\$ 4,365,003</u>



<u>Deposits</u>	<u>LVUSD</u>	<u>Education Fund</u>	<u>Total</u>
\$ 829,920	\$ 2,008,477	\$ 97,215	\$ 5,220,160
			4,065,823
			243,993
	<u>12,623</u>	<u>753</u>	<u>13,376</u>
<u>\$ 829,920</u>	<u>\$ 2,021,100</u>	<u>\$ 97,968</u>	<u>\$ 9,543,352</u>
\$ 221,743	\$ 2,021,100	\$ 97,968	\$ 2,396,763
189,942			189,942
418,235			418,235
			<u>6,538,412</u>
<u>\$ 829,920</u>	<u>\$ 2,021,100</u>	<u>\$ 97,968</u>	<u>\$ 9,543,352</u>



CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Agency Funds

CITY OF CALABASAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
For the Fiscal Year Ended June 30, 2005

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
<u>Las Virgenes Parking Authority Fund</u>				
Assets:				
Cash and investments	\$ 52,409	\$ 55,952	\$ 52,409	\$ 55,952
Liabilities:				
Accounts payable and accrued liabilities	\$ 52,409	\$ 55,952	\$ 52,409	\$ 55,952
<u>Community Facilities District 98-1</u>				
Assets:				
Cash and investments	\$ 158,507	\$ 1,494,278	\$ 1,236,299	\$ 416,486
Cash and investments with fiscal agent	1,684,884	959,748	1,091,892	1,552,740
Special tax receivable		204,183		204,183
	<u>\$ 1,843,391</u>	<u>\$ 2,658,209</u>	<u>\$ 2,328,191</u>	<u>\$ 2,173,409</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 126,092	\$ -	\$ 126,092	\$ -
Due to bondholders	1,717,299	2,658,209	2,202,099	2,173,409
	<u>\$ 1,843,391</u>	<u>\$ 2,658,209</u>	<u>\$ 2,328,191</u>	<u>\$ 2,173,409</u>
<u>Community Facilities District 2001-1</u>				
Assets:				
Cash and investments	\$ 1,033,089	\$ 1,886,372	\$ 1,107,351	\$ 1,812,110
Cash and investments with fiscal agent	4,388,053	1,237,113	3,112,083	2,513,083
Special tax receivable	7,298	39,810	7,298	39,810
	<u>\$ 5,428,440</u>	<u>\$ 3,163,295</u>	<u>\$ 4,226,732</u>	<u>\$ 4,365,003</u>
Liabilities:				
Due to bondholders	\$ 5,428,440	\$ 3,163,295	\$ 4,226,732	\$ 4,365,003
<u>Deposits</u>				
Assets:				
Cash and investments	\$ 1,208,889	\$ 4,905,255	\$ 5,284,224	\$ 829,920
Accounts receivable	2,841		2,841	
	<u>\$ 1,211,730</u>	<u>\$ 4,905,255</u>	<u>\$ 5,287,065</u>	<u>\$ 829,920</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 208,780	\$ 2,187,831	\$ 2,174,868	\$ 221,743
Deposits	1,002,950	2,299,189	3,112,197	189,942
Due to other funds		418,235		418,235
	<u>\$ 1,211,730</u>	<u>\$ 4,905,255</u>	<u>\$ 5,287,065</u>	<u>\$ 829,920</u>



**CITY OF CALABASAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND (Continued)
 For the Fiscal Year Ended June 30, 2005**

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
<u>LVUSD</u>				
Assets:				
Cash and investments	\$ -	\$ 2,008,477	\$ -	\$ 2,008,477
Accounts receivable		12,623		12,623
	\$ -	\$ 2,021,100	\$ -	\$ 2,021,100
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 2,021,100	\$ -	\$ 2,021,100
	\$ -	\$ 2,021,100	\$ -	\$ 2,021,100
<u>Education</u>				
Assets:				
Cash and investments	\$ 2,673	\$ 281,388	\$ 186,846	\$ 97,215
Accounts receivable		753		753
	\$ 2,673	\$ 282,141	\$ 186,846	\$ 97,968
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,673	\$ 282,141	\$ 186,846	\$ 97,968
	\$ 2,673	\$ 282,141	\$ 186,846	\$ 97,968
<u>Total Agency Funds</u>				
Assets:				
Cash and investments	\$ 2,455,567	\$ 10,631,722	\$ 7,867,129	\$ 5,220,160
Cash and investments with fiscal agent	6,072,937	2,196,861	4,203,975	4,065,823
Special tax receivable	7,298	243,993	7,298	243,993
Accounts receivable	2,841	13,376	2,841	13,376
	\$ 8,538,643	\$ 13,085,952	\$ 12,081,243	\$ 9,543,352
Liabilities:				
Accounts payable and accrued liabilities	\$ 389,954	\$ 4,547,024	\$ 2,540,215	\$ 2,396,763
Deposits	1,002,950	2,299,189	3,112,197	189,942
Due to other funds		418,235		418,235
Due to bondholders	7,145,739	5,821,504	6,428,831	6,538,412
	\$ 8,538,643	\$ 13,085,952	\$ 12,081,243	\$ 9,543,352



THIS PAGE LEFT INTENTIONALLY BLANK



MOSS, LEVY & HARTZHEIM

CERTIFIED PUBLIC ACCOUNTANTS
9107 WILSHIRE BLVD., SUITE 400
BEVERLY HILLS, CALIFORNIA 90210

TELEPHONE (310) 273-2745
FAX (310) 273-1689
E-MAIL: mlhbh@pacbell.net

MEMBER:

AMERICAN INSTITUTE OF C.P.A.'S
CALIFORNIA SOCIETY OF C.P.A.'S
CALIFORNIA SOCIETY OF
MUNICIPAL FINANCE OFFICERS
CALIFORNIA ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS

OFFICES:

BEVERLY HILLS, CALIFORNIA
SANTA MARIA, CALIFORNIA

ROBERT M. MOSS, C.P.A.*
RONALD A. LEVY, C.P.A.*
CRAIG A. HARTZHEIM, C.P.A.*
HADLEY HUI, C.P.A.
PAUL NIEDERMULLER, C.P.A.

*DENOTES PROFESSIONAL CORPORATION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable City Council
of the City of Calabasas
Calabasas, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Calabasas (City) as of and for the fiscal year ended June 30, 2005, and have issued our report thereon dated October 28, 2005. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The



CITY of CALABASAS, CALIFORNIA
FINANCIAL SECTION – Additional Reports

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the City Council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim
Beverly Hills, California
October 28, 2005



STATISTICAL SECTION

Financial Trends



CITY of CALABASAS, CALIFORNIA
STATISTICAL SECTION – Financial Trends

CITY OF CALABASAS
NET ASSETS BY COMPONENT
Last Three Fiscal Years

	Fiscal Year		
	2003	2004	2005
ASSETS			
Current Assets:			
Governmental Activities	\$34,006,464	\$34,263,467	\$41,361,260
Business-type Activities	938,534	847,458	953,826
Total Current Assets	<u>\$34,944,998</u>	<u>\$35,110,925</u>	<u>\$42,315,086</u>
Non-Current Assets:			
Governmental Activities	\$36,174,257	\$40,192,730	\$45,498,750
Business-type Activities	2,125,174	2,090,492	2,044,051
Total Non-current Assets	<u>\$38,299,431</u>	<u>\$42,283,222</u>	<u>\$47,542,801</u>
TOTAL ASSETS	\$73,244,429	\$77,394,147	\$89,857,887
LIABILITIES			
Current Liabilities:			
Governmental Activities	\$4,531,658	\$2,595,148	\$3,773,920
Business-type Activities	257,052	257,851	402,856
	<u>\$4,788,710</u>	<u>\$2,852,999</u>	<u>\$4,176,776</u>
Non-current Liabilities			
Governmental Activities	\$6,385,334	\$6,367,744	\$6,325,483
Business-type Activities	7,064	11,717	15,558
	<u>\$6,392,398</u>	<u>\$6,379,461</u>	<u>\$6,341,041</u>
TOTAL LIABILITIES	11,181,108	9,232,460	10,517,817
NET ASSETS	\$62,063,321	\$68,161,687	\$79,340,070
Invested in capital assets, net of related debt			
Governmental Activities	\$29,974,257	\$34,463,542	\$39,377,655
Business-type Activities	2,125,174	2,090,492	2,044,051
	<u>\$32,099,431</u>	<u>\$36,554,034</u>	<u>\$41,421,706</u>
Restricted for:			
Library		\$1,377,428	\$2,777,241
Debt service		438,585	430,472
Streets/roads		4,375,804	3,266,198
Housing		1,226,150	1,525,170
Landscape maintenance		1,430,353	1,783,511
Transit		908,269	269,389
Recycling		682,498	722,280
Public safety		75,869	65,621
Total restricted		<u>\$10,514,956</u>	<u>\$10,839,882</u>
Unrestricted:			
Governmental Activities	\$29,289,472	\$20,514,807	\$26,543,070
Business-type Activities	674,418	577,890	535,412
Total unrestricted	<u>\$29,963,890</u>	<u>\$21,092,697</u>	<u>\$27,078,482</u>
NET ASSETS	\$62,063,321	\$68,161,687	\$79,340,070

The city implemented GASB Statement 34 in 2003.
Schedules presenting government-wide information include information beginning in that year.



**CITY OF CALABASAS
 CHANGES IN NET ASSETS
 Last Three Fiscal Years**

	Fiscal Year		
	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities:			
General government	(\$9,273,512)	(\$4,101,870)	(\$4,351,380)
Public safety	(2,538,398)	(2,756,917)	(3,072,805)
Public works	5,206,688	(335,830)	4,560,583
Community development	(470,765)	(861,490)	(566,477)
Community services	(4,185,267)	(3,462,334)	(2,824,835)
Interest and fiscal charges	(344,678)	(319,722)	(325,447)
Unallocated depreciation		(1,069,863)	
Total governmental activities	(\$11,605,932)	(\$12,908,026)	(\$6,580,361)
Business-type activities:			
Tennis & swim center	\$66,148	\$154,315	(\$91,829)
Total business-type activities	\$66,148	\$154,315	(\$91,829)
Total primary government	(\$11,605,932)	(\$12,908,026)	(\$6,580,361)
Total business-type activities	66,148	154,315	(91,829)
Total	(\$11,539,784)	(\$12,753,711)	(\$6,672,190)
Taxes:			
Utility users taxes		\$3,296,031	\$3,019,532
Transient occupancy taxes		1,124,140	1,241,711
Sales taxes	4,675,583	5,278,369	5,680,413
Property taxes	2,989,719	3,372,794	3,468,510
Franchise taxes	590,101	252,306	590,388
Other taxes	4,201,038	423,871	370,110
Other intergovernmental-motor vehicle in-lieu	1,204,846	976,355	1,735,620
Use of money and property	363,915	489,455	1,327,849
Miscellaneous	1,593,634	478,284	298,641
Transfers		200,000	
Business-type Activities:			
Use of money and property		3,446	2,910
Transfers		(200,000)	
Total general revenue	\$15,618,836	\$15,695,051	\$17,735,684
Change in Net Assets Before Extraordinary Items	\$4,079,052	\$2,941,340	\$11,063,494
Extraordinary Item-Insurance Settlement		\$2,770,110	
Change in Net Assets	\$4,079,052	\$5,711,450	\$11,063,494
Net Assets - Beginning of Fiscal Year	\$57,984,269	\$62,063,321	\$68,161,687
Prior Period Adjustments		386,916	114,889
Net Assets - Beginning of Fiscal Year	\$57,984,269	\$62,450,237	\$68,276,576
Net Assets - End of Fiscal Year	\$62,063,321	\$68,161,687	\$79,340,070



CITY of CALABASAS, CALIFORNIA
STATISTICAL SECTION – Financial Trends

CITY OF CALABASAS
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	Fiscal Year				
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
General	\$5,224,459	\$6,401,464	\$7,771,923	\$9,222,814	\$10,698,175
Special Revenue	2,707,468	4,181,497	5,734,096	5,921,364	7,842,333
Capital Projects Funds	0	0	0	10,000	0
Non-Major Governmental Funds	0	0	0	494,851	504,777
Total All Governmental Funds	<u>\$7,931,927</u>	<u>\$10,582,961</u>	<u>\$13,506,019</u>	<u>\$15,649,029</u>	<u>\$19,045,285</u>

Notes:

Special Revenue Funds Include:
Developer Impact Fees
Landscape District Maintenance
Grants



CITY OF CALABASAS
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
 (Continued)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General	\$13,368,201	\$15,452,002	\$14,737,118	\$16,842,533	\$19,408,300
Special Revenue	8,245,527	9,266,620	8,608,577	5,168,254	7,813,775
Capital Projects Funds	(17,145)	(219,294)	(175,324)	(37,632)	1,251,949
Non-Major Governmental Funds	476,356	471,119	5,567,925	9,263,657	9,009,665
Total All Governmental Funds	<u>\$22,072,939</u>	<u>\$24,970,447</u>	<u>\$28,738,296</u>	<u>\$31,236,812</u>	<u>\$37,483,689</u>



CITY of CALABASAS, CALIFORNIA
STATISTICAL SECTION – Financial Trends

CITY OF CALABASAS
CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000
REVENUES					
Taxes	6,053,969	6,549,883	9,235,157	11,017,194	12,495,765
Licenses and fees	1,722,084	1,675,407	1,796,392	1,433,990	828,829
Intergovernmental	7,720,345	5,969,322	4,566,187	5,229,241	2,573,872
Fines and forfeitures	77,641	99,380	159,634	363,284	292,401
Developer fees		589,665	1,423,433	726,093	3,614,674
Use of money and property					
Charges for services					
Other, donations, and reimbursements	634,674	671,016	741,946	1,298,050	2,083,394
Total Revenues	16,208,713	15,554,673	17,922,749	20,067,852	21,888,935
EXPENDITURES					
Current:					
General government	1,048,730	862,808	1,081,893	3,618,906	1,323,668
Public safety	2,256,148	2,312,954	2,302,951	2,917,451	2,606,895
Public works	2,896,646	2,726,192	4,894,917	6,679,080	3,773,292
Community development	4,479,600	4,605,175	3,421,369	1,694,545	1,794,490
Community services	2,758,591	2,116,594	1,898,468	8,363,190	9,226,775
Capital outlay	721,308	880,364	1,401,465	403,582	359,072
Unreimbursable Grant Expenditure				411,440	85,437
Debt service:					
Principal retirement					70,000
Interest and fiscal charges				181,648	335,757
Total Expenditures	14,161,023	13,504,087	15,001,063	24,269,842	19,575,386
Excess of Revenues over (under) Expenditures	2,047,690	2,050,586	2,921,686	(4,201,990)	2,313,549
OTHER FINANCING SOURCES (USES)					
Certificates of participation proceeds				6,345,000	
Transfers in	1,990,199	1,091,027	3,736,315	12,096,178	2,736,300
Transfers out	(2,013,847)	(1,091,027)	(3,734,943)	(12,096,178)	(2,736,300)
Total Other Financing Sources (Uses)	(23,648)		1,372	6,345,000	
Net Change in Fund Balances Before Extraordinary Items	2,024,042	2,050,586	2,923,058	2,143,010	2,313,549
Extraordinary items-Insurance proceeds					
Net Change in Fund Balance	2,024,042	2,050,586	2,923,058	2,143,010	2,313,549
Fund Balances (deficit), Beginning of Fiscal Year	6,508,333	8,532,375	10,582,961	13,506,019	15,649,029
Prior Period Adjustments					
Fund Balances (deficit), Beginning of Fiscal Year (restated)	6,508,333	8,532,375	10,582,961	13,506,019	15,649,029
Fund Balances (deficit), End of Fiscal Year	8,532,375	10,582,961	13,506,019	15,649,029	17,962,578



CITY OF CALABASAS
CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

(Continued)

2001	2002	2003	2004	2005
14,052,461	14,366,022	15,621,239	13,299,541	14,615,943
1,113,000	1,253,387	1,230,510	1,515,469	3,045,314
3,207,607	2,027,151	3,898,690	2,880,111	6,054,596
251,081	210,669	245,511	295,148	187,921
807,866	2,772,155	3,484,077	261,518	3,488,716
			881,750	1,335,349
			3,442,358	3,546,613
1,976,841	2,109,529	3,415,854	520,076	298,642
<u>21,408,856</u>	<u>22,738,913</u>	<u>27,895,881</u>	<u>23,095,971</u>	<u>32,573,094</u>
2,873,322	3,423,505	4,949,740	4,490,308	4,281,416
2,716,715	2,848,251	2,899,021	3,131,804	3,350,806
3,842,309	5,348,336	1,770,923	2,835,309	2,886,420
1,539,442	1,675,352	2,219,870	1,086,609	1,149,848
5,199,238	5,776,214	6,218,988	7,418,439	7,659,404
792,086	425,089	5,715,792	5,314,644	6,729,322
15,000	25,000	35,000	50,000	65,000
320,383	319,658	318,698	313,112	318,890
<u>17,298,495</u>	<u>19,841,405</u>	<u>24,128,032</u>	<u>24,640,225</u>	<u>26,441,106</u>
<u>4,110,361</u>	<u>2,897,508</u>	<u>3,767,849</u>	<u>(1,544,254)</u>	<u>6,131,988</u>
2,178,715	3,771,236	5,439,325	5,648,426	5,415,916
<u>(2,178,715)</u>	<u>(3,771,236)</u>	<u>(5,439,325)</u>	<u>(5,448,426)</u>	<u>(5,415,916)</u>
			200,000	
4,110,361	2,897,508	3,767,849	(1,344,254)	6,131,988
			2,770,110	
<u>4,110,361</u>	<u>2,897,508</u>	<u>3,767,849</u>	<u>1,425,856</u>	<u>6,131,988</u>
17,962,578	22,072,939	24,970,447	28,738,296	31,236,812
			1,072,660	114,889
<u>17,962,578</u>	<u>22,072,939</u>	<u>24,970,447</u>	<u>29,810,956</u>	<u>31,351,701</u>
<u>22,072,939</u>	<u>24,970,447</u>	<u>28,738,296</u>	<u>31,236,812</u>	<u>37,483,689</u>



STATISTICAL SECTION

Revenue Capacity



**CITY OF CALABASAS
 ASSESSED VALUES OF TAXABLE PROPERTY
 Last Ten Fiscal Years**

Fiscal Year	Secured Valuation	Unsecured Valuation	Assessed Valuation
1996	\$2,513,831,945	\$43,499,829	\$2,557,331,774
1997	2,536,008,731	47,827,491	2,583,836,222
1998	2,550,633,271	53,317,256	2,603,950,527
1999	2,665,848,403	59,118,054	2,724,966,457
2000	2,895,072,481	75,730,960	2,970,803,441
2001	3,086,838,928	121,979,071	3,208,817,999
2002	3,316,198,387	101,060,814	3,417,259,201
2003	3,523,210,835	147,242,937	3,670,453,772
2004	3,874,229,578	147,158,774	4,021,388,352
2005	4,272,430,215	149,116,435	4,421,546,650

Sources:

Assessor, County of Los Angeles Auditor Controller
 Hinderliter, De Llamas and Associates

Note:

Property in the city is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value.



**CITY OF CALABASAS
 PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
 (Per \$100 of Assessed Value)
 Last Ten Fiscal Years**

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
General	1.000000	1.000000	1.000000	1.000000
County	0.001814	0.001604	0.001584	0.001451
Las Virgenes Unified School District	0.003102	0.000938	0.012017	0.029576
Los Angeles Community College District	0.000000	0.000000	0.000000	0.000000
Los Angeles County Flood Control District	0.000963	0.001991	0.002197	0.001953
Metropolitan Water District	0.008900	0.008900	0.008900	0.008900
Las Virgenes Municipal Water District	0.026548	0.014169	0.014169	0.012431
 Total	 <u>1.041327</u>	 <u>1.027602</u>	 <u>1.038867</u>	 <u>1.054311</u>

Special Assessments

The City is not obligated in any manner for special assessment bonded debt; therefore, ten year trend data have not been presented.

General Obligation Bonds

The City is not obligated in any manner for general obligation bonded indebtedness; therefore, ten year trend data of the ratio of net general bonded debt to assessed value, net general bonded debt per capita and ratio of annual debt service expenditures for general bonded debt to total general expenditures have been presented.

Source: Hdl, Coren & Cone



CITY OF CALABASAS
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
(Per \$100 of Assessed Value)
Last Ten Fiscal Years
 (Continued)

<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
0.001422	0.001314	0.001128	0.001033	0.000992	0.0009230
0.030760	0.034773	0.021949	0.028287	0.029887	0.0287980
0.000000	0.000000	0.015996	0.014598	0.019857	0.0180980
0.001765	0.001552	0.001073	0.000881	0.000462	0.0002450
0.008900	0.008800	0.007700	0.006700	0.006100	0.0058000
0.010492	0.009443	0.004437	0.002800	0.000782	0.000000
<u>1.053339</u>	<u>1.055882</u>	<u>1.052283</u>	<u>1.054299</u>	<u>1.058080</u>	<u>1.053864</u>



CITY of CALABASAS, CALIFORNIA
STATISTICAL SECTION – Revenue Capacity

CITY OF CALABASAS
PRINCIPAL PROPERTY TAX PAYERS
June 30, 2005

Taxpayer	2005		Percentage of Total City Taxable Assessed Value
	Taxable Assessed Value	Rank	
1 Casden Malibu Canyon L P	\$140,790,723	1	3.15%
2 ASN Calabasas I LLC	100,000,000	2	2.24%
3 Commons At Calabasas LLC	58,352,709	3	1.31%
4 Kilroy Realty Limited Partnership	57,118,709	4	1.28%
5 Countrywide Financial Corporation	52,881,474	5	1.18%
6 Arden Realty Limited Partnership	52,242,679	6	1.17%
7 Cheesecake Factory Inc	31,356,197	7	0.70%
8 Calabasas Sorrento Square LLC	20,200,421	8	0.45%
9 Calabasas Courtyard Inc	20,119,750	9	0.45%
10 NM Homes One LLC	14,800,765	10	0.33%
Total	\$547,863,427		12.26%
Total Assessed Value	<u>4,465,695,013</u>		



CITY OF CALABASAS
 SECURED 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 the Levy	
		Amount	Percentage of Levy
1996	\$1,250,828	\$1,140,847	91.21%
1997	1,264,675	1,136,484	89.86%
1998	1,393,060	1,314,749	94.38%
1999	1,909,467	1,810,483	94.82%
2000	2,128,968	1,992,094	93.57%
2001	2,315,044	2,195,116	94.82%
2002	2,493,243	2,362,375	94.75%
2003	2,938,660	2,875,937	97.87%
2004	3,266,168	3,139,886	96.13%
2005	3,633,186	3,225,830	88.79%

Source: _____

County of Los Angeles, Auditor-Controller



STATISTICAL SECTION

Debt Capacity



**CITY OF CALABASAS
 RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Three Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities	
	Facilities Corporation Certificates of Participation 1999 Series	Compensated Absences Payable	Total Government Long-Term Debt	Compensated Absences Payable	Total Primary Government
2005	\$6,085,000	\$315,483	\$6,400,483	\$15,558	\$6,416,041
2004	6,150,000	282,744	6,432,744	11,717	6,444,461
2003	6,200,000	235,334	6,435,334	7,064	6,442,398

Note:

Details regarding the city's outstanding debt can be found in the notes to the financial statements

Source:

City of Calabasas Audited Financials

Information gathered from the notes to the financial statements - Note #9 Long-Term Debt



CITY of CALABASAS, CALIFORNIA
STATISTICAL SECTION – Debt Capacity

**CITY OF CALABASAS
 ESTIMATED DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 Fiscal Years 1997 to 2005**

	<u>FY 2005</u>	
Assessed Valuation:		\$4,421,546,650
	<u>%</u>	<u>Debt</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Los Angeles County	0.651%	\$105,495
Los Angeles County Flood Control District	0.654%	797,095
Metropolitan Water District	0.333%	1,396,569
Los Angeles Community College District	1.153%	8,516,980
Los Angeles Unified School District	0.00002%	897
Las Virgenes Joint Unified School District	34.606%	28,986,034
Las Virgenes Municipal Water District I.D. No. U-I	0.000%	0
Las Virgenes Municipal Water District I.D. No. U-2	0.000%	0
Los Angeles County Waterworks District No. 29	0.000%	0
City of Calabasas Community Facilities District No. 2001-1	1.000%	27,540,000
Los Angeles County Community Facilities District No. 4-A	1.000%	10,225,000
Los Angeles County Community Facilities District No. 4-B	0.000%	0
Los Angeles Regional Park and Open Space Assessment District	0.651%	2,276,482
City of Calabasas	0.000%	0
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		79,844,552
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>		
Los Angeles County General Fund Obligations	0.651%	9,045,319
Los Angeles County Pension Obligations	0.651%	6,836,134
Los Angeles County Superintendent of Schools Certificates of Participation	0.651%	154,720
Los Angeles County Flood Control District General Fund Obligations	0.000%	0
Los Angeles County Community College District Certificates of Participation	0.000%	0
Las Virgenes Joint Unified School District Certificates of Participation	34.606%	6,921,200
Los Angeles Unified School District General Fund Obligations	0.00002%	120
City of Calabasas Certificates of Participation	1.000%	6,085,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		29,042,493
Less: Los Angeles County Certificates of Participation (100% self-supporting) from leasehold revenues on properties in Marina Del Rey)		360,296
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		28,682,197
GROSS COMBINED TOTAL DEBT ⁽¹⁾		108,887,045
NET COMBINED TOTAL DEBT		108,526,749
 ⁽¹⁾ Excludes tax and revenue anticipation notes, revenue, mortgage revenue, and tax allocation bonds and non-bonded capital lease obligations.		
<u>Ratios to Fiscal Year's Assessed Valuation:</u>		
Combined Direct Debt Amount		\$ 6,085,000
Combined Direct Debt	0.14%	
Total Overlapping Tax and Assessment Debt	1.81%	
Gross Combined Total Debt	2.46%	
Net Combined Total Debt	2.45%	
STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/05: \$0 KD: (\$200-update)		0

CITY of CALABASAS, CALIFORNIA
 STATISTICAL SECTION – Debt Capacity



CITY OF CALABASAS
ESTIMATED DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
Fiscal Years 1997 to 2005
 (Continued)

<u>FY 2004</u>	<u>FY 2003</u>	<u>FY 2002</u>	<u>FY 2001</u>	<u>FY 2000</u>	<u>FY 1999</u>	<u>FY 1998</u>	<u>FY 1997</u>
\$4,021,388,352	\$3,670,453,772	\$3,417,259,201	\$3,208,817,999	\$2,970,803,441	\$2,724,966,457	\$2,603,844,551	\$2,583,836,222
Debt	Debt	Debt	Debt	Debt	Debt	Debt	Debt
\$149,504	\$188,990	\$224,506	\$261,030	\$290,062	\$307,959	\$329,603	\$357,860
882,848	62,649	106,264	147,277	193,504	230,473	270,918	318,855
1,282,278	3,066,464	1,624,932	1,724,860	1,791,745	1,832,371	1,748,581	1,859,792
7,625,322	7,723,798	5,717,250	5,733,000	0	0	0	0
1,025	1,092	542	0	0	0	0	0
28,919,018	30,026,871	18,445,148	19,103,345	13,346,672	9,681,619	9,586,222	0
56,205	49,820	147,635	191,312	223,060	243,190	276,720	326,072
128,544	124,449	370,153	481,813	587,830	676,342	754,202	833,054
0	0	0	0	404	732	1,119	1,554
27,970,000	0	28,645,000	0	0	0	0	0
10,725,000	0	11,655,000	12,095,000	12,515,000	12,515,000	23,575,000	24,115,000
0	0	0	28,700,000	29,100,000	29,500,000	29,800,000	30,100,000
2,396,458	0	2,535,614	2,698,203	2,802,871	2,822,818	2,908,055	976,374
0	0	0	0	0	0	0	0
80,136,202	41,244,133	69,472,044	71,135,840	60,851,148	57,810,504	69,250,420	58,888,561
9,245,118	10,239,744	10,239,744	10,367,081	10,232,989	9,706,904	9,909,068	10,607,438
8,413,830	10,774,722	10,774,722	11,830,788	12,497,068	12,664,361	13,542,245	14,074,809
164,052	183,090	183,090	195,917	207,949	19,115	27,617	45,403
0	989,925	989,925	1,048,166	1,104,821	1,113,750	1,151,298	1,217,846
0	979,174	979,174	711,056	729,121	652,162	662,534	677,175
6,813,000	31,341	31,341	62,958	201,683	326,392	439,381	609,638
182	148	148	0	0	0	0	0
6,150,000	6,235,000	6,235,000	6,260,000	6,275,000	6,345,000	0	0
30,786,182	29,433,144	29,433,144	30,475,966	31,248,631	30,827,684	25,732,143	27,232,309
443,702	590,431	590,431	702,976	787,830	841,230	903,108	697,381
30,342,480	28,842,713	28,842,713	29,772,990	30,460,801	29,986,454	24,829,035	26,534,928
110,922,384	70,677,277	98,905,188	101,611,806	92,099,779	88,638,188	94,982,563	86,120,870
110,478,682	70,086,846	98,314,757	100,908,830	91,311,949	87,796,958	94,079,455	85,423,489
0	0	0	0	0	0	0	0



CITY OF CALABASAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	FY 2005	FY 2004	FY 2003
Total Assessed Value of all Real and Personal Property	\$4,421,546,650	4,021,388,352	3,670,453,772
Debt Limit Percentage	15.00%	15.00%	15.00%
Total Debt Limit (1)	\$663,231,998	\$603,208,253	\$550,568,066
Amount of Debt Applicable to Debt Limit (2)	-	-	-
Legal Debt Margin	\$663,231,998	\$603,208,253	\$550,568,066

(1) - In accordance with California Government Code Section 43605, total general obligation bonds outstanding cannot exceed 15 percent of total assessed valuation.

(2) - The City currently has no general bonded indebtedness.

Source: Los Angeles County Tax Assessors Office



**CITY OF CALABASAS
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS**
 (Continued)

FY 2002	FY 2001	FY 2000	FY 1999	FY 1998	FY 1997	FY 1996
3,417,259,201	3,208,817,999	2,970,803,441	2,724,966,457	2,603,950,527	2,583,836,222	2,557,331,774
15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
\$512,588,880	\$481,322,700	\$445,620,516	\$408,744,969	\$390,592,579	\$387,575,433	\$383,599,766
-	-	-	-	-	-	-
\$512,588,880	\$481,322,700	\$445,620,516	\$408,744,969	\$390,592,579	\$387,575,433	\$383,599,766



STATISTICAL SECTION

Demographic and Economic Information



**CITY OF CALABASAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (dollars in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Percentage of Residents with College Degrees</u>	<u>Unemployment Rate</u>
1996	18,835	\$763,401	\$40,531	41		
1997	19,170	790,801	41,252	41		
1998	19,530	820,787	42,027	42		
1999	20,098	981,767	48,849	40		
2000	20,455	985,706	48,189	38		
2001	20,390	994,624	48,780	40		
2002	20,730	1,023,461	49,371	43		
2003	22,550	1,126,643	49,962	45		
2004	23,123	1,336,741	57,810	42	33.0%	2.1%
2005	25,625	1,641,666	64,065	39	58.0%	1.8%

Source: Various on-line resources

Note: Information presented are estimates and are to be used to give perspective to the City relative to other municipalities.



**CITY OF CALABASAS
 Principal Employers
 Fiscal Year 2005 and Nine Years Ago**

Employer	2005			1996
	Employees	Rank	Percentage of Total City Employment	Principal Employer
Las Virgenes Unified School District	850	1	3.93%	Y
Countrywide Home Loans, Inc.	600	2	2.77%	Y
Spirent Communications	400	3	1.85%	
Alcatel Internetworking, Inc.	373	4	1.72%	
IXIA Communications	275	5	1.27%	
Cheesecake Factory, Inc.	195	6	0.90%	Y
Bob Smith BMW	150	7	0.69%	
Gelson's Market	135	8	0.62%	
Calabasas Volvo	130	9	0.60%	
Calabasas Motor Cars	130	10	0.60%	Y
Acura 101 West	--		--	Y
Digital Insight	--		--	Y
John Paul Richards, Inc	--		--	Y
Las Virgenes Water District	--		--	Y
The Ryland Group	--		--	Y
Total	3,238		14.97%	

Source: Finance Department and City of Calabasas Chamber of Commerce



THIS PAGE LEFT INTENTIONALLY BLANK



STATISTICAL SECTION

Operating Information



CITY OF CALABASAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/DEPARTMENT
Last Ten Fiscal Years

Function/Department	Full-time Equivalent Employees as of June 30									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
City Council Department	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Managers Department	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Administrative Services	3.00	3.00	4.00	4.00	4.50	4.50	5.00	6.00	6.00	6.00
Finance Department	2.00	3.00	3.00	3.00	4.50	4.50	4.50	4.75	4.50	8.50
Media Operations Department	1.00	1.00	2.50	2.50	4.00	5.50	5.50	5.50	7.75	7.75
Transportation Department	2.00	2.00	3.50	3.50	4.00	4.00	4.00	4.50	5.00	5.00
Community Development Dept.	11.50	11.50	9.00	9.00	10.00	10.00	17.00	16.00	16.00	20.00
Engineering & Public Works Dept.	3.00	3.00	5.50	5.50	5.50	6.00	8.50	8.75	8.75	10.00
Community Services Department	8.00	8.00	9.00	13.00	21.80	21.80	22.80	23.80	23.80	21.75
Total	36.50	37.50	42.50	47.50	61.30	63.30	74.30	76.30	78.80	86.00

Notes:

Community Services Department includes the Recreation Division (de Anza Park), the Tennis & Swim Center and the Creekside Park and Preschool

Source:

City of Calabasas, Finance and Human Resources Departments



CITY of CALABASAS, CALIFORNIA
STATISTICAL SECTION – Operating Information

CITY OF CALABASAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
Fiscal Year Ended June 30, 2005

<u>Function/Program</u>	<u>2005</u>
<u>Public Works</u>	
Street resurfacing (sq. feet)	241,013
<u>Parks and recreation</u>	
Number of City sponsored events	9
Number of Tennis & Swim Center members	4,550
<u>Transit</u>	
Total route (miles)	65
Passengers (monthly)	11,024

Sources: Various city departments



CITY OF CALABASAS
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 Fiscal Year Ended June 30, 2005

<u>Function/Program</u>	<u>2005</u>
<u>Public works</u>	
Bridges	4
Sewer system network (linear feet)	341,168
Streets / Highway (miles)	55.1
Traffic signals	18
<u>Parks and recreation</u>	
Basketball courts	6
Community centers	1
Fitness centers	1
Libraries	1
Park acreage	56.6
Parks	10
Swimming pools	2
Tennis courts	18
<u>Transit</u>	
Buses (including Trolleys)	9

Sources: Various city departments



CITY *of* CALABASAS, CALIFORNIA
FY 2004-05 Comprehensive Annual Financial Report

This report is respectfully submitted by:

**The CITY *of* CALABASAS
OFFICE OF FINANCE**

Meeting the standards of both the
Government Finance Officers Association (GFOA)
and the
California Society *of* Municipal Finance Officers (CSMFO)

This document is also compliant with the standards of
Governmental Accounting Standards Board (GASB) Statements 34 and 44.

Comments and questions can be directed to:

Gary J. Lysik, Chief Financial Officer
CITY *of* CALABASAS
Office of Finance
26135 Mureau Road
Calabasas, CA 91302
(818) 878-4225



CITY of CALABASAS