

REPORT TO COUNCIL AND REDEVELOPMENT AGENCY

DATE: DECEMBER 14, 2011

TO: GREG RAMIREZ, CITY MANAGER/EXECUTIVE DIRECTOR

**FROM: MIKE KAMINO, DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT
NATHAN HAMBURGER, ASSISTANT CITY MANAGER
CHRISTY PINUELAS, FINANCE DIRECTOR**

SUBJECT: SUMMARY OF THE AGOURA HILLS REDEVELOPMENT AGENCY ANNUAL REPORT

BACKGROUND/DISCUSSION

California Health and Safety Code Sections 33000 et seq. (California Redevelopment Law or "CRL") require that the Redevelopment Agency submit an annual financial report to its legislative body within six months after the end of the agency's fiscal year. This report and the attached documents and forms, included as Attachment 1, serve to fulfill the annual report requirements under applicable sections of the CRL. Reporting information must also be filed with the State Department of Housing and Community Development and with the State Controller.

The annual financial report must contain the following:

1. An independent financial audit ("Audit Report") of the previous fiscal year, which presents the results of the operations and financial position of the agency, including all financial activities with money required to be held in a separate Low and Moderate Income Housing Fund (LMIHF) per Section 33334.3 of the CRL. The audit must also contain a report on the Agency's compliance with laws, regulations and administrative requirements governing activities of the Agency, and a calculation of excess surplus in the LMIHF.
2. A fiscal statement containing the following information:
 - a. The amount of outstanding indebtedness of the Agency in each Project Area.
 - b. The amount of tax increment property tax revenue generated in the Agency and in each Project Area.
 - c. The amount of tax increment revenues paid to, or spent on behalf of, taxing agencies per Section 33401(b) or Section 33676 of the CRL.
 - d. The required annual report of financial transactions to the State Controller's Office.
 - e. The amount allocated to school or community college districts.

- f. The amount of existing indebtedness, as defined in Section 33582 of the CRL, and the total amount of payments required to be paid on existing indebtedness for that fiscal year.
 - g. Any other fiscal information that the Agency believes is useful to describe its programs.
- 3. A description of the Agency's activities affecting housing and displacement, containing the following information:
 - a. The total number of households displaced or moved from their dwelling units as a part of a redevelopment project during Fiscal Year 2010-11.
 - b. An estimate of the total number of households that will be displaced during 2011-12.
 - c. The total number of dwelling units provided to persons and families of low to moderate income as part of a redevelopment project.
 - d. The total number of Agency assisted dwelling units constructed, substantially rehabilitated, acquired or subsidized during Fiscal Year 2010-11 for occupancy at affordable cost by persons and families of low to moderate income.
 - e. The status and use of the Low to Moderate Income Housing Fund, created pursuant to Section 33334.3, including identification of any excess surplus funds that have accumulated in the Low to Moderate Income Housing Funds. Excess surplus funds are defined as any unexpended or unencumbered amount in the Housing Fund that exceeds the greater of \$1,000,000 or the aggregate amount deposited in the fund in the preceding four (4) fiscal years. Monies are deemed encumbered if committed by a legally enforceable contract or agreement.
 - f. Compilation of annual monitoring reports by the agency under Section 33419 of the CRL, identifying continuing compliance under terms of recorded agreements and restrictive affordable housing covenants, and identification of any projects or dwelling units in violation of recorded agreements and covenants.
 - g. The total amount of funds expended for planning and general administrative costs.
 - h. Any other information the Agency believes is useful to explain its housing program.
- 4. A description of the Agency's progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year.
- 5. A list of, and status report on, all loans made by the Agency in the amount of \$50,000 or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan approved by the Agency.
- 6. A description of the total number and nature of the properties owned by or acquired by the Agency during the previous fiscal year.

7. Any other information the Agency believes is useful to explain its programs, including, but not limited to, the number of jobs created or lost in the previous fiscal year as a result of its activities.

RECOMMENDATION

Pursuant to the requirements of California Redevelopment Law, staff respectfully requests the Redevelopment Board receive and file the Redevelopment Agency's Fiscal Statement, the HCD Report of Redevelopment Agency Housing Activities, the 2011 Redevelopment Agency's Transactions and the 2011 Redevelopment Agency's Basic Financial Statements.

Attachments:

- 2011 Fiscal Statement
- 2011 Activities Affecting Housing and Displacement
- 2011 Redevelopment Agency's HCD Report of Redevelopment Agency Housing Activities
- 2011 Redevelopment Agency's Transactions
- 2011 Redevelopment Agency's Basic Financial Statements

AGOURA HILLS REDEVELOPMENT AGENCY
FISCAL STATEMENT FOR THE FISCAL YEAR ENDED 2011

- A) The amount of outstanding bonded indebtedness, net of unamortized discount, for the Redevelopment Agency as of June 30, 2011 was reported to be \$14,590,465. In addition, the Agency has outstanding loan obligations of \$31,158,769 to the City.
- B) The amount of gross tax increment property tax revenue received by the Agency in 2010-11 was \$5,238,066.
- C) The amount of tax increment paid to taxing agencies pursuant to Section 33401, 33676 and 33607 of the CRL was \$3,497,038. In addition the agency paid County Fees per SB2557&AB1924 of \$100,515 and the SERAF shift as required by H&S Code Section 33681.9 of \$206,968.
- D) The required annual report of financial transactions to the State Controller's and the final audit will be submitted prior to December 31, 2011 (Attachment 2).
- E) The amount allocated to school or community college districts in 2010-11 were \$473,228.
- F) The amount of existing indebtedness in 2010-11 was \$46,518,769 and the payment required in 2010-11 was \$1,376,242.
- G) There is no other fiscal information that the Agency believes useful to describe its programs at this time.

AGOURA HILLS REDEVELOPMENT AGENCY
ACTIVITIES AFFECTING HOUSING AND DISPLACEMENT

- a. The total number of households displaced or moved as part of a redevelopment project of the Agency in FY 2010-11 was 0.
- b. The total number of households estimated to be displaced as part of a redevelopment project of the Agency in FY 2010-11 is 0.
- c. The total number of low to moderate-income dwelling units destroyed or removed from the housing stock as part of a redevelopment project of the Agency in FY 2010-11 was 0.
- d. The total number of Agency-assisted dwelling units that were constructed, rehabilitated, acquired or subsidized for occupancy at an affordable housing cost by persons and families of low to moderate income in FY 2010-11 was 0.
- e. As of June 30, 2011, the Agency's Low and Moderate Income Housing Fund (LMIHF) set aside balance for the Redevelopment Project Area was \$11,939,039, which, after adjustment for unspent bond proceeds and deferred loans, results in an available funds balance of \$3,383,280. The available funds balance does not reflect other Agency approved encumbrances as will be reported in the HCD report Schedule C.
- f. For FY 2010-11, the Agency does not have an LMIHF excess surplus.

The Agency's progress in alleviating blight during FY 2010-11 includes public improvements to upgrade infrastructure and facility capacity to mitigate deficiencies. Examples include the Chesebro Road Interchange Project, the Reyes Adobe Road Interchange Project, and the design coordination of the future Kanan and Agoura Roads roundabout with potential developers in the Agoura Village Specific Plan area. Additionally, the Agency has continued efforts toward planning and negotiating with land owners and potential developers for projects in Agoura Village, regarding the inclusion of affordable housing opportunities within their projects.

AGOURA HILLS REDEVELOPMENT AGENCY
FISCAL STATEMENT FOR THE FISCAL YEAR ENDED 2011

- A) The amount of outstanding bonded indebtedness, net of unamortized discount, for the Redevelopment Agency as of June 30, 2011 was reported to be \$14,590,465. In addition, the Agency has outstanding loan obligations of \$31,158,769 to the City.
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AGOURA HILLS REDEVELOPMENT AGENCY
ACTIVITIES AFFECTING HOUSING AND DISPLACEMENT

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- d. The total number of Agency-assisted dwelling units that were constructed, rehabilitated, acquired or subsidized for occupancy at an affordable housing cost by persons and families of low to moderate income in FY 2010-11 was 0.
- e. As of June 30, 2011, the Agency's Low and Moderate Income Housing Fund (LMIHF) set aside balance for the Redevelopment Project Area was \$11,939,039, which, after adjustment for unspent bond proceeds and deferred loans, results in an available funds balance of \$3,383,280. The available funds balance does not reflect other Agency approved encumbrances as will be reported in the HCD report Schedule C.
- f. For FY 2010-11, the Agency does not have an LMIHF excess surplus.

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HCD Report

Redevelopment Agency Housing Activities



California Department of Housing and Community Development
Redevelopment Agency Reporting System
General Project Area Information Sch A, p1



You are Here: [Select Year](#) > [Schedule Menu](#) > [Project Area Selector](#) > [Project Area Activity Menu](#) > Project Area General Info

<< Previous

Page Agency:AGOURA HILLS Fiscal Year :2010/2011 Prepared by: Christy Pinuelas

- Admin
- Select Year
- FAQ
- User Info
- Status
- Print
- Logout

For Project Area:AGOURA HILLS PROJECT AREA

1.a Project Area Information

- 1. Year plan for project area was adopted:
- 2. Year that plan was last amended (if applicable):
- 3. Was Plan amended after 2001 to extend time limits per Senate Bill 211 (Chapter 741, Statutes of 2001)?:
- 4. Current expiration of redevelopment plan:

If the redevelopment plan for the subject project area was adopted before 1/1/76, and the agency has elected to apply all or part of Section 33413, identify the resolution date and scope (elected provisions).: [Help?](#)

Date: (mm/dd/yyyy)*

* Note: If dd for the date is not available assume 01

Scope:

5. Project Area Time Limits:

- (a) Expiration date of Redevelopment Plan (mm/dd/yyyy):
- (b) Expiration date to incur debt (mm/dd/yyyy):
- (c) Expiration date to receive property tax revenue (mm/dd/yyyy):
- (d) Expiration date to start Eminent Domain (mm/dd/yyyy):



California Department of Housing and Community Development
Redevelopment Agency Reporting System
Housing Fund Revenues & Other Resources Sch A, p2



You are Here: [Select Year](#) > [Schedule Menu](#) > [Project Area Selector](#) > [Project Area Activity](#) > [Housing Fund Revenues](#)

<< Previous Agency: AGOURA HILLS Fiscal Year : 2010/2011 Prepared by: Christy Pinuelas

Page For Project Area: AGOURA HILLS PROJECT AREA

- Admin
- Select Year
- FAQ
- User Info
- Status

3. Project Area Housing Fund Revenues and Other Sources Instructions

NOTE:

Expenditures for debt service(HCD-C (Page 2, Line 4c.)) should be reported on Sch C Agency-wide Financial Information 4c. (Click on Schedule Menu)

a. Tax Increment

(1) 100% of Gross Allocation: \$5,238,066

(2) Calculate only 1 set-aside amount: either (A) or (B) below:

(A) Minimum 20% deposit required by 33334.2 (Gross x 20%): \$1,047,613

(B) Minimum 30% deposit required by 33333.10(g)(Gross x 30%) []

(Senate Bill 211, Chapter 741, Statutes of 2001):

(3) **Tax Increment Allocated to Housing Fund:** \$1,047,613

(A) Supplemental Education Revenue Augmentation Fund (SERAF) Payment:

SUSPENSION (\$0), only allowed in FY2009-10

(B) If amount allocated to Housing Fund on Line(3) above is less than the amount from percentage calculation, identify Project Area(s) additional deposits making up all the difference:

Project Area	Difference	\$0
--Select--	\$0	
--Select--	\$0	
--Select--	\$0	

(4) Amount Exempted* :Please complete Exemption(s) page before entering data (\$0)

(5) Amount Deferred* :Please complete Deferral(s) page before entering data (\$0)

* If Exempted or Deferred Amount is entered, after you SAVE, you need to go to Project Area Activity Menu and select Exemption(s) And/Or Deferral(s) to enter Sch A data.

(6) **Total Deposit to the Housing Fund**
[Net result of Line 3a(3) through 3a(5)] \$1,047,613

b. Interest Income: \$80,765

c. Rental/Lease Income: []

d. Sale of Real Estate:	<input type="text"/>
e. Grants:	<input type="text"/>
f. Bond Administrative Fees:	<input type="text"/>
g. Deferral Repayments - other than SERAF:	\$0
h. Loan Repayments - other than SERAF:	<input type="text"/>
i. Debt Proceeds:	<input type="text"/>
j. Other Revenue(s) [Explain and identify amount(s):	
Loan Repayment	\$11,000
	\$11,000
k. SERAF LOAN Repayments:	<input type="text"/>
l. SERAF SUSPENSION Repayments:	<input type="text"/>
m. Total Project Area Receipts Deposited to Housing Fund (lines 3a(6) and 3b through 3l.):	\$1,139,378

Redevelopment Agency Reporting System - Housing Fund Revenues & Other Resources
 California Department of Housing and Community Development

California Redevelopment Agencies - Fiscal Year 2010/2011
Status of Low and Moderate Income Housing Funds
Sch C Agency Financial Summary
AGOURA HILLS

<i>Adjusted Beginning Balance</i>	<i>Project Area Receipts</i>	<i>Agency Other Revenue</i>	<i>Total Expenses</i>	<i>Net Resources Available</i>	<i>Other Housing Fund Assets</i>	<i>Total Housing Fund Assets</i>	<i>Encumbrances</i>	<i>* Unencumbered Balance</i>	<i>Unencumbered Designated</i>	<i>Unencumbered Not Dsgntd</i>
\$12,559,013	\$1,139,378	\$0	\$1,759,352	\$11,939,039	\$0	\$11,939,039	\$0	\$11,939,039	\$0	\$11,939,039

<i>Expenses</i>	<i>Debt Service</i>	<i>Other</i>	<i>Planning and Administration Costs</i>	<i>Subsidies</i>	<i>Total</i>
2010/2011	\$617,405	\$206,968	\$684,979	\$250,000	\$1,759,352

**The Unencumbered Balance is equal to Net Resources Available minus Encumbrances*

Note: Print this report in Landscape Orientation (Use the Print Icon just above, then Properties then Landscape)

California Redevelopment Agencies - Fiscal Year 2010/2011
Status of Low and Moderate Income Housing Funds
Sch C Agency Financial and Program Detail
AGOURA HILLS

	Beginning Balance	\$12,559,013
	Adjustment to Beginning Balance	\$0
	Adjusted Beginning Balance	\$12,559,013
Total Tax Increment From PA(s)	\$1,047,613	
	Total Receipts from PA(s)	\$1,139,378
	Other Revenues not reported on Schedule A	\$0
	Sum of Beginning Balance and Revenues	\$13,698,391

Expenditure			
<u>Item</u>	<u>Subitem</u>	<u>Amount</u>	<u>Remark</u>
Debt Service			
Debt Principal Payments	Revenue Bonds & Certificates of Participation	\$617,405	
	Subtotal of Debt Service	\$617,405	
Other			
		\$206,968	Due from Cap Projects 33690.5C
	Subtotal of Other	\$206,968	
Planning and Administration Costs			
Administration Costs		\$320,530	
Professional Services		\$364,449	
	Subtotal of Planning and Administration Costs	\$684,979	
Subsidies from the LMIHF			
Other		\$250,000	Lease option to develop housing project.
	Subtotal of Subsidies from the LMIHF	\$250,000	
	Total Expenditures	\$1,759,352	

Net Resources Available **\$11,939,039**

Indebtedness For Setasides Deferred **\$0**

California Redevelopment Agencies - Fiscal Year 2010/2011
 Status of Low and Moderate Income Housing Funds
 Sch C Agency Financial and Program Detail
 AGOURA HILLS

Other Housing Fund Assets		
<u>Category</u>	<u>Amount</u>	<u>Remark</u>
SERAF Total Receivable	\$0	
Total Other Housing Fund Assets	\$0	

Total Fund Equity **\$11,939,039**

2006/2007	\$790564			
2007/2008	\$1004281			
2008/2009	\$1090859	<i>sum of 4 Previous Years' Tax Increment for 2010/2011</i>	<i>Prior Year Ending Unencumbered Balance</i>	<i>Excess Surplus for 2010/2011</i>
2009/2010	\$1060341	\$3946045	\$12,559,013	\$8,612,968

Sum of Current and 3 Previous Years' Tax Increments **\$4,203,094**

Adjusted Balance **\$2,952,924**

Excess Surplus for next year **\$0**

Net Resources Available **\$11,939,039**

Unencumbered Designated **\$0**

Unencumbered Undesignated **\$11,939,039**

Total Encumbrances **\$0**

Unencumbered Balance **\$11,939,039**

Unencumbered Balance Adjusted for Debt Proceeds **\$8,986,115**

Unencumbered Balance Adjusted for Land Sales **\$0**

Excess Surplus Expenditure Plan **No**

Excess Surplus Plan Adoption Date

Site Improvement Activities Benefiting Households				
<u>Income Level</u>	<u>Low</u>	<u>Very Low</u>	<u>Moderate</u>	<u>Total</u>
Construction	0	0	0	0
Rehabilitation	0	0	0	0
Health and Safety Hazard	0	0	0	0

Land Held for Future Development					
<u>Site Name</u>	<u>Num Of Acres</u>	<u>Zoning</u>	<u>Purchase Date</u>	<u>Estimated Start Date</u>	<u>Remark</u>

Use of the Housing Fund to Assist Mortgageors

California Redevelopment Agencies - Fiscal Year 2010/2011
Status of Low and Moderate Income Housing Funds
Sch C Agency Financial and Program Detail
AGOURA HILLS

Income Adjustment Factors **Requirements Completed**

Home \$ **Hope** \$

Non Housing Redevelopment Funds Usage

Resource Needs

LMIHF Deposits/Withdrawals				
<u>Document Name</u>	<u>Document Date</u>	<u>Custodian Name</u>	<u>Custodian Phone</u>	<u>Copy Source</u>

Achievements
Description

California Redevelopment Agencies-Fiscal Year 2010/2011
Project Area Contributions to Low and Moderate Income Housing Funds
Sch A Project Area Summary Report
AGOURA HILLS

<i>Project Area</i>	<i>100% of Tax Increment</i>	<i>20% Set Aside Requirement</i>	<i>Tax Increment Allocated</i>	<i>Amount Exempted</i>	<i>Amount Suspended and/or Deferred</i>	<i>Tax Incr. Deposited to Hsng Fund</i>	<i>Percent of Tax Incr Dep</i>	<i>Repayment Deferrals</i>	<i>Other Income</i>	<i>Total Deposited to Housing</i>
AGOURA HILLS PROJECT AREA	\$5,238,066	\$1,047,613	\$1,047,613	\$0	\$0	\$1,047,613	20.00%	\$0	\$91,765	\$1,139,378
Agency Totals:	\$5,238,066	\$1,047,613	\$1,047,613	\$0	\$0	\$1,047,613	20.00%	\$0	\$91,765	\$1,139,378

Note: Print this report in Landscape Orientation (Use the Print Icon just above, then Properties then Landscape)

**California Redevelopment Agencies- Fiscal Year 2010/2011
 Project Area Contributions to Low and Moderate Income Housing Fund
 Sch A Project Area Financial Information**

Agency **AGOURA HILLS**
 Address **30001 Ladyface Court**
AGOURA HILLS CA 91301

Project Area AGOURA HILLS PROJECT AREA							
Type: Inside Project Area				Status: Active			
Plan Adoption: 1992				Plan Expiration Year: 2032			
<u>Gross Tax Increment</u>	<u>Calculated Deposit</u>	<u>Amount Allocated</u>	<u>Amount Exempted</u>	<u>Amount Suspended and/or Deferred</u>	<u>Total Deposited</u>	<u>%</u>	<u>Cumulative Def.</u>
\$5,238,066	\$1,047,613	\$1,047,613	\$0	\$0	\$1,047,613	20.00%	\$0
				Repayment	\$0		
				Category			
				Interest Income	\$80,765		
				Other Revenue ¹	\$11,000		
				Total Additional Revenue	\$91,765		
				Total Housing Fund Deposits for Project Area	\$1,139,378		

Agency Totals For All Project Areas:

<u>Gross Tax Increment</u>	<u>Calculated Deposit</u>	<u>Amount Allocated</u>	<u>Amount Exempted</u>	<u>Amount Suspended and/or Deferred</u>	<u>Total Deposited</u>	<u>%</u>	<u>Cumulative Def.</u>
\$5,238,066	\$1,047,613.2	\$1,047,613	\$0	\$0	\$1,047,613	20%	\$0
				Total Additional Revenue from Project Areas:	\$91,765		
				Total Deferral Repayments:	\$0		
				Total Deposit to Housing Fund from Project Areas:	\$1,139,378		

SCHEDULE HCD E
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2010/2011

Agency: AGOURA HILLS

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I [H & SC Section 33413(b)(1)] AGENCY DEVELOPED	
1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	0
PART II [H & SC Section 33413(b)(2)] NON-AGENCY DEVELOPED UNITS	
6. New Units	0
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	0
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0
PART III TOTALS	
11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

2011 Redevelopment Agency's Transactions



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

(INDEPENDENT) ACCOUNTANT'S COMPILATION REPORT

Christy Pinuelas
Agoura Hills Redevelopment Agency
30001 Ladyface Court
Agoura Hills, CA 91301

We have compiled the Agoura Hills Redevelopment Agencies Financial Transactions Report (RAFTR), that includes year-end balance sheets and the related statements of income, and other related information in the form prescribed by the State Controller for the year ended June 30, 2011. We have not audited or reviewed the accompanying RAFTR and, accordingly, do not express an opinion or provide any assurance about whether the RAFTR is in accordance with the form prescribed by the State Controller.

Management is responsible for the preparation and fair presentation of the Redevelopment Agencies Financial Transactions Report in accordance with requirements prescribed by the State Controller and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the Redevelopment Agencies Financial Transactions Report.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of the Redevelopment Agencies Financial Transactions Report without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the RAFTR.

This Redevelopment Agencies Financial Transactions Report is presented in accordance with the requirements of the State Controller's Office, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the State Controller's Office and is not intended to be and should not be used by anyone other than this specified party.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 9, 2011

Agoura Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

General Information

Fiscal Year **2011**

Members of the Governing Body			
	Last Name	First Name	Middle Initial
Chairperson	Schwartz	Harry	
Member	Koehler	William	D
Member	Kuperberg	Daniel	
Member	Edelston	John	M
Member	Weber	Denis	
Member			
Member			
Member			
Member			
Member			

Agency Officials				
	Last Name	First Name	Middle Initial	Phone
Executive Director	Ramirez	Greg	P	(818) 597-7300
Fiscal Officer	Pinuelas	Christy	S	(818) 597-7319
Secretary	Rodrigues	Kimberly	M	(818) 597-7303

Report Prepared By		Independent Auditor	
Firm Name	Broesel	Vavrinek, Trine, Day & Co., LLP	
Last	Mona	Alfaro	
First		Roger	
Middle Initial			
Street	8270 Aspen Street	8270 Aspen Street	
City	Rancho Cucamonga	Rancho Cucamonga	
State	CA	CA	
Zip Code	91730-	91730-	
Phone	(909) 466-4410	(909) 466-4410	

Mailing Address

Street 1

Street 2

City State Zip

Phone Is Address Changed?

Agoura Hills Redevelopment Agency
Redevelopment Agencies Financial Transactions Report

Audit Information

Fiscal Year

Was the Report Prepared from Audited Financial Data, and Did You Submit a Copy of the Audit?

If compliance opinion includes exceptions, state the areas of non-compliance, and describe the agency's efforts to correct.

Indicate Financial Audit Opinion

If Financial Audit is not yet Completed, What is the Expected Completion Date?

The agency did not file a fiscal statement as required by Health and Safety Code Section 33080.5

If the Audit Opinion was Other than Unqualified, State Briefly the Reason Given

The Agency's budget did not include an examination of the Pys achievements and a comparison of the achievements with the goals of the Pys work program.

Was a Compliance Audit Performed in Accordance with Health and Safety Code Section 33080.1 and the State Controller's Guidelines for Compliance Audits, and Did You Submit a Copy of the Audit?

Indicate Compliance Audit Opinion

If Compliance Audit is not yet Completed, What is the Expected Completion Date?

Agoura Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Project Area Report

Fiscal Year 2011

Project Area Name

Aguora Hill Project Area

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

Activity Report

Forwarded from Prior Year ?

Yes

Enter Code for Type of Project Area Report

- P = Standard Project Area Report
- L = Low and Moderate Income Housing Fund
- O = Other Miscellaneous Funds or Programs

- A = Administrative Fund
- M = Mortgage Revenue Bond Program
- S = Proposed (Survey) Project Area

Does the Plan Include Tax Increment Provisions?

Yes

Date Project Area was Established (MM-DD-YY)

Most Recent Date Project Area was Amended

Did this Amendment Add New Territory?

No

Most Recent Date Project Area was Merged

Will this Project Area be Carried Forward to Next Year?

Yes

Established Time Limit :

Repayment of Indebtedness (Year Only)

Effectiveness of Plan (Year Only)

New Indebtedness (Year Only)

Size of Project Area in Acres

Percentage of Land Vacant at the Inception of the Project Area

Health and Safety Code Section 33320.1 (xx.x%)

Percentage of Land Developed at the Inception of the Project Area

Health and Safety Code Section 33320.1 (xx.x%)

Objectives of the Project Area as Set Forth in the Project Area Plan

(Enter the Appropriate Code(s) in Sequence as Shown)

R = Residential I = Industrial C = Commercial P = Public O = Other

Aguora Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Assessed Valuation Data

Fiscal Year **2011**

Project Area Name	Aguora Hill Project Area
Frozen Base Assessed Valuation	340,152,405
Increment Assessed Valuation	505,311,195
Total Assessed Valuation	845,463,600

Agoura Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Pass-Through / School District Assistance

Fiscal Year

Project Area Name

Amounts Paid To Taxing Agencies Pursuant To:	Tax Increment Pass Through Detail				Other Payments	
	H & S Code Section 33401	H & S Code Section 33676	H & S Code Section 33607	Total	H & S Code Section 33445	H & S Code Section 33445.5
County		1,900,661		\$1,900,661		
Cities				\$0		
School Districts		401,857		\$401,857		
Community College District		65,598	5,773	\$71,371		
Special Districts		1,128,922		\$1,128,922		
Total Paid to Taxing Agencies	\$0	\$3,497,038	\$5,773	\$3,502,811	\$0	\$0
Net Amount to Agency				\$1,735,255		
Gross Tax Increment Generated				5,238,066		

Agoura Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Summary of the Statement of Indebtedness - Project Area

Fiscal Year 2011

Project Area Name

Agoura Hills Project Area

Tax Allocation Bond Debt

14,590,465

Revenue Bonds

Other Long Term Debt

City/County Debt

31,158,769

Low and Moderate Income Housing Fund

1,047,613

Other

206,968

Total

\$47,003,815

Available Revenues

2,823,946

Net Tax Increment Requirements

\$44,179,869

Agoura Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	<input type="text" value="Yes"/>
Bond Type	<input type="text" value="City/County Debt"/>
Year of Authorization	<input type="text" value="1992"/>
Principal Amount Authorized	<input type="text" value="28,529,592"/>
Principal Amount Issued	<input type="text" value="28,529,592"/>
Purpose of Issue	<input type="text" value="Project Expenses"/>
Maturity Date Beginning Year	<input type="text" value="1992"/>
Maturity Date Ending Year	<input type="text" value="2037"/>
Principal Amount Unmatured Beginning of Fiscal Year	<input type="text" value="\$16,414,328"/>
Adjustment Made During Year	<input type="text" value="-16,414,328"/>
Adjustment Explanation	<input type="text"/>
Interest Added to Principal	<input type="text"/>
Principal Amount Issued During Fiscal Year	<input type="text"/>
Principal Amount Matured During Fiscal Year	<input type="text"/>
Principal Amount Defeased During Fiscal Year	<input type="text"/>
Principal Amount Unmatured End of Fiscal Year	<input type="text" value="\$0"/>
Principal Amount In Default	<input type="text"/>
Interest In Default	<input type="text"/>

Bond Types Allowed:
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Agoura Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	<input type="text" value="Yes"/>
Bond Type	<input type="text" value="Revenue Bonds"/>
Year of Authorization	<input type="text" value="2008"/>
Principal Amount Authorized	<input type="text" value="10,000,000"/>
Principal Amount Issued	<input type="text" value="10,000,000"/>
Purpose of Issue	<input type="text" value="Finance Low & Moderate Income Housing"/>
Maturity Date Beginning Year	<input type="text" value="2009"/>
Maturity Date Ending Year	<input type="text" value="2032"/>
Principal Amount Unmatured Beginning of Fiscal Year	<input type="text" value="\$9,865,000"/>
Adjustment Made During Year	<input type="text"/>
Adjustment Explanation	<input type="text"/>
Interest Added to Principal	<input type="text"/>
Principal Amount Issued During Fiscal Year	<input type="text"/>
Principal Amount Matured During Fiscal Year	<input type="text" value="145,000"/>
Principal Amount Defeased During Fiscal Year	<input type="text"/>
Principal Amount Unmatured End of Fiscal Year	<input type="text" value="\$9,720,000"/>
Principal Amount In Default	<input type="text"/>
Interest In Default	<input type="text"/>

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Agoura Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	<input type="text" value="Yes"/>
Bond Type	<input type="text" value="Revenue Bonds"/>
Year of Authorization	<input type="text" value="2008"/>
Principal Amount Authorized	<input type="text" value="10,000,000"/>
Principal Amount Issued	<input type="text" value="10,000,000"/>
Purpose of Issue	<input type="text" value="Finance Low & Moderate Income Housing"/>
Maturity Date Beginning Year	<input type="text" value="2009"/>
Maturity Date Ending Year	<input type="text" value="2032"/>
Principal Amount Unmatured Beginning of Fiscal Year	<input type="text" value="\$9,865,000"/>
Adjustment Made During Year	<input type="text"/>
Adjustment Explanation	<input type="text"/>
Interest Added to Principal	<input type="text"/>
Principal Amount Issued During Fiscal Year	<input type="text"/>
Principal Amount Matured During Fiscal Year	<input type="text" value="145,000"/>
Principal Amount Defeased During Fiscal Year	<input type="text"/>
Principal Amount Unmatured End of Fiscal Year	<input type="text" value="\$9,720,000"/>
Principal Amount In Default	<input type="text"/>
Interest In Default	<input type="text"/>

Bond Types Allowed:
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Agoura Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	<input type="text"/>
Bond Type	<input type="text" value="City/County Debt"/>
Year of Authorization	<input type="text" value="2011"/>
Principal Amount Authorized	<input type="text" value="44,000,000"/>
Principal Amount Issued	<input type="text" value="32,335,011"/>
Purpose of Issue	<input type="text" value="Project Expenses"/>
Maturity Date Beginning Year	<input type="text" value="2011"/>
Maturity Date Ending Year	<input type="text" value="2042"/>
Principal Amount Unmatured Beginning of Fiscal Year	<input type="text"/>
Adjustment Made During Year	<input type="text"/>
Adjustment Explanation	<input type="text"/>
Interest Added to Principal	<input type="text" value="899,983"/>
Principal Amount Issued During Fiscal Year	<input type="text" value="31,435,028"/>
Principal Amount Matured During Fiscal Year	<input type="text" value="1,176,242"/>
Principal Amount Defeased During Fiscal Year	<input type="text"/>
Principal Amount Unmatured End of Fiscal Year	<input type="text" value="\$31,158,769"/>
Principal Amount In Default	<input type="text"/>
Interest In Default	<input type="text"/>

Bond Types Allowed:
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Aguora Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Revenues

Fiscal Year 2011
Project Area Name Aguora Hill Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross <i>(Include All Apportionments)</i>		5,238,066			\$5,238,066
Special Supplemental Subvention					\$0
Property Assessments					\$0
Sales and Use Tax					\$0
Transient Occupancy Tax					\$0
Interest Income	9,006	13,254	80,765		\$103,025
Rental Income					\$0
Lease Income					\$0
Sale of Real Estate					\$0
Gain on Land Held for Resale					\$0
Federal Grants					\$0
Grants from Other Agencies					\$0
Bond Administrative Fees					\$0
Other Revenues			11,000		\$11,000
Total Revenues	\$9,006	\$5,251,320	\$91,765	\$0	\$5,352,091

Agoura Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year

Project Area Name

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Administration Costs	589,499		527,498		\$1,116,997
Professional Services	68,069		364,449		\$432,518
Planning, Survey, and Design					\$0
Real Estate Purchases					\$0
Acquisition Expense					\$0
Operation of Acquired Property	1,994				\$1,994
Relocation Costs					\$0
Relocation Payments					\$0
Site Clearance Costs					\$0
Project Improvement / Construction Costs	1,065,494		250,000		\$1,315,494
Disposal Costs					\$0
Loss on Disposition of Land Held for Resale					\$0

Agoura Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year

Project Area Name

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Decline in Value of Land Held for Resale					\$0
Rehabilitation Costs					\$0
Rehabilitation Grants					\$0
Interest Expense		893,258			\$893,258
Fixed Asset Acquisitions					\$0
Subsidies to Low and Moderate Income Housing					\$0
Debt Issuance Costs					\$0
Other Expenditures Including Pass- Through Payment(s)		3,602,569			\$3,602,569
Debt Principal Payments:					
Tax Allocation Bonds and Notes		55,000			\$55,000
Revenue Bonds, Certificates of Participation, Financing Authority Bonds		145,000			\$145,000
City/County Advances and Loans	1,176,242				\$1,176,242
All Other Long-Term Debt					\$0
Total Expenditures	\$2,901,298	\$4,695,827	\$1,141,947	\$0	\$8,739,072
Excess (Deficiency) Revenues over (under) Expenditures	(\$2,892,292)	\$555,493	(\$1,050,182)	\$0	(\$3,386,981)

Aguora Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year

Project Area Name

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Proceeds of Long-Term Debt					\$0
Proceeds of Refunding Bonds					\$0
Payment to Refunded Bond Escrow Agent					\$0
Advances from City/County	823,363				\$823,363
Sale of Fixed Assets					\$0
Miscellaneous Financing Sources (Uses)					\$0
Operating Transfers In	595,380	1,133,231			\$1,728,611
Tax Increment Transfers In			1,047,613		\$1,047,613
Operating Transfers Out	515,826	595,380	617,405		\$1,728,611
Tax Increment Transfers Out		1,047,613			\$1,047,613
<i>(To the Low and Moderate Income Housing Fund)</i>					
Total Other Financing Sources (Uses)	\$902,917	(\$509,762)	\$430,208	\$0	\$823,363

Aguora Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year 2011
Project Area Name Aguora Hill Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(\$1,989,375)	\$45,731	(\$619,974)	\$0	(\$2,563,618)
Equity, Beginning of Period	\$6,297,283	\$852,871	\$12,559,013	\$0	\$19,709,167
Prior Period Adjustments					\$0
Residual Equity Transfers					\$0
Equity, End of Period	\$4,307,908	\$898,602	\$11,939,039	\$0	\$17,145,549

Agoura Hills Redevelopment Agency
Redevelopment Agencies Financial Transactions Report

Balance Sheet - Assets and Other Debits

Fiscal Year	2011	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long- Term Debt	General Fixed Assets	Total
Assets and Other Debits								
Cash and Imprest Cash		1,484,912	1,218,874	11,740,084				\$14,443,870
Cash with Fiscal Agent								\$0
Tax Increments Receivable			337,909					\$337,909
Accounts Receivable								\$0
Accrued Interest Receivable		1,670	1,561	13,861				\$17,092
Loans Receivable				178,618				\$178,618
Contracts Receivable								\$0
Lease Payments Receivable								\$0
Unearned Finance Charge								\$0
Due from Capital Projects Fund				206,968				\$206,968
Due from Debt Service Fund								\$0
Due from Low/Moderate Income Housing Fund								\$0
Due from Special Revenue/Other Funds								\$0

Agoura Hills Redevelopment Agency
Redevelopment Agencies Financial Transactions Report

Balance Sheet - Assets and Other Debits

Fiscal Year	2011	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long- Term Debt	General Fixed Assets	Total
Investments								\$0
Other Assets								\$0
Investments: Land Held for Resale		4,102,618						\$4,102,618
Allowance for Decline In Value of Land Held for Resale								\$0
Fixed Assets: Land, Structures, and Improvements								\$0
Equipment								\$0
Amount Available In Debt Service Fund								\$0
Amount to be Provided for Payment of Long-Term Debt						46,518,769		\$46,518,769
Total Assets and Other Debits		\$5,589,200	\$1,558,344	\$12,139,531	\$0	\$46,518,769	\$0	\$65,805,844

*(Must Equal Total Liabilities,
Other Credits, and Equities)*

Agoura Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Balance Sheet - Liabilities and Other Credits

Fiscal Year	2011	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Liabilities and Other Credits								
Accounts Payable		1,074,324	659,742	21,874				\$1,755,940
Interest Payable								\$0
Tax Anticipation Notes Payable								\$0
Loans Payable								\$0
Other Liabilities				178,618				\$178,618
Due to Capital Projects Fund								\$0
Due to Debt Service Fund								\$0
Due to Low/Moderate Income Housing Fund		206,968						\$206,968
Due to Special Revenue/Other Funds								\$0
Tax Allocation Bonds Payable						5,640,000		\$5,640,000
Lease Revenue, Certificates of Participation Payable, Financing Authority Bonds						9,720,000		\$9,720,000
All Other Long-Term Debt						31,158,769		\$31,158,769
Total Liabilities and Other Credits		\$1,281,292	\$659,742	\$200,492	\$0	\$46,518,769		\$48,660,295

Agoura Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Balance Sheet - Liabilities and Other Credits

Fiscal Year	2011	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Equities								
Investment In General Fixed Assets								\$0
Fund Balance Reserved		4,307,908	898,602	11,939,039				\$17,145,549
Fund Balance Unreserved-Designated								\$0
Fund Balance Unreserved-Undesignated								\$0
Total Equities		\$4,307,908	\$898,602	\$11,939,039	\$0		\$0	\$17,145,549
Total Liabilities, Other Credits, and Equities		\$5,589,200	\$1,558,344	\$12,139,531	\$0	\$46,518,769	\$0	\$65,805,844

Agoura Hills Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Summary, Combined Transfers In/Out

Fiscal Year 2011

Operating Transfers In

\$1,728,611

Tax Increment Transfers In

\$1,047,613

Operating Transfers Out

\$1,728,611

Tax Increment Transfers Out

\$1,047,613

Agoura Hills Redevelopment Agency
Redevelopment Agencies Financial Transactions Report
Statement of Income and Expenditures
Revenues - Consolidated

Fiscal Year 2011

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross	\$0	\$5,238,066	\$0	\$0	\$5,238,066
Special Supplemental Subvention	\$0	\$0	\$0	\$0	\$0
Property Assessments	\$0	\$0	\$0	\$0	\$0
Sales and Use Tax	\$0	\$0	\$0	\$0	\$0
Transient Occupancy Tax	\$0	\$0	\$0	\$0	\$0
Interest Income	\$9,006	\$13,254	\$80,765	\$0	\$103,025
Rental Income	\$0	\$0	\$0	\$0	\$0
Lease Income	\$0	\$0	\$0	\$0	\$0
Sale of Real Estate	\$0	\$0	\$0	\$0	\$0
Gain on Land Held for Resale	\$0	\$0	\$0	\$0	\$0
Federal Grants	\$0	\$0	\$0	\$0	\$0
Grants from Other Agencies	\$0	\$0	\$0	\$0	\$0
Bond Administrative Fees	\$0	\$0	\$0	\$0	\$0
Other Revenues	\$0	\$0	\$11,000	\$0	\$11,000
Total Revenues	\$9,006	\$5,251,320	\$91,765	\$0	\$5,352,091

Agoura Hills Redevelopment Agency
Redevelopment Agencies Financial Transactions Report
Statement of Income and Expenditures
Expenditures - Consolidated

Fiscal Year 2011

	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Administration Costs	\$589,499	\$0	\$527,498	\$0	\$1,116,997
Professional Services	\$68,069	\$0	\$364,449	\$0	\$432,518
Planning, Survey, and Design	\$0	\$0	\$0	\$0	\$0
Real Estate Purchases	\$0	\$0	\$0	\$0	\$0
Acquisition Expense	\$0	\$0	\$0	\$0	\$0
Operation of Acquired Property	\$1,994	\$0	\$0	\$0	\$1,994
Relocation Costs	\$0	\$0	\$0	\$0	\$0
Relocation Payments	\$0	\$0	\$0	\$0	\$0
Site Clearance Costs	\$0	\$0	\$0	\$0	\$0
Project Improvement / Construction Costs	\$1,065,494	\$0	\$250,000	\$0	\$1,315,494
Disposal Costs	\$0	\$0	\$0	\$0	\$0
Loss on Disposition of Land Held for Resale	\$0	\$0	\$0	\$0	\$0

Agoura Hills Redevelopment Agency
Redevelopment Agencies Financial Transactions Report
Statement of Income and Expenditures
Expenditures - Consolidated

Fiscal Year 2011

	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
	A	B	C	D	E
Decline in Value of Land Held for Resale	\$0	\$0	\$0	\$0	\$0
Rehabilitation Costs	\$0	\$0	\$0	\$0	\$0
Rehabilitation Grants	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$893,258	\$0	\$0	\$893,258
Fixed Asset Acquisitions	\$0	\$0	\$0	\$0	\$0
Subsidies to Low and Moderate Income Housing Fund	\$0	\$0	\$0	\$0	\$0
Debt Issuance Costs	\$0	\$0	\$0	\$0	\$0
Other Expenditures Including Pass Through Payment(s)	\$0	\$3,602,569	\$0	\$0	\$3,602,569
Debt Principal Payments:					
Tax Allocation Bonds and Notes	\$0	\$55,000	\$0	\$0	\$55,000
Revenue Bonds and Certificates of Participation	\$0	\$145,000	\$0	\$0	\$145,000
City/County Advances and Loans	\$1,176,242	\$0	\$0	\$0	\$1,176,242
U.S., State and Other Long-Term Debt	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$2,901,298	\$4,695,827	\$1,141,947	\$0	\$8,739,072
Excess (Deficiency) Revenues Over (Under) Expenditures	(\$2,892,292)	\$555,493	(\$1,050,182)	\$0	(\$3,386,981)

Agoura Hills Redevelopment Agency
Redevelopment Agencies Financial Transactions Report
Statement of Income and Expenditures
Other Financing Sources (Uses) - Consolidated

Fiscal Year 2011

	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Proceeds of Long-Term Debt	\$0	\$0	\$0	\$0	\$0
Proceeds of Refunding Bonds	\$0	\$0	\$0	\$0	\$0
Payment to Refunded Bond Escrow Agent	\$0	\$0	\$0	\$0	\$0
Advances from City/County	\$823,363	\$0	\$0	\$0	\$823,363
Sale of Fixed Assets	\$0	\$0	\$0	\$0	\$0
Miscellaneous Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
Operating Transfers In	\$595,380	\$1,133,231	\$0	\$0	\$1,728,611
Tax Increment Transfers In			\$1,047,613		\$1,047,613
Operating Transfers Out	\$515,826	\$595,380	\$617,405	\$0	\$1,728,611
Tax Increment Transfers Out	\$0	\$1,047,613			\$1,047,613
<i>(To the Low and Moderate Income Housing Fund)</i>					
Total Other Financing Sources (Uses)	\$902,917	(\$509,762)	\$430,208	\$0	\$823,363

Agoura Hills Redevelopment Agency
Redevelopment Agencies Financial Transactions Report
Statement of Income and Expenditures
Other Financing Sources (Uses) - Consolidated

	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
	A	B	C	D	E
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(\$1,989,375)	\$45,731	(\$619,974)	\$0	(\$2,563,618)
Equity Beginning of Period	\$6,297,283	\$852,871	\$12,559,013	\$0	\$19,709,167
Prior Year Adjustments	\$0	\$0	\$0	\$0	\$0
Residual Equity Transfers	\$0	\$0	\$0	\$0	\$0
Other (Explain)	\$0	\$0	\$0	\$0	\$0
Equity, End of Period	\$4,307,908	\$898,602	\$11,939,039	\$0	\$17,145,549

2011 Redevelopment Agency's
Basic Financial Statements

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AGOURA HILLS REDEVELOPMENT AGENCY
(A Component Unit of the City of Agoura Hills,
California)

BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED
JUNE 30, 2011

AGOURA HILLS REDEVELOPMENT AGENCY
Basic Financial Statements
June 30, 2011

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of the
Agoura Hills Redevelopment Agency

We have audited the accompanying financial statements of the governmental activities and each major fund of the Agoura Hills Redevelopment Agency (Agency), a component unit of the City of Agoura Hills, California, as of and for the year ended June 30, 2011, which collectively comprise the Agency's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the Agency. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the Agency adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

As described in Note 4 to the financial statements, the California State Legislature has enacted legislation that is intended to provide for the dissolution of redevelopment agencies or continuance of redevelopment agencies under new laws in the State of California. The effects of this legislation are uncertain pending the result of certain lawsuits that have been initiated to challenge the legislation by outside parties. Further described in Note 4, the Agency has determined that it will not participate in the Voluntary Alternative Redevelopment Program.

As described in Note 3 to the financial statements, the Agency executed a promissory note with the City for an amount not to exceed \$44,000,000. Further described in Note 3, the Agency made a payment on the note to the City.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2011, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 6 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements as a whole. The supplementary information listed in the accompanying table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Rancho Cucamonga, California
December 9, 2011

**AGOURA HILLS REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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The discussion and analysis of the Agoura Hills Redevelopment Agency's (RDA) financial performance provides an overall review of the RDA's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the RDA's financial performance as a whole. Readers should also review the basic financial statements, as well as the prior years' report ended June 30, 2010, to enhance their understanding of the RDA's financial performance.

The financial section of this report has been prepared to show the results of the financial administration, financial condition, and operations of the RDA. The combined financial statements in this report have been audited by the firm of Vavrinek, Trine, Day and Co., LLP, whose opinion is included in this report.

BASIS OF ACCOUNTING AND FUND GROUPINGS

The basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the RDA's assets and liabilities, including capital assets and long-term liabilities are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The RDA maintains funds in accordance with generally accepted accounting principles set forth by the GASB and other rule-making entities.

FINANCIAL DISCUSSION

The following is the condensed Statement of Activities and Changes in Net Assets for the fiscal years ended June 30, 2011 and 2010.

**Agoura Hills Redevelopment Agency's Net Assets
As of June 30, 2011 and 2010**

	2011	2010
Current and other assets	\$ 15,774,365	\$ 17,314,671
Land held for resale	4,102,618	4,104,612
Total Assets	19,876,983	21,419,283
Current liabilities	2,781,216	1,138,657
Long-term liabilities outstanding	45,886,631	15,190,221
Total Liabilities	48,667,847	16,328,878
Net Assets:		
Restricted for low/moderate income housing	3,539,361	4,240,278
Restricted	340,991	612,130
Unrestricted (deficit)	(32,671,216)	237,997
Total Net Assets	\$ (28,790,864)	\$ 5,090,405

**AGOURA HILLS REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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Unrestricted net assets decreased \$33.9 million primarily due to the RDA entering into a \$31 million promissory note with the City for the repayment of advances made between Fiscal Year 1989 and 2011. Please refer to Note 3(C) of the financial statements.

**Agoura Hills Redevelopment Agency's Changes in Net Assets
As of June 30, 2011 and 2010**

	2011	2010
Revenues:		
Taxes	\$ 5,238,066	\$ 5,454,294
Investment Income	103,025	417,751
Transfer from Agoura Hills	(31,511,648)	-
Other	11,000	25,000
Total Revenues	(26,159,557)	5,897,045
Expenses:		
Community development	2,145,597	1,057,651
General government	763,418	74,420
Pass through to other agencies	3,602,569	3,805,788
Interest and fiscal charges	1,210,128	953,309
Total Expenses	7,721,712	5,891,168
Change in net assets	\$ (33,881,269)	\$ 5,877

Under the fund financial statements, the RDA reports a decrease in fund balance of \$2.6 million and the total fund balance at June 30, 2011 was \$17.1 million, of which \$12.8 million is restricted. Restricted Fund Balance represents amounts that are constrained by state or federal laws. Further information can be found in Note 3(E).

Major changes to net assets included the following:

- ◆ The Redevelopment Agency paid \$207 thousand in "Supplemental" Educational Revenue Augmentation Funds (SERAF). This payment was included in the General Government function.
- ◆ The Redevelopment Agency paid \$1.1 million in street improvements for the Reyes Adobe Interchange and Kanan/Canwood median modification.
- ◆ The Redevelopment Agency repaid \$1.2 million in Advances from the City. See Note 5(C).

The tax increment revenue decreased by \$216 thousand, or 4 percent, in fiscal year 2010-11 to \$5.2 million from the previous fiscal year. However, a corresponding decrease of \$203 thousand in "Pass-through" payments to Other Public Agencies resulted in a decrease of only \$13 thousand or .01 percent in net tax increment revenue for the fiscal period. The net overall decrease in tax increment revenues is primarily attributable to a change in assessed value which is affected when property is sold and reassessed at the new sales price and to temporary reassessments on properties as allowed under AB-8. With the significant amount of reassessments of existing properties within the last few years, the assessed values decreased at an unusually high rate.

Investment income decreased \$315 thousand, or 76 percent, from the prior fiscal year primarily due to lower interest rates.

**AGOORA HILLS REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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Total governmental funds expenditures for the fiscal year were \$8.7 million, which included \$3.6 million in Pass-throughs to other agencies; \$987 thousand in community development costs, \$82 thousand in public works, \$2.3 million in debt service payments and \$1.1 million in capital outlay.

Taken as a whole, the three Redevelopment Agency funds decreased \$2.6 million or 13% from Fiscal Year 2010 to 2011. The Redevelopment Capital Projects Fund experienced the largest decrease of 32% (\$2 million) primarily due to a \$1.1 million repayment of an Advance between the Agency and the City (see Note 3(C) of the Basic Financial Statements) and a \$1 million expenditure for the Reyes Adobe Bridge Widening Project. The Redevelopment Set-Aside Fund experienced a \$620 thousand (5%) decrease primarily due to an Advance to the Redevelopment Capital Projects Fund for the SERAF payment (see Note 4(C) of the Basic Financial Statements).

The Debt Service Fund reflected a net total positive variance to the final budget of \$448 thousand. The variance primarily relates to an increase in net tax increment over what was finally anticipated. In the Set-Aside Capital Projects Fund there was a net positive variance of \$167 thousand. This primarily relates to a savings of \$207 thousand in transfers out. The Capital Projects Fund reflected a net total positive budget variance of \$73 thousand when comparing actual amounts to the final budget for the current fiscal year. The budget reflects a negative variance in revenues of \$11 thousand and a positive variance in expenditures of \$84 thousand. The revenue variance relates to a decrease in investment income related to declining investment returns. The expenditure variances primarily relate to timing differences in planned expenditures.

The Agoura Hills Redevelopment Agency has been affected by recent State legislation. AB X1 26, which was signed by the Governor of California on June, 29, 2011, added Parts 1.8 and 1.85 to the Community Redevelopment Law. Part 1.8 immediately suspends most redevelopment agency activities and, among other things, prohibits redevelopment agencies from incurring indebtedness or entering into or modifying contracts. Part 1.85 provides that on October 1, 2011, all existing redevelopment agencies and redevelopment agency components of community development agencies are dissolved, and successor agencies are designated as successor entities to the former redevelopment agencies.

AB X1 27 was signed by the Governor concurrently with AB X1 26 and added Part 1.9 to the Community Redevelopment Law. Part 1.9 establishes an Alternative Voluntary Redevelopment Program whereby a redevelopment agency will, notwithstanding Parts 1.8 and 1.85, be authorized to continue to exist and carry out the provisions of the Community Redevelopment Law. To opt into the Alternative Voluntary Redevelopment Program, the City must adopt an ordinance by which the City agrees to make specified annual payments to the County Auditor-Controller for allocation to special districts and educational entities.

Effective October 1, 2011, AB X1 26 dissolves all existing redevelopment agencies and redevelopment agency components of community development agencies, provides for the designation of successor agencies as successor entities to former redevelopment agencies, and provides that except for those provisions of the Redevelopment Law that are repealed, restricted, or revised pursuant to AB X1 26, all authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies under the Redevelopment Law, are vested in the successor agencies. AB X1 26 imposes numerous requirements on the successor agencies and subjects successor agency actions to the review of oversight boards established pursuant to the provisions of Part 1.85.

The City Council has made a determination that the City will not participate in the Alternative Voluntary Redevelopment Program. Therefore, Part 1.85 provides for the City Council to adopt a resolution making an election with respect to serving as the successor agency under Part 1.85. The City Council has determined that the City will serve as the successor agency.

**AGOURA HILLS REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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It should be noted that the California Redevelopment Association and League of California Cities have filed a lawsuit in the Supreme Court of California alleging that AB X1 26 and AB X1 27 are unconstitutional. On August 11, 2011, the Supreme Court of California decided to hear the case and set a briefing schedule designed to allow the Supreme Court to decide the case before January 15, 2012. On August 11, 2011, the Supreme Court also issued a stay order, which was subsequently modified on August 17, 2011. Pursuant to the modified stay order, the Supreme Court granted a stay of all of AB X1 27 (i.e., Part 1.9), except for Health and Safety Code Section 34194(b)(2) (relating to the determination of cities' fiscal year 2011-12 remittance amounts) and a partial stay of AB X1 26. With respect to AB X1 26, Part 1.85 was stayed in its entirety, but Part 1.8 (including Health and Safety Code Section 34173) was not stayed.

As successor agency, the City will be entitled to an annual administrative cost allowance of not less than \$250,000 per year, provided that the allowance will exclude any administrative costs that can be paid from bond proceeds or sources other than property tax, and provided that the amount is subject to reduction if there is a shortfall of funds available to make payments to taxing entities and to pay debt service on enforceable obligations.

REQUEST FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, creditors and investors with a general overview of the RDA's finances and to show the RDA's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Agoura Hills Redevelopment Agency, 30001 Ladyface Court, Agoura Hills, California 91301.

AGOURA HILLS REDEVELOPMENT AGENCY

**STATEMENT OF NET ASSETS
JUNE 30, 2011**

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	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 14,443,870
Interest receivable	17,092
Deferred loans	178,618
Due from other governments	337,909
Deferred charges	796,876
Land held for resale	<u>4,102,618</u>
Total Assets	<u>19,876,983</u>
LIABILITIES	
Accounts payable	1,755,940
Interest payable	557,611
Noncurrent liabilities:	
Due within one year	467,665
Due in more than one year	<u>45,886,631</u>
Total Liabilities	<u>48,667,847</u>
NET ASSETS	
Restricted for:	
RDA Set-Aside (Low and Moderate Income Housing)	3,539,361
Debt service	340,991
Unrestricted	<u>(32,671,216)</u>
Total Net Assets	<u>\$ (28,790,864)</u>

See accompanying notes to financial statements.

AGOURA HILLS REDEVELOPMENT AGENCY

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011**

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<u>Functions/Programs</u>	<u>Expenses</u>	<u>Net (Expenses) Revenues and Changes in Net Assets</u>
		<u>Governmental Activities</u>
Governmental Activities:		
General government	\$ 763,418	\$ (763,418)
Pass-through to other agencies	3,602,569	(3,602,569)
Community development	2,145,597	(2,145,597)
Interest and fiscal charges	1,210,128	(1,210,128)
Total Governmental Activities	<u>\$ 7,721,712</u>	<u>(7,721,712)</u>
General Revenues:		
Taxes		5,238,066
Use of money and property		103,025
Transfers to the City of Agoura Hills		(31,511,648)
Other		11,000
Total General Revenues		<u>(26,159,557)</u>
Change in Net Assets		(33,881,269)
Net Assets at Beginning of Year		<u>5,090,405</u>
Net Assets at End of Year		<u>\$ (28,790,864)</u>

See accompanying notes to financial statements.

AGOURA HILLS REDEVELOPMENT AGENCY

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2011**

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	Debt Service	Capital Projects		Total Governmental Funds
	Redevelopment Fund	Redevelopment Set-Aside Fund	Redevelopment Fund	
ASSETS				
Cash and investments	\$ 1,218,874	\$ 11,740,084	\$ 1,484,912	\$ 14,443,870
Interest receivable	1,561	13,861	1,670	17,092
Deferred loans	-	178,618	-	178,618
Due from other governments	337,909	-	-	337,909
Advances from other funds	-	206,968	-	206,968
Land held for resale	-	-	4,102,618	4,102,618
Total Assets	\$ 1,558,344	\$ 12,139,531	\$ 5,589,200	\$ 19,287,075
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 659,742	\$ 21,874	\$ 1,074,324	\$ 1,755,940
Advances to other funds	-	-	206,968	206,968
Deferred revenue	-	178,618	-	178,618
Total Liabilities	659,742	200,492	1,281,292	2,141,526
FUND BALANCES				
Nonspendable	-	-	4,102,618	4,102,618
Restricted	890,039	11,939,039	-	12,829,078
Assigned	8,563	-	205,290	213,853
Total Fund Balances	898,602	11,939,039	4,307,908	17,145,549
Total Liabilities and and Fund Balances	\$ 1,558,344	\$ 12,139,531	\$ 5,589,200	\$ 19,287,075

See accompanying notes to financial statements.

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AGOURA HILLS REDEVELOPMENT AGENCY

**GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011**

Fund Balances of Governmental Funds	\$ 17,145,549
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
The long-term debt (e.g. bonds, RDA note) is not due and payable in the current period and therefore is not reported in funds.	(46,354,296)
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in funds.	(557,611)
Deferred charges related to the issuance of long-term debt are recorded as expenditures in governmental fund statements.	796,876
Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, the revenues are included on the accrual basis used in the governmental-wide statements.	<u>178,618</u>
Net Assets of Governmental Activities	<u><u>\$ (28,790,864)</u></u>

See accompanying notes to financial statements.

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AGOURA HILLS REDEVELOPMENT AGENCY

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2011**

	Debt Service	Capital Projects		Total Governmental Funds
	Redevelopment Fund	Redevelopment Set-Aside Fund	Redevelopment Fund	
REVENUES				
Tax increment	\$ 5,238,066	\$ -	\$ -	\$ 5,238,066
Use of money and property	13,254	80,765	9,006	103,025
Other revenues	-	11,000	-	11,000
Total Revenues	5,251,320	91,765	9,006	5,352,091
EXPENDITURES				
Current:				
General government	-	509,264	223,142	732,406
Pass-through to other agencies	3,602,569	-	-	3,602,569
Community development	-	617,219	369,709	986,928
Public works	-	15,464	66,711	82,175
Debt Service:				
Principal	200,000	-	1,176,242	1,376,242
Interest and fiscal charges	893,258	-	-	893,258
Capital Outlay	-	-	1,065,494	1,065,494
Total Expenditures	4,695,827	1,141,947	2,901,298	8,739,072
Excess (Deficiency) of Revenues Over (Under) Expenditures	555,493	(1,050,182)	(2,892,292)	(3,386,981)
Other Financing Sources (Uses):				
Transfers in	1,133,231	1,047,613	595,380	2,776,224
Transfers out	(1,642,993)	(617,405)	(515,826)	(2,776,224)
Advances from the City of Agoura Hills	-	-	823,363	823,363
Total Other Financing Sources (Uses)	(509,762)	430,208	902,917	823,363
Net Change in Fund Balances	45,731	(619,974)	(1,989,375)	(2,563,618)
Fund Balances, Beginning of Year	852,871	12,559,013	6,297,283	19,709,167
Fund Balances, End of Year	\$ 898,602	\$ 11,939,039	\$ 4,307,908	\$ 17,145,549

See accompanying notes to financial statements.

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AGOURA HILLS REDEVELOPMENT AGENCY

**GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011**

Net Change in Fund Balances - Governmental Funds \$ (2,563,618)

Amounts reported for governmental activities in
the Statement of Activities are different because

Governmental funds report the effect of issuance costs, premiums
discounts, and similar items when debt is first issued, whereas these
amounts are deferred and amortized in the statement of activities.
This amount is the net effect of these differences in the treatment of
long-term liabilities and similar items.

Principal payment	1,376,242
Advance from City of Agoura Hills	(32,335,011)
Amortization of bond discounts	(10,612)
Amortization of bond issuance costs	(20,400)

Interest on long-term liabilities are not due and payable in the current
period and therefore are not reported in funds. (316,870)

Certain revenues in the governmental funds are deferred because they are
not collected within the prescribed time period after year-end. However,
the revenues are included on the accrual basis used in the government-
wide statements.

(11,000)

Change in Net Assets of Governmental Activities \$ (33,881,269)

See accompanying notes to financial statements.

AGOURA HILLS REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Agoura Hills Redevelopment Agency.

A. Reporting Entity - Agoura Hills Redevelopment Agency

The Agoura Hills Redevelopment Agency (Agency) was established March 9, 1988 pursuant to the California Community Redevelopment laws. The primary purpose of the Redevelopment Agency is to address blight conditions that exist within the City's freeway and roadside commercial corridor. The project area consists of approximately 1,041 acres.

The Agency is an integral part of the reporting entity of the City. The funds of the Agency have been included as a component unit of the basic financial statements of the City because the City Council acts as the Board of Directors of the Agency and is able to impose its will on the Agency. Therefore, the Agency is a blended component unit of the City of Agoura Hills (City).

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the Agoura Hills Redevelopment Agency. The effect of interfund activity has been eliminated from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges for services and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

Basis of accounting

The government-wide 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 at the time liabilities are incurred, regardless of when the related cash flows take place. On the accrual basis, revenue from property taxes is recognized in the fiscal year from which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year from which all eligibility requirements have been satisfied.

AGOURA HILLS REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Governmental fund statements are reported using the modified accrual basis of accounting wherein revenues are recognized as soon as they are both measurable and available. Revenues are recorded when susceptible to accrual. “Measurable” is defined as the amount that can be determined. “Available” is defined as collectible in the current period or soon enough thereafter to be used to pay the liabilities of the current period. The availability period is defined as 60 days for property taxes and for all other revenues. The primary revenue sources susceptible to accrual are property taxes and investment income. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

Property tax revenue is recognized when susceptible to accrual in the accounting period in which taxes are measurable and available. Property taxes are considered available by the Agency if they are collected within 60 days after year end. There is no allowance for uncollectibles. Assessed valuations are determined on an annual basis by the Los Angeles County Assessor. Taxes attach as an enforceable lien on property as of January 1, are levied on July 1, are due November 1 and February 1, and are delinquent if not paid by December 10 and April 10 of each year.

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

The Agency reports the following major governmental funds:

The Redevelopment Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

The Redevelopment Set-Aside Capital Projects Fund is used to account for the 20 percent portion of the Agency's tax increment revenue and other revenue sources that are required to be set aside for low and moderate income housing and related expenditures.

The Redevelopment Capital Projects Fund is used to account for financial resources segregated for the acquisition and rehabilitation of capital projects within the redevelopment project area.

Use of Estimates

The preparation of the Agency's basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements, and revenues and expense/expenditures during the reported period. Actual results could differ from those estimates.

Cash and Investments

Cash and investments include cash in banks and investments held by the City Treasurer in a cash management pool. In accordance with generally accepted accounting principles, investments are stated at fair value. Fair value is determined based on values provided by the Agency's investment custodian.

AGOURA HILLS REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

New Accounting Pronouncements

GASB Statement No. 54 – In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This statement is effective in June 30, 2011. The Agency has implemented this statement for the fiscal year ended June 30, 2011. See Note 3(E).

GASB Statement No. 57 – In December 2009, GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This statement addresses the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements. This statement is effective in June 30, 2012. The Agency has determined that this statement is not applicable.

GASB Statement No. 59 – In June 2010, GASB issued Statement No. 59, *Financial Instruments Omnibus*. This statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. This statement is effective in June 30, 2011. The Agency has determined that this statement is not applicable.

GASB Statement No. 61 – In December 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. This statement is to results in financial reporting entity financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. This statement is not effective until June 30, 2013. The Agency has not determined the effect of this statement.

GASB Statement No. 62 – In June 2011, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in FASB and AICPA pronouncements issued on or before November 30, 1989 which does not conflict with our contradict GASB pronouncements. This statement is not effective until June 30, 2013. The Agency has not determined the effect of this statement.

GASB Statement No. 63 – In June 2011, GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Positions*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and the resulting net position. This statement is not effective until June 30, 2013. The Agency has not determined the effect of this statement.

GASB Statement No. 64 – In June 2011, GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB No. 53*. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. This statement is not effective until June 30, 2012. The Agency has not determined the effect of this statement.

AGOURA HILLS REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE #2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Practices

The Agency adopts an annual budget for the Debt Service and Capital Projects Fund on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

All annual appropriations either lapse at year end or are carried forward at the Executive Director’s discretion. The budget is prepared by fund, function and activity; and includes actual information for the past year, current year estimates and requested appropriations for the next fiscal year. The budget provides management control at the functional departmental level. The Executive Director may authorize the transfer of funds within the same department. Responsible individuals review progress against their budget each month. The Board of Directors considers supplemental budget amendment requests during the year and reviews changes at mid-year and year end.

NOTE #3 – DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments at June 30, consisted of the following:

Demand account	\$ 1,228,855
State of California Local Agency Investment Fund (LAIF)	5,922,131
Equity in City investment pool	3,342,123
Federal agency securities	3,057,918
Held by bond trustee:	
Money market funds	370,681
Federal agency securities	522,162
	<u>\$ 14,443,870</u>

Equity in the Pool of the City of Agoura Hills

The Agency has equity in the cash and investment pool managed by the City of Agoura Hills. The Agency is a voluntary participant in that pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City of Agoura Hills.

The Agency has not adopted an investment policy separate from that of the City of Agoura Hills. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded on an original cost basis.

AGOURA HILLS REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE #3 – DETAILED NOTES ON ALL FUNDS, Continued

A. Cash and Investments, Continued

Investments Authorized by the California Government Code and the City's investment Policy

The City's investment policy authorizes investment in all investments authorized under provisions of California Government Code Section 53601. Refer to the City's Comprehensive Annual Financial Report (CAFR) for disclosures related to credit risk, custodial credit risk, concentration of credit risk and interest rate risk applicable to the City pool.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee is 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 general investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	None	None	None
Federal Housing Administration Debentures	None	None	None
U.S. Agency Securities	None	None	None
Unsecured CDs, time deposits and Bankers' Acceptance	30 days	None	None
FDIC Insured bank deposits	None	None	None
Commercial Paper	270 days	None	None
Money Market Funds	N/A	None	None
State Obligations	None	None	None
Pre-funded Municipal Obligations	None	None	None
Repurchase Agreements	270 days	None	None
Investment Agreements	None	None	None
Local Agency Investment Fund (LAIF)	None	None	None

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. The interest rate risk is monitored by measuring the weighted average maturity of its portfolio. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy recognized the interest rate risk and therefore places maximum maturity limits (up to five years) on various types of allowable investments.

AGOURA HILLS REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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NOTE #3 – DETAILED NOTES ON ALL FUNDS, Continued

A. Cash and Investments, Continued

Disclosures Relating to Interest Rate Risk, Continued

Investment Type	Totals	Remaining Maturity (In Months)		
		12 Months Or Less	13 to 24 Months	25 to 60 Months
LAIF	\$ 5,922,131	\$ 5,922,131	\$ -	\$ -
Equity in City investment pool	3,342,123	3,342,123	-	-
Federal agency securities:				
U.S. Treasury Bill	999,890	999,890	-	-
FFCB	2,058,028	-	-	2,058,028
Held by bond trustee:				
Money market funds	370,681	370,681	-	-
Federal agency securities:				
FHLB	103,182	-	-	103,182
FFCB	418,980	-	-	418,980
Total	\$ 13,215,015	\$ 10,634,825	\$ -	\$ 2,580,190

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 year-end for each investment type.

Investment Type	Totals	Minimum Legal Rating	Rating as of Year End	
			AAA	Not Rated
LAIF	\$ 5,922,131	N/A	\$ -	\$ 5,922,131
Equity in City investment pool	3,342,123	N/A	-	3,342,123
Federal agency securities:				
U.S. Treasury Bill	999,890	N/A	999,890	-
FFCB	2,058,028	N/A	2,058,028	-
Held by bond trustee:				
Money market funds	370,681	AAA	370,681	-
Federal agency securities:				
FHLB	103,182	N/A	103,182	-
FFCB	\$ 418,980	N/A	418,980	-
Total	\$ 13,215,015		\$ 3,950,761	\$ 9,264,254

AGOURA HILLS REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE #3 – DETAILED NOTES ON ALL FUNDS, Continued

A. Cash and Investments, Continued

Concentration of Credit Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in anyone issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5 percent or more of total Agency's investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Farm Credit Bank	Federal agency security	\$2,477,008

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 collateral securities that are in the possession of another party. The California Government Code and the Agency's policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

Investment in State Investment Pool

The Agency 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 Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency'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.

LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2011 had a balance of \$66.5 billion. The average maturity of PMIA investments was 237 days as of June 30, 2011.

AGOURA HILLS REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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NOTE #3 – DETAILED NOTES ON ALL FUNDS, Continued

B. Transfers

The following is a summary of transfers for the year ended June 30, 2011:

	Transfers In			
	Capital Projects		Redevelopment Debt Service Fund	Total
	Redevelopment Set-Aside Fund	Redevelopment Fund		
Transfers out				
Redevelopment Capital Projects Fund	\$ -	\$ -	\$ 515,826	\$ 515,826
Redevelopment Set-Aside Fund	-	-	617,405	617,405
Redevelopment Debt Service Fund	1,047,613	595,380	-	1,642,993
Total	\$ 1,047,613	\$ 595,380	\$ 1,133,231	\$ 2,776,224

The Redevelopment Debt Service Fund transferred funds to the Redevelopment Capital Projects Fund to pay pass thru agreements and capital projects, and to the Redevelopment Housing Set-Aside Fund equal to the 20 percent of taxes to be used to improve and preserve low and moderate income housing programs in accordance with budgetary authorizations. The transfers from the Redevelopment Capital Projects Fund and the Redevelopment Housing Set-Aside Fund to the Redevelopment Debt Service Fund represent interest payments for the 2008 Redevelopment Tax Allocation Bonds and Housing Set-Aside Bonds.

C. Long-term Debt

Long-term liability activity for the year ended June 30, 2011 was as follows:

	Balance	Additions	Deletions	Balance	Due Within one year
	June 30, 2010			June 30, 2011	
Governmental Activities:					
2008 RDA Tax Allocation Bonds	\$ 5,695,000	\$ -	\$ 55,000	\$ 5,640,000	\$ 60,000
2008 RDA Housing Set-Aside Bonds	9,865,000	-	145,000	9,720,000	150,000
Bond discount	(169,779)	-	5,306	(164,473)	-
RDA Note	-	32,335,011	1,176,242	31,158,769	257,665
Total Governmental Long-term Liabilities	\$ 15,390,221	\$ 32,335,011	\$ 1,381,548	\$ 46,354,296	\$ 467,665

2008 Redevelopment Agency Tax Allocation Bonds

On May 23, 2008, the Agoura Hills Redevelopment Agency issued \$5,750,000 of Series 2008 A-T tax allocation bonds with interest rates ranging from 4.728 to 6.53 percent. The proceeds from the sale of bonds will be used to finance redevelopment projects benefiting the Agoura Hills Redevelopment Project areas. The Agency has pledged tax increment revenues to repay the entire principal and interest on the bonds. Principal of the bonds is payable on their maturity date of October 1 of each year. Interest on the bonds is payable on April 1 and October 1 each year. Total principal and interests remaining on the bond is \$14,590,465, payable through October 2041. For the current year, principal and interest paid and total tax increment revenues were \$477,396 and \$4,190,453 respectively. The outstanding balance at June 30, 2011 is \$5,640,000.

AGOURA HILLS REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE #3 – DETAILED NOTES ON ALL FUNDS, Continued

C. Long-term Debt, Continued

2008 Redevelopment Agency Tax Allocation Bonds, Continued

The future debt service payments are as follows:

Year Ending June 30	2008 Tax Allocation Bonds Series A-T		
	Principal	Interest	Total
2012	\$ 60,000	\$ 418,089	\$ 478,089
2013	60,000	414,889	474,889
2014	65,000	411,429	476,429
2015	70,000	407,558	477,558
2016	70,000	403,441	473,441
2017-2021	430,000	1,941,718	2,371,718
2022-2026	600,000	1,765,708	2,365,708
2027-2031	845,000	1,507,494	2,352,494
2032-2036	1,220,000	1,119,437	2,339,437
2037-2041	1,775,000	543,255	2,318,255
2042	445,000	17,448	462,448
Total	\$ 5,640,000	\$ 8,950,465	\$ 14,590,465

2008 Redevelopment Agency Housing Set-Aside Tax Allocation Bonds

On May 23, 2008, the Agoura Hills Redevelopment Agency issued \$10,000,000 of Series 2008 Housing Set-Aside Tax Allocation bonds with interest rates ranging from 4.00 to 4.75 percent. The proceeds from the bond will be issued to finance low and moderate income housing of the Agency. The Agency has pledged Housing Set-Aside Revenues to repay the entire principal and interest on the bonds. Principal of the Bonds is payable on their maturity date of October 1 of each year. Interest on the bonds will be payable semi-annually on April 1 and October 1 of each year commencing October 1, 2008. Total principal and interest remaining on the bonds is \$18,930,334, payable through October 2041. For the current year, principal and interest paid and total Housing Set-Aside revenues were \$620,131 and \$1,047,613 respectively. The outstanding balance at June 30, 2011 is \$9,555,527, net of unamortized discount of \$164,473.

AGOURA HILLS REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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NOTE #3 – DETAILED NOTES ON ALL FUNDS, Continued

C. Long-term Debt, Continued

2008 Redevelopment Agency Housing Set-Aside Tax Allocation Bonds, Continued

The future debt service payments are as follows:

Year Ending June 30	Housing Set-Aside Tax Allocation Bonds 2008		
	Principal	Interest	Total
2012	\$ 150,000	\$ 466,331	\$ 616,331
2013	155,000	460,231	615,231
2014	160,000	453,931	613,931
2015	165,000	447,431	612,431
2016	175,000	440,631	615,631
2017-2021	985,000	2,084,363	3,069,363
2022-2026	1,230,000	1,831,416	3,061,416
2027-2031	1,560,000	1,616,000	3,176,000
2032-2036	2,000,000	916,500	2,916,500
2037-2041	2,550,000	478,750	3,028,750
2042	590,000	14,750	604,750
Total	\$ 9,720,000	\$ 9,210,334	\$ 18,930,334

Advances from the City

On April 13, 1988 the City and the Agency entered into a reimbursement agreement for services. Previous to fiscal year 2010-2011 the City estimated the Agency would be unable to pay the entire advance from available future revenues and therefore the advance and any related interest was not reflected in the financial statements. Such amounts were reflected as transfers from the City of Agoura Hills. On January 26, 2011 the Agency executed a promissory note to the City in an amount not to exceed \$44,000,000 to recapture such amounts, in which interest will be calculated at the average LAIF rate for the past five years (2.94%), and repayments will be made over a period of 50 years at the rate of \$1,176,242 per year. The City made advances of \$823,363 to the Agency during the fiscal year 2010-2011. The Agency made a payment of \$1,176,242 to the City during the fiscal year 2010-2011, all of which was principal. Accrued interest due but unpaid during the fiscal year of \$899,983 was added to the principal balance. Consistent with the execution of the promissory note, the Agency recorded the full amount of the note in the financial statements with a corresponding transfer to the City during the current year. The balance of \$31,158,769 at June 30, 2011 includes advances and interest calculated on previous advances of \$18,137,673 and \$13,021,096, respectively.

AGOURA HILLS REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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NOTE #3 – DETAILED NOTES ON ALL FUNDS, Continued

C. Long-term Debt, Continued

The future debt service payments are as follows:

Year Ending June 30	Advances from the City of Agoura Hills		
	Principal	Interest	Total
2012	\$ 257,665	\$ 918,577	\$ 1,176,242
2013	267,750	908,492	1,176,242
2014	275,622	900,620	1,176,242
2015	283,725	892,517	1,176,242
2016	289,644	886,598	1,176,242
2017-2021	1,591,525	4,289,685	5,881,210
2022-2026	1,839,692	4,041,518	5,881,210
2027-2031	2,126,569	3,754,641	5,881,210
2032-2036	2,456,399	3,424,811	5,881,210
2037-2041	21,770,178	3,039,537	24,809,715
Total	<u>\$ 31,158,769</u>	<u>\$ 23,056,996</u>	<u>\$ 54,215,765</u>

D. Arbitrage Rebate

The Tax Reform Act instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not paid to the federal government at least every five years.

During the current year, the Agency performed calculations of excess investment earnings on various bonds and financings in accordance with arbitrage regulations. The Agency has determined that no arbitrage rebate liability exists as of June 30, 2011.

E. Fund Balance

The Agency implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* effective July 1, 2010. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the constraints placed on the purposes for which resources can be used:

Nonspendable

Amounts that cannot be spent either because they are in nonspendable form or are legally or contractually required to be maintained intact (e.g. prepaid assets, inventory). At June 30, 2011 the balance is comprised of land held for resale.

AGOURA HILLS REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE #3 – DETAILED NOTES ON ALL FUNDS, Continued

E. Fund Balance, Continued

Restricted

Amounts that are constrained to specific purposes by state or federal laws, enabling legislation, or externally imposed conditions by grantors or creditors. At June 30, 2011 the balance is comprised of amounts to be used for low/moderate income housing programs and the payment of debt service.

Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the Agency Board, the Agency's highest level of decision-making authority, through formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the Agency Board removes or changes the specified use through the same type of formal action taken to establish the commitment.

Assigned

Amounts that are constrained by the Agency's intent to be used for specific purposes, but are neither restricted nor committed. The authority to assign amounts to be used for specific purposes has been delegated to the Finance Director. At June 30, 2011 the balance is comprised of amounts to be used for capital improvement projects and the payment of debt service.

Unassigned

The unassigned classification is to be used when there are negative residual resources in excess of what can be properly classified as nonspendable, restricted, committed or assigned.

Spending Policy

Restricted fund balance is considered to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Agency considers committed amounts to be reduced first, followed by assigned amounts.

AGOURA HILLS REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE #3 – DETAILED NOTES ON ALL FUNDS, Continued

E. Fund Balance, Continued

The details of the fund balances as of June 30, 2011 are presented below:

	Capital Projects Redevelopment Set-Aside	Capital Projects Redevelopment	Redevelopment Debt Service	Total
Nonspendable				
Land held for resale	\$ -	\$ 4,102,618	\$ -	\$ 4,102,618
Restricted				
Housing programs	11,939,039	-	-	11,939,039
Payment of debt service	-	-	890,039	890,039
Assigned				
Capital improvement projects	-	205,290	-	205,290
Payment of debt service	-	-	8,563	8,563
Total Fund Balance	\$ 11,939,039	\$ 4,307,908	\$ 898,602	\$17,145,549

NOTE #4 – OTHER INFORMATION

A. Redevelopment Set-Aside Loans

During the year the Redevelopment Agency participated in a housing rehabilitation loan program, and a first time home buyer program, with Redevelopment Set-Aside funds. The housing rehabilitation loan program offers qualified applicants a loan amount up to \$25,000 which is due to the Agency upon the sale or refinancing of the property. The first time homebuyer program offers qualified applicants up to \$85,900 which is due upon sale or refinancing of the property. As of June 30, 2011, the Agency has outstanding loans in the amount of \$92,718 for rehabilitation loans, and \$85,900 for first time homebuyer loans. The Agency records these loans as deferred loans in the Redevelopment Set-Aside Capital Projects Fund.

B. Tax Increment Revenue

The Agency's primary source of revenue is property taxes, referred to in the accompanying financial statements as "tax increment revenue." Property taxes allocated to the Agency will be computed in the following manner:

1. The assessed valuation of all property within the project area is determined on the date of adoption of the Redevelopment Plan.
2. Property taxes related to the incremental increase in assessed values after the adoption of the Redevelopment Plan are allocated to the Agency. All taxes on the "frozen" assessed valuation of the property are allocated to the City and other districts.

AGOURA HILLS REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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NOTE #4 – OTHER INFORMATION, Continued

B. Tax Increment Revenue, Continued

3. The Agency has no power to levy and collect taxes, and any legislative property tax reduction might correspondingly reduce the amount of tax revenues that would otherwise be available to pay the principal and interest on long-term debt. Broadened property tax exemptions could have a similar effect. Conversely, any increase in the tax rate or assessed valuation, or any reduction or elimination of present exemptions would necessarily increase the amount of tax revenues that would be available to pay principal and interest on long-term debt. Assessed valuations are determined on an annual basis by the Los Angeles County Assessor. Taxes attach as an enforceable lien on property as of January 1, are levied on July 1, are due November 1 and February 1, and are delinquent if not paid by December 10 and April 10 of each year.

C. Commitments and Contingencies

1. In January 2009, the Agency entered into an option agreement with the Las Virgenes Unified School District (District). This agreement granted the Agency three consecutive options to lease certain real property owned by the District. In consideration of the option, the Agency agreed to pay the District three annual payments of \$250,000, beginning in fiscal year 2008-2009 and ending in 2010-2011. In fiscal year 2010-2011 the Agency extended the option and paid the third installment of \$250,000. The payment was accounted for by the Agency in general government function of Redevelopment Set-Aside Capital Projects Fund. In June 2011, the Agency approved three additional consecutive options on the District property in the amount of \$50,000 annually, beginning in fiscal year 2011-2012 and ending in 2013-2014.
2. On July 24, 2009, the State Legislature passed Assembly Bill (AB) 26 4x, which requires redevelopment agencies statewide to deposit a total of \$2.05 billion of property tax increment in county "Supplemental" Educational Revenue Augmentation Funds (SERAF) to be distributed to meet the State's Proposition 98 obligations to schools. The SERAF revenue shift of \$2.05 billion will be made over two years, \$1.7 billion in fiscal year 2009-2010 and \$350 million in fiscal year 2010-2011. The SERAF would then be paid to school districts and the county offices of education which have students residing in redevelopment project areas, or residing in affordable housing projects financially assisted by a redevelopment agency, thereby relieving the State of payments to those schools. The Agency made a payment of \$206,968 during fiscal year 2010-2011 using funds advanced to the Redevelopment Capital Projects Fund by the Redevelopment Set-Aside Capital Projects Fund. Payments are to be made by May 10 of each respective fiscal year and are being accounted for by the Agency in general government function of the Redevelopment Capital Projects Fund.
3. On June 29, 2011, the Governor of the State of California signed Assembly Bill X1 26 and 27 as part of the State's budget package. Assembly Bill X1 26 requires each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency. Assembly Bill X1 27 provides a means for redevelopment agencies to continue to exist and operated by means of a Voluntary Alternative Redevelopment Program. Under this program, each city would adopt an ordinance agreeing to make certain payments to the County Auditor Controller in fiscal year 2011-12 and annual payments each fiscal year thereafter. Assembly Bill X1 27 indicates that the city "may use any available funds not otherwise obligated for other uses" to make this payment. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the state legislature. The City has made the determination that they will not participate in the Voluntary Alternative Redevelopment Program.

AGOURA HILLS REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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NOTE #4 – OTHER INFORMATION, Continued

C. Commitments and Contingencies, Continued

Assembly Bill X1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by Assembly Bill X1 26.

The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn Assembly Bills X1 26 and 27 on the grounds that these bills violate the California Constitution. On August 11, 2011 the California Supreme Court issued a stay of all of Assembly Bill X1 27 and most of Assembly Bill X1 26. The California Supreme Court stated in its order that “the briefing schedule is designed to facilitate oral argument as early as possible in 2011, and a decision before January 15, 2012.” A second order issued by the California Supreme Court on August 17, 2011 indicated that certain provisions of Assembly Bills X1 26 and 27 were still in effect and not affected by its previous stay, including requirements to file an appeal of the determination of the community remittance payment by August 15, 2011, the requirement to adopt an Enforceable Obligation Payment Schedule (“EOPS”) by August 29, 2011 and the requirement to prepare a preliminary draft of the initial Recognized Obligation Payment Schedule (“ROPS”) by September 30, 2011.

Since the stay provided for Assembly Bill X1 26 only affects enforcement, each agency must adopt an Enforceable Obligation Payment Schedule (EOPS) and draft Recognized Obligation Payment Schedule (ROPS) by September 30, 2011, as required by the statute. Enforceable obligations include bonds, loans and payments required by the Federal or State government; legally enforceable payments required in connection with agency employees such as pension payments and unemployment payments, judgments or settlements; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the agency that are permitted for purposes set forth in Assembly Bill X1 26.

As previously noted, the Agency has determined that they will not participate in the Voluntary Alternative Redevelopment Program. Accordingly, consistent with Assembly Bill X1 26, various redevelopment activities would be suspended and the Agency would be prohibited from incurring indebtedness as of June 29, 2011. The Agency would be subject to the “winddown” provisions of Assembly Bill X1 26 where subsequent property tax increment would be allocated to a successor agency for making payments on indebtedness incurred by the Agency prior to dissolution and remaining balances would be allocated to cities, counties, special districts and school and community college districts based on the existing property tax allocations within the County.

The nature and extent of the future operation of the Agency is dependent upon the outcome of the above noted litigation.

AGOURA HILLS REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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NOTE #4 – OTHER INFORMATION, Continued

D. Subsequent Events

Management believes that the Agency will have sufficient funds to pay its obligations as they become due during the fiscal year ending June 30, 2012. The nature and extent of the operation of redevelopment agencies in the State of California beyond that time frame are dependent upon the outcome of litigation surrounding the actions of the state. In the event that Assembly Bills X1 26 and/or 27 are specifically found by the courts to be unconstitutional, there is possibility that future legislative acts may create new challenges to the ability of redevelopment agencies in the State of California to continue in view of the California State Legislature's stated intent to eliminate California redevelopment agencies and to reduce their funding.

On August 24, 2011, the Agency adopted the Enforceable Obligation Payment Schedule (EOPS) and the City made an election for the City to serve as a successor agency in the event that the Agency is dissolved.

AGOURA HILLS REDEVELOPMENT AGENCY

**REDEVELOPMENT DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2011**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 5,653,281	\$ 4,784,500	\$ 5,238,066	\$ 453,566
Use of money and property	25,000	25,000	13,254	(11,746)
Total Revenues	5,678,281	4,809,500	5,251,320	441,820
EXPENDITURES				
Current:				
Pass through to other agencies	3,811,871	3,602,969	3,602,569	400
Debt service:				
Principal	205,000	205,000	200,000	5,000
Interest and fiscal charges	893,258	893,258	893,258	-
Total Expenditures	4,910,129	4,701,227	4,695,827	5,400
Excess (deficiency) of revenues over (under) expenditures	768,152	108,273	555,493	447,220
OTHER FINANCING SOURCES (USES)				
Transfers in	1,093,257	1,133,257	1,133,231	(26)
Transfers out	(1,837,410)	(1,643,410)	(1,642,993)	417
Total Other Financing Sources (Uses)	(744,153)	(510,153)	(509,762)	391
Net Change in Fund Balance	23,999	(401,880)	45,731	447,611
Fund Balance, Beginning of Year	852,871	852,871	852,871	-
Fund Balance, End of Year	\$ 876,870	\$ 450,991	\$ 898,602	\$ 447,611

AGOURA HILLS REDEVELOPMENT AGENCY

**REDEVELOPMENT SET-ASIDE CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2011**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 150,000	\$ 150,000	\$ 80,765	\$ (69,235)
Other revenues	-	-	11,000	11,000
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>91,765</u>	<u>(58,235)</u>
EXPENDITURES				
Current:				
General government	494,823	509,823	509,264	559
Community development	522,436	633,716	617,219	16,497
Public works	16,697	16,697	15,464	1,233
Total Expenditures	<u>1,033,956</u>	<u>1,160,236</u>	<u>1,141,947</u>	<u>18,289</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(883,956)</u>	<u>(1,010,236)</u>	<u>(1,050,182)</u>	<u>(39,946)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,130,656	1,047,870	1,047,613	(257)
Transfers out	<u>(617,230)</u>	<u>(824,198)</u>	<u>(617,405)</u>	<u>206,793</u>
Total Other Financing Sources (Uses)	<u>513,426</u>	<u>223,672</u>	<u>430,208</u>	<u>206,536</u>
Net Change in Fund Balance	<u>(370,530)</u>	<u>(786,564)</u>	<u>(619,974)</u>	<u>166,590</u>
Fund Balance, Beginning of Year	<u>12,559,013</u>	<u>12,559,013</u>	<u>12,559,013</u>	-
Fund Balance, End of Year	<u>\$ 12,188,483</u>	<u>\$ 11,772,449</u>	<u>\$ 11,939,039</u>	<u>\$ 166,590</u>

AGOURA HILLS REDEVELOPMENT AGENCY

**REDEVELOPMENT CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2011**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 20,000	\$ 20,000	\$ 9,006	\$ (10,994)
Total Revenues	20,000	20,000	9,006	(10,994)
EXPENDITURES				
Current:				
General government	268,094	223,968	223,142	826
Community development	387,345	390,145	369,709	20,436
Public works	64,885	64,885	66,711	(1,826)
Capital outlay	-	1,130,000	1,065,494	64,506
Debt service:				
Principal	-	1,176,242	1,176,242	-
Total Expenditures	720,324	2,985,240	2,901,298	83,942
Excess (deficiency) of revenues over (under) expenditures	(700,324)	(2,965,240)	(2,892,292)	72,948
OTHER FINANCING SOURCES (USES)				
Transfers in	706,754	1,418,508	595,380	(823,128)
Transfers out	(476,027)	(516,027)	(515,826)	201
Advances from the City of Agoura Hills	-	-	823,363	823,363
Total Other Financing Sources (Uses)	230,727	902,481	902,917	436
Net Change in Fund Balance	(469,597)	(2,062,759)	(1,989,375)	73,384
Fund Balance, Beginning of Year	6,297,283	6,297,283	6,297,283	-
Fund Balance, End of Year	\$ 5,827,686	\$ 4,234,524	\$ 4,307,908	\$ 73,384

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AGOURA HILLS REDEVELOPMENT AGENCY
EXCESS SURPLUS CALCULATION
LOW AND MODERATE INCOME HOUSING FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Low and Moderate Housing Funds - All Project Areas July 1, 2010	
Opening Fund Balance		\$ 12,559,013
Less Unavailable Amounts:		
Deferred loans	\$ 189,618	
Unspent debt proceeds	<u>8,986,115</u>	
Available Low and Moderate Income Housing Funds		<u>9,175,733</u> \$ 3,383,280
Limitation (greater of \$1,000,000 or four years set-aside)		
Set-Aside for last four years		
2006-2007	790,564	
2007-2008	1,004,281	
2008-2009	1,090,859	
2009-2010	<u>1,060,341</u>	
Total	<u>\$ 3,946,045</u>	
Base Limitation	<u>\$ 1,000,000</u>	
Greater Amount		<u>\$ 3,946,045</u>
Computed Excess Surplus		<u>None</u>

**INDEPENDENT AUDITORS' 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 Board of Directors of the
Agoura Hills Redevelopment Agency

We have audited the financial statements of the governmental activities, and each major fund of the Agoura Hills Redevelopment Agency (Agency), a component unit of the City of Agoura Hills, California, as of and for the year ended June 30, 2011, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated December 9, 2011. Our report included explanatory paragraphs regarding the Agency's adoption of the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010. Additionally, our report refers to notes relating to the impact of recent legislation for California Redevelopment Agencies; the execution of a promissory note with the City of Agoura Hills, and a payment on the note. 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

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 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 and use of the Agency Members of the Board, management, others within the entity and the State Controller and is not intended to be and should not be used by anyone other than these specified parties.

Rancho Cucamonga, California
December 9, 2011

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON CALIFORNIA REDEVELOPMENT AGENCIES, AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *GUIDELINES FOR COMPLIANCE AUDITS OF CALIFORNIA REDEVELOPMENT AGENCIES* AS INTERPRETED IN THE *SUGGESTED AUDITING PROCEDURES FOR ACCOMPLISHING COMPLIANCE AUDITS OF CALIFORNIA REDEVELOPMENT AGENCIES*

The Board of Directors of the
Agoura Hills Redevelopment Agency

Compliance

We have audited the Agoura Hills Redevelopment Agency's (Agency) compliance with the California Health and Safety Code as required by Section 33080.1 for the year ended June 30, 2011. Compliance with the requirements referred to above is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Guidelines for Compliance Audits of California Redevelopment Agencies, June 2011*, issued by the State Controller and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies, August 2011* issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Agency has occurred. An audit includes examining on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Agency's compliance with those requirements. In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that are applicable for the year ended June 30, 2011. However, the results of our tests disclosed instances of noncompliance or other matters that are required to be reported under the *Guidelines for Compliance Audits of California Redevelopment Agencies* which are described in the accompanying schedule of findings and responses as items 2011-1 and 2011-2.

Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the Agency's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A *deficiency in internal control* over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Agency's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Agency's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Agency Members of the Board, management, others within the entity and the State Controller and is not intended to be and should not be used by anyone other than these specified parties.

Rancho Cucamonga, California
December 9, 2011

AGOURA HILLS REDEVELOPMENT AGENCY

**SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2011**

Finding 2011-1

Fiscal Statement
Compliance Section: Financial Disclosure and Reporting

Criteria or Specific Requirement:

The Agency must file a fiscal statement, in accordance with Health and Safety Code Section 33080.5.

Condition Found:

The Agency did not file a fiscal statement as required by Health and Safety Code Section 33080.5.

Context:

The condition was noted during compliance testing in accordance with *Guidelines for Compliance Audits of California Redevelopment Agencies*.

Cause:

The Agency's policies and procedures did not ensure that the fiscal statement required by the aforementioned Health and Safety code section, was performed on an annual basis.

Effect:

The fiscal statement was not filed, in accordance with Health and Safety Code Section 33080.5.

Recommendation:

We recommend that the Agency prepare and submit a fiscal statement, in accordance with Health and Safety Code Section 33080.5.

Views of Responsible Officials and Planned Corrective Action:

The Agency prepared a fiscal statement and presented it to the Agency Board, but was unaware of the requirement to file the report with the State Controller's Office. The Agency will file a fiscal statement with the State Controller's Office by January, 2012.

AGOURA HILLS REDEVELOPMENT AGENCY

**SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2011**

Finding 2011-2

Budget

Compliance Section: Financial Disclosure and Reporting

Criteria or Specific Requirement:

The *June 2011 Guidelines for Compliance Audits of California Redevelopment Agencies* requires that the Agency identify within the budget an examination of the previous year's achievements and a comparison of the achievements with the goals of the previous year's work program.

Condition Found:

The Agency's budget did not include an examination of the previous year's achievements and a comparison of the achievements with the goals of the previous year's work program.

Context:

The condition was noted during compliance testing in accordance with *Guidelines for Compliance Audits of California Redevelopment Agencies*. It was noted that the budget contained proposed expenditures, anticipated revenues, and the work program for the coming year.

Cause:

The Agency's policies and procedures did not ensure that the above described provisions were included in the budget document.

Effect:

Comparison of the achievements and goals of the previous year compliance requirements were not included in the budget, which increases the risk of non-compliance with compliance requirements.

Recommendation:

We recommend that the Agency implement procedures to ensure all applicable Health & Safety Codes are complied with.

Views of Responsible Officials and Planned Corrective Action:

The Agency will include a comparison of achievements and goals of the previous year in the 2012/13 Budget.

AGOURA HILLS REDEVELOPMENT AGENCY

**SUMMARY OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2011**

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<u>Finding</u>	<u>Status</u>
2010-1 Deferred Loans	Implemented
2010-2 Planning and Administration Expenditures	Implemented