

REPORT TO CITY COUNCIL

DATE: FEBRUARY 27, 2013

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: CHRISTY PINUELAS, DIRECTOR OF FINANCE

SUBJECT: RECEIVE AND FILE THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

The citywide annual audit was performed by Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants for the FY 2011/12. All reports and letters have been attached for your review. The Finance Committee met prior to the meeting to review the information with the auditors. The audit information is presented to the City Council as a receive and file item and no further action is required.

RECOMMENDATION

It is recommended the City Council receive and file the 2011/12 Comprehensive Annual Financial Report.

Attachment: 2011/12 Comprehensive Annual Financial Report



The Honorable City Council of
The City of Agoura Hills, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Agoura Hills (City) for the year ended June 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 21, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- The depreciation of capital assets for which useful lives are estimated.
- The other post-employment benefit actuarial accrued liability, net OPEB liability and annual required contributions, prepared by the City's actuary.
- The fair market values of investments.
- The allowance established for amounts due from the Successor Agency

We evaluated the key factors and assumptions used to develop the above estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosures regarding the dissolution of the former Agoura Hills Redevelopment Agency and the transfer of assets and obligations to the successor agency private-purpose trust fund as described in Note 6 to the financial statements. The transfer of the assets and liabilities of the former redevelopment agency occurred February 1, 2012. Extraordinary gains/losses were reported in the financial statements based on the dissolution.
- The City has recorded advances to the Successor Agency which the California Department of Finance has denied. This item has been disclosed in Note 4(f) Advances to Successor Agency. The City has recorded an allowance for doubtful accounts in the amount of \$31,158,769.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Misstatements detected as a result of audit procedures and corrected by management are summarized at **Schedule A**.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 31, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of City Council and management of the City, and is not intended to be and should not be used by anyone other than these specified parties.

Varrinck Train, Dug & Co., LLP

Rancho Cucamonga, California

January 31, 2013

City of Agoura Hills
 Adjusting Journal Entries - Recorded
 June 30, 2012

SCHEDULE A

Number	Reporting Unit	Account Number	Account Description	Debit	Credit
1	RDA Successor Agency	600/615-0000-10XX-0X	Cash and Investments	\$ 12,758,986	
		600-0000-1105-00	Interest Receivable	1,250	
		615-0000-1111-00	Deferred Charges	779,571	
		600-0000-1800-03	Land Held for Resale	4,102,618	
		615-0000-1101-01	Bond Discount	161,378	
		600-0000-21XX-XX	Accounts Payable		\$ 4,930
		615-0000-2200-00	Interest Payable		293,283
		615-0000-2100-02	Bonds Payable		15,150,000
		615-0000-21XX-XX	City Loan (only SERAF loan)		206,968
		600/615-0000-3970-00	Extraordinary item		2,148,622

To recognize extraordinary loss on fiduciary assets for transfer of assets and liabilities

**CITY OF AGOURA HILLS,
CALIFORNIA**

MANAGEMENT LETTER

JUNE 30, 2012



The Honorable City Council of
The City of Agoura Hills, California

We have audited the basic financial statements of the City of Agoura Hills (the City) for the year ended June 30, 2012 and have issued our report thereon dated January 31, 2013. In planning and performing our audit of the basic financial statements of the City, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit we noted certain internal control matters that are presented for your consideration. These comments and recommendations, which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

CURRENT YEAR MANAGEMENT LETTER COMMENT

LEGISLATION FOR DISSOLUTION OF FORMER REDEVELOPMENT AGENCY (RDA)

BACKGROUND:

On December 29, 2011 the California Supreme Court upheld Assembly Bill (AB) 1X26 that provided for the dissolution of all redevelopment agencies in the State of California. Subsequently, AB 1484 was approved on June 27, 2012 which amended certain provision of AB X1 26. In response to the enacted legislation, the City implemented procedures to establish new funds, submit various forms such as the Recognized Enforceable Obligation Payment Schedules (ROPS) and Housing Asset Transfer Forms, and perform Due Diligence Reviews (DDR) pursuant to Health and Safety Code. Concurrently, guidance and interpretation of the enacted legislation was being issued by the California Department of Finance (DOF).

OBSERVATION:

As a result of our audit procedures, certain adjustments to full accrual non-routine accounts (ex., deferred charges, long term debt, and capital assets) were proposed and posted to the Redevelopment Successor Agency Private-Purpose Trust Fund (Trust Fund) as of June 30, 2012. During the dissolution of the former redevelopment agency and related transition of its accounting books and records, the City prepared various entries of its modified accrual routine accounts to establish the Housing Successor Agency fund and Trust Fund. Certain non-routine accounts required adjustment to reflect the dissolution of the former redevelopment agency, creation of the balances to the Trust Fund and the related extraordinary gain/loss.

RECOMMENDATION:

Although the dissolution of the former redevelopment agency was a non-routine event, the accounting for the Trust Fund will require periodic accounting entries to its full accrual accounts (i.e. deferred charges, long term debt and capital assets). We recommend that the City modify its policies and procedures to incorporate these accounts of the Trust Fund into its year-end closing process.

MANAGEMENT'S RESPONSE:

The City will incorporate the preparation of necessary entries to the Successor Agency Private-Purpose Trust Fund in to its year-end closing policies and procedures.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the City gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of the City Council, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Vavinich, Train, Dwyer & Co., LLP
Rancho Cucamonga, California
January 31, 2013



**INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT CALCULATION**

The Honorable City Council of
The City of Agoura Hills, California

We have applied the procedures enumerated below to the Appropriations Limit calculation of the City of Agoura Hills, California (City) prepared during the year ended June 30, 2012. These procedures, which were agreed to by the City were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. City management is responsible for the Appropriations Limit calculation. This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained completed worksheets and compared the 2011-2012 limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted in comparing the appropriations limit, annual adjustment factors and population and inflation factors used in the worksheets to the limit and factors adopted in the resolution. However, as noted in Procedure #3, the City utilized a population change factor of 0.77 where the factor reported by the Department of Finance was 0.25 for the City.

2. We added last year's limit to the total adjustments and compared the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures. However, as noted in Procedure #3, the City utilized a population change factor of 0.77 where the factor reported by the Department of Finance was 0.25 for the City. This resulted in a calculated limit of \$13,541,010 rather than \$13,471,135, using the City's population change factor. The resulting Council adopted limit was \$69,875 greater than the calculated limit. The budgeted appropriations subject to the limit were \$9,327,730, as reported in the budget. The budgeted appropriations were less than both the Council adopted limit and the re-calculated limit.

3. We compared the current year information to the worksheets described in No. 1 above.

Finding: The City utilized a population change factor of 0.77 where the factor reported by the Department of Finance was 0.25 for the City. This resulted in a calculated limit of \$13,541,010 rather than \$13,471,135, using the City's population change factor. The resulting Council adopted limit was \$69,875 greater than the calculated limit. The budgeted appropriations subject to the limit were \$9,327,730, as reported in the Budget. The budgeted appropriations were less than both the Council adopted limit and the re-calculated limit.

4. We compared the prior year appropriations limit to the prior year appropriations limit adopted by the City Council for the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the Appropriations Limit worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the use of the City Council and management of the City of Agoura Hills, California and is not intended to be and should not be used by anyone other than these specified parties.

Varrinck, Train, Day & Co., LLP

Rancho Cucamonga, California
January 31, 2013



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 Honorable City Council of
The City of Agoura Hills, California

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Agoura Hills, California, (City) as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon, dated January 31, 2013. Our report included explanatory paragraphs regarding the dissolution of the Agoura Hills Redevelopment Agency and contingency regarding the advances to the successor agency. 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 City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City'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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control 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 previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance 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*.

We noted certain matters that are reported to management of the City in a separate letter dated January 31, 2013.

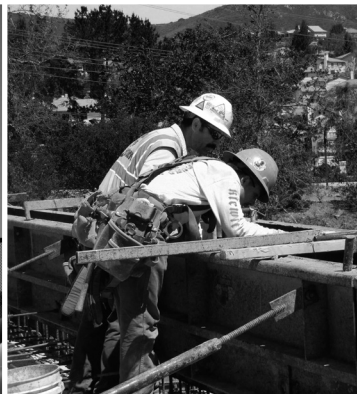
This report is intended solely for the information and use of the City Council, City's management, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.



Rancho Cucamonga, California
January 31, 2013

CITY OF AGOURA HILLS

CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal year ended June 30, 2012

**CITY OF AGOURA HILLS,
CALIFORNIA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2012**

CITY OF AGOURA HILLS, CALIFORNIA
Comprehensive Annual Financial Report
June 30, 2012

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Comprehensive Annual Financial Report
June 30, 2012

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INTRODUCTORY SECTION

CITY OF



AGGURA HILLS



"Gateway to the Santa Monica Mountains National Recreation Area"

January 31, 2013

***Honorable Mayor and Members of the City Council
Citizens of the City of Agoura Hills, California***

The City (City) of Agoura Hills is pleased to submit its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. The CAFR represents a complete set of financial statements presented in conformity, with generally accepted accounting principles (GAAP), and audited, in accordance with generally accepted auditing standards, by a firm of licensed certified public accountants.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All material, statements, and disclosures, necessary to enable the reader to gain an understanding of the City's financial activities, have been included. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements, in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we attest that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Vavrinek, Trine, Day & Co., LLP, an accounting firm fully licensed and qualified to perform audits of state and local governments within the State of California. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the City of Agoura Hills' financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organization chart, and a list of City officials. The financial section includes the independent auditor's report, the basic financial statements, notes to the financial statements, and the combining and individual fund financial statements. The statistical section, which is unaudited, contains selected financial and demographic information, generally presented on a multi-year basis.

GAAP requires that management provide a narrative introduction, overview, and analysis, to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the City's MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

CITY OF AGOURA HILLS
Letter of Transmittal
For the Year Ended June 30, 2012

PROFILE OF THE CITY OF AGOURA HILLS

Perched on the western edge of Los Angeles County in the foothills of the Santa Monica Mountains, Agoura Hills is located just forty-five minutes from busy downtown Los Angeles, but is nevertheless rich with undulating hills and inspiring canyons. Agoura Hills was incorporated December 8, 1982. It is 7.86 square miles in size and has an average climate of 65 degrees Fahrenheit, with an average rainfall of 19.5". The City has an altitude of 936 feet to 2,036 feet. Agoura Hills is one of the smaller communities in Los Angeles County, with a population of only 20,432.

The City of Agoura Hills is governed by the City Council/City Manager form of government. A five-member City Council is elected by the residents to oversee City operations and to guide the future development of the community. The terms are staggered so that a measure of continuity is maintained in the transitions from one Council to the next. The Mayor is selected annually by the City Council to serve a one-year term.

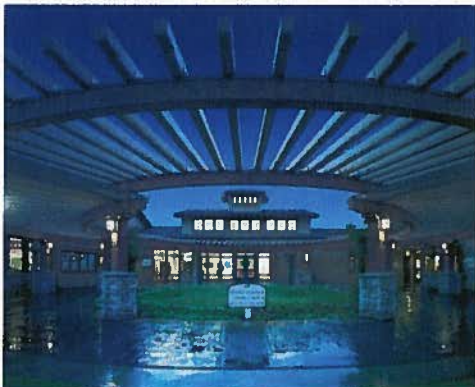


The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing a City Manager and City Attorney. The City Council members also serve as the governing body of the following:

- ❖ Public Facilities Corporation
- ❖ Public Financing Authority

In December 2011, the California Supreme Court ruled to eliminate redevelopment agencies effective February 1, 2012.

In addition, the City Council appoints the members of the Planning Commission and has representation on the following Boards:



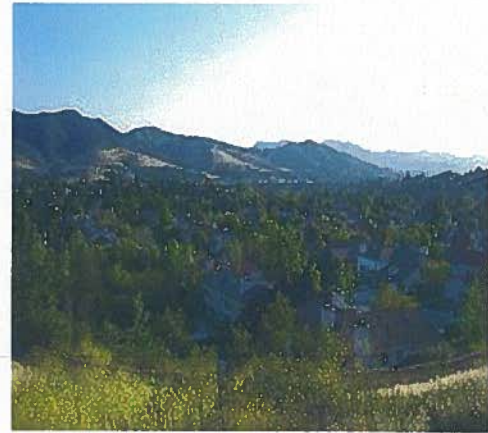
- ❖ Agoura Hills/Calabasas Community Center Board
- ❖ Las Virgenes/Malibu Council of Governments
- ❖ Santa Monica Mountains Conversancy

The City provides a full range of services, some of which are contracted through outside agencies and/or firms. These services include law enforcement, highways and roads, landscaping services, planning and zoning, building and environmental safety, emergency preparedness, and general

CITY OF AGOURA HILLS
Letter of Transmittal
For the Year Ended June 30, 2012

administrative services. Certain services are provided by the Agoura Hills Redevelopment Agency, the Public Facilities Corporation, and the Public Financing Authority. The Agoura Hills City Council exercises financial accountability over each entity, and city staff manages the operations of each of these organizations. These component units function, in essence, as departments of the City of Agoura Hills and therefore have been included as an integral part of the City of Agoura Hill's financial statements. Additional information on these entities can be found in note 1.a. of these financial statements.

For many centuries, the area that would become Agoura Hills was familiar territory for Native Americans who wandered inland from their hunts along the sea in search of game and other food. The permanent arrival of the Spanish in the late 1700s banished the Indians from their homes and introduced a ranching culture that would linger into the early twentieth century. In the 1900s, vast cattle and sheep ranches conceded ground to rows of lettuce and celery, orchards, and wheat fields. Ranching and agriculture eventually diminished in importance. Ranchers began dividing up their property and selling individual tracts for housing. From the outset, ranchers and farmers had worried about water supplies and those concerns were shared by the citizens of Agoura Hills into the mid 1950s. At that time, provision of outside sources of water helped ensure the growth of the community, aided by the new highways which acted as a conduit for fresh faces and commercial development and contributed to the maturation of Agoura Hills.



The City is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund and department. The City Manager has the authority to transfer between expenditure accounts within the same department, office, agency, or program activity.

LOCAL ECONOMY

Agoura Hills is one of the wealthier communities in California with a median home value of \$543,100, which is 2.1 times that of Southern California. The median age of Agoura Hills' residents in 2012 was 42.5, and the unemployment rate is at 5%, compared with 11.1% in Los Angeles County.

While the State of California struggles with a significant budget deficit and many government agencies have been impacted by a slower economy in recent years, the City of Agoura Hill's financial position remains strong. The largest revenue source is sales tax. Agoura Hills entices companies to relocate to and remain in the City by charging a low business registration fee. As a result, the City enjoys a strong and diverse business and retail base, both of which contribute to revenue received through sales tax.

LONG-TERM FINANCIAL PLANNING

The unassigned fund balance in the General Fund (81 percent of total general fund expenditures and operating transfers) falls within the policy guidelines set by the Council for budgetary and planning purposes. In June 2005, the City adopted Resolution No. 05-1378, stating the City Council and City Staff will endeavor to designate an amount equal to or greater than forty percent (40%) of each year's proposed General Fund Operating Budget as the City's unobligated General Fund Reserve.

CITY OF AGOURA HILLS
Letter of Transmittal
For the Year Ended June 30, 2012

MAJOR INITIATIVES

The City of Agoura Hills currently leases space for a recreation center. The lease expires in December, 2014. The City purchased an existing building for \$4.6 million to use as a new recreation center. The source for the purchase included \$1.5 million in bond proceeds from the 2007 Agoura Hills Financing Authority Lease Revenue Refunding Bonds and \$3.1 million the City had previously set-aside. During 2011/12 the City set-aside an additional \$1.6 million towards the improvements utilizing General Fund Reserves.

In November 2008, the County of Los Angeles approved Measure R by a two-thirds majority, committing a projected \$40 billion to traffic relief and transportation upgrades throughout the county over the next 30 years. The City of Agoura Hills is scheduled to receive approximately \$15.6 million of these monies through 2013/14. Projects slated for the monies include the Chesebro/Palo Camodo Interchange (PR); the Agoura Road Widening; and the Agoura Road Roundabout (design). The City utilized \$915,681 in Measure R monies during the 2011/12 fiscal year, primarily on the Agoura Road Widening and Chesebro Bridge Projects.

CASH MANAGEMENT

The City manages cash and investments on a pooled basis, consisting primarily of participation in the local Agency Investment Fund (LAIF), a pooled fund controlled by the State Treasurer. The City's investment portfolio allows for investment, in U.S. Treasury, certain Agency securities (Federal Farm Credit Bank and Federal Home Loan Bank System only) Commercial Paper, Negotiable Certificates of Deposit, and Medium Term Corporate Notes.

In fiscal year 2011/12, the City's investment portfolio included \$18.4 million invested in LAIF, and \$11.9 million in U.S. Securities. This included bond reserves held by the bond trustee. Further information on this can be found in Note (3).

RISK MANAGEMENT

The City is self-insured for worker's compensation and general liability as a member of the California Joint Powers Insurance Authority (CJPIA). Other insurances, including auto physical damage, fire and extended coverage, earthquake and flood, and crime insurance, are covered by a third party insurance carrier, which is explained in greater detail in Note (4)(B).

PENSION AND POSTEMPLOYMENT BENEFITS

All full-time employees of the City are eligible to participate in the California Public Employees Retirement System (CalPERS). CalPERS is a cost-sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for participating public entities within the State of California. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Employees vest after five years of service and are eligible to receive benefits at age 50. The annual actuarial valuation by CalPERS changes from year to year, and the City's contribution rates are modified accordingly. For more information, please refer to Note (4)(A).

CITY OF AGOURA HILLS
Letter of Transmittal
For the Year Ended June 30, 2012

In addition to pension benefits, the City provides post-retirement health care benefits. In an effort to better manage these costs and still provide a benefit to the City's retirees, effective January 1, 2009, the retiree medical reimbursement was established at the CalPERS minimum for participation in the State of California Public Employees' Medical and Hospital Care Act (PEMHCA) which is \$112 for 2012. Additionally, the city contributes longevity pay to a Retirement Health Savings (RHS) Trust plan of up to \$388 for those retirees with 10 years of service with the city, enrolled in a CalPERS health plan. The total benefit will not exceed \$500 per month. For additional information, please refer to Note (4) (I).

AWARDS AND ACKNOWLEDGEMENTS

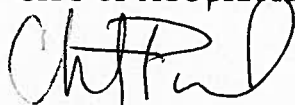
The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Agoura Hills for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. This was the second year that the City achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Finance Department staff. I would also like to express my appreciation to all departments within the City who provided assistance and support.

Sincere appreciation is also expressed to the City Manager, Mayor, and members of the City Council for their support in planning and conducting the operations of the City in a responsible and progressive manner.

Respectfully submitted,

CITY OF AGOURA HILLS



Christy Pinuelas
Director of Finance

CITY OF AGOURA HILLS

ORGANIZATIONAL STRUCTURE AND DIRECTORY OF CITY OFFICIALS

AGOURA HILLS RESIDENTS



Harry Schwarz
Councilmember

Denis Weber
Mayor Pro Tem

John Edelston
Mayor

William Koehler
Councilmember

Illece Buckley-Weber
Councilmember

Planning Commission
(5)

Greg Ramirez
City Manager
(5.5)

Candice Lee
City Attorney
(Contract)

Nathan Hamburger
Assistant City Manager

- General Administration
- Economic Development
- Human Resources
- Risk Management
- Refuse Recycling

Louis Celaya
Deputy City Manager

Mike Kamino
Director
Comm. Development
(6.5)

Christy Pinuelas
Director
Finance
(3)

Ramino Adeva
Director of Public
Works
(7)

Kimberly Rodrigues
City Clerk
(2)

Amy Brink
Director of
Community Services
(7)

Amir Hamidzadeh
Building Official
(3)

- Current Planning
- Economic Development & Revitalization
- Environmental Review
- General Plan
- Code Enforcement
- Comprehensive Planning
- Community Devel. Block Grant

- Accounting
- Operating Budget
- Payroll
- Financial Reporting
- Business Registration
- Cash Management
- Purchasing
- Information Systems

- Private Project Devel.
- Capital Project Devel.
- Mapping & Records
- Public Works Inspection
- Transit/Transport. Engineering
- Water
- Wastewater
- Street/Landscape Maintenance
- Storm Water System Maintenance

- Information
- Agendas/Minutes
- Public Hearings
- Elections
- Records Management

- Recreation Programs
- City-Wide Special Events
- Transportation Services
- Senior Center
- Community Service Programs
- Community Relations
- Recreation Center
- Reyes Adobe Historical Site
- Equestrian Arena
- Park facilities & Maintenance

- Plan Review
- Permit Processing
- Permit Issuance
- Building Inspection
- Code Adoption and Enforcement
- Issuance of Certificate of Occupancy

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Agoura Hills
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

CITY OF



AGGURA HILLS

FINANCIAL SECTION

CITY OF



AGGURA HILLS



INDEPENDENT AUDITORS' REPORT

The Honorable City Council of
The City of Agoura Hills, California

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Agoura Hills (City), California, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 City'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 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 previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of Agoura Hills, California, as of June 30, 2012, 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 6, the Redevelopment Agency of the City of Agoura Hills was dissolved on February 1, 2012 pursuant to Assembly Bill (AB) x1 26. Housing assets of the former Redevelopment Agency were transferred to the Successor Housing Agency of the City of Agoura Hills pursuant to Health and Safety Code Section 34176. All other remaining assets, contracts and enforceable obligations were transferred to the City of Agoura Hills Redevelopment Successor Agency resulting in an extraordinary loss in the amount of \$2,148,622 to the City of Agoura Hill's governmental activities.

As described in Note 4(f), the City has disclosed contingencies regarding advances to the Successor Agency in the amount of \$31,158,769 reported in the General Fund. Such advances have been denied by the State of California Department of Finance as enforceable obligations, therefore management has recorded an allowance for the full amount.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary schedule on pages 3 through 12 and 51 through 56, respectively, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The accompanying major fund budgetary comparison schedules, and the combining and individual nonmajor fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the major fund budgetary comparison schedules, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it



Rancho Cucamonga, California
January 31, 2013

CITY OF AGOURA HILLS, CALIFORNIA
Management's Discussion and Analysis (MD&A)
For the Year ended June 30, 2012

Management's Discussion and Analysis (MD&A) is presented as a supplement to the City of Agoura Hills' (City) financial statements. The MD&A offers an objective narrative of the City's financial activities based upon facts, decisions, and conditions known to management as of the auditor's report date for the fiscal year ended June 30, 2012. Readers are encouraged to utilize this report in conjunction with the information outlined in the City's financial statements and notes to the financial statements (found on subsequent pages). A summary of the fiscal year's financial picture immediately follows.

FINANCIAL HIGHLIGHTS

- ❖ On June 30, 2012, the City's net assets (excess of assets over liabilities) were \$83.8 million. Of this amount, \$13.9 million is available to meet the City's ongoing operations to citizens and creditors.
- ❖ During the fiscal year ended June 30, 2012, the City's total net assets decreased by \$2.2 million.
- ❖ As of June 30, 2012, the unassigned fund balance for the General Fund was \$8.8 million or 81 percent of total General Fund expenditures and operating transfers.
- ❖ The City's governmental funds reported combined ending fund balances of \$17.2 million, a decrease of \$16.7 million compared with the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include the City (primary government) and all legally separate entities for which the City is financially accountable. The City's component units consist of the following: The Agoura Hills Redevelopment Agency, the Public Facilities Corporation, and the Public Financing Authority. These component units have been included in the basic financial statements, as an integral part of the primary government, using the blended method.

Government-Wide Financial Statements

The Government-Wide Financial Statements present the financial picture of the City and provide readers with a broad view of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with a difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Agoura Hills is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the change's underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and unearned but unused vacation leave).

CITY OF AGOURA HILLS, CALIFORNIA
Management's Discussion and Analysis (MD&A)
For the Year ended June 30, 2012

While some governmental agencies have governmental and business-type activities, the City of Agoura Hills records all activities under governmental activities.

Fund Financial Statements

The Fund Financial Statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required to be established by state law (i.e. Measure R & Transit Tax) and by bond covenants. However, management establishes other funds (i.e. Other Grants) to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The Fund Financial Statements include statements for governmental and fiduciary categories of activities. The governmental activities are reported using the current financial resources measurement focus and modified accrual basis of accounting. The following sections provide a more in-depth detailing of the fund groups.

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

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

The major governmental funds include: the General Fund, Community Development Fund, Successor Housing Agency Fund, Inclusionary Housing In Lieu Fund, Redevelopment Debt Service Fund, Redevelopment Set-Aside Fund, Redevelopment Capital Projects Fund, Recreation Center Capital Projects Fund, the Reyes Adobe Interchange Capital Projects Fund and the Measure R Capital Projects Fund which are reported in detail in the Governmental Fund Financial Statements. All other funds are shown in the aggregate as other non-major funds. Individual fund data for other non-major governmental funds is provided in the form of supplementary information elsewhere in the report.

The City is the trustee, or fiduciary, for certain funds held on behalf of external parties. The City's fiduciary activities are reported in separate Statements of Fiduciary assets and liabilities. These activities are excluded from the City's other financial statements because the resources of these funds are not available to support the City's own programs. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

CITY OF AGOURA HILLS, CALIFORNIA
Management's Discussion and Analysis (MD&A)
For the Year ended June 30, 2012

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

Required Supplementary Information

In addition to the basic financial statements, this report also presents certain Required Supplementary Information, including the City's budgetary schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

Net assets are a good indicator of the City's financial position. For the fiscal year ended June 30, 2012, net assets of the City were \$83.8 million, which is a decrease of \$2.2 million from the prior year.

Following is the condensed Statement of Net Assets for the fiscal years ended June 30, 2012 and 2011.

City of Agoura Hills Net Assets
As of June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Current and other assets	\$22,415,421	\$42,636,956
Capital assets	74,210,125	73,940,092
Total Assets	<u>96,625,546</u>	<u>116,577,048</u>
Current liabilities	1,603,070	4,437,776
Long-term liabilities outstanding	11,206,479	26,091,037
Total Liabilities	<u>12,809,549</u>	<u>30,528,813</u>
Net Assets:		
Invested in capital assets, net of related debt	67,179,564	66,710,006
Restricted	2,662,523	4,028,535
Unrestricted	13,973,910	15,309,694
Total Net Assets	<u>\$83,815,997</u>	<u>\$86,048,235</u>

At June 30, 2012 the largest portion of net assets (80 percent) consists of the City's investment in capital assets, net of related debt. This component portrays the amount of funds required to acquire those assets, less any related debt used for such acquisition that is still outstanding. The City uses these capital assets to provide services to citizens. The capital assets of the City are not sources of income for repayment of debt as most assets are not revenue generating and generally are not liquidated to repay debt. Therefore, debt service payments are funded from other sources available to the City.

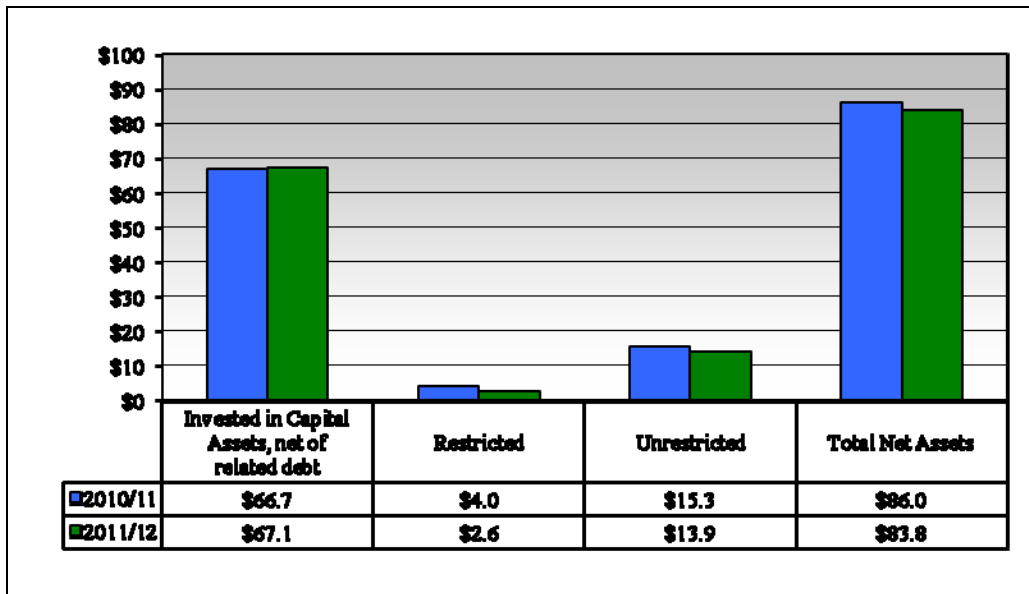
An additional portion of the City's net assets (\$2.6 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$13.9 million) may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF AGOURA HILLS, CALIFORNIA
Management's Discussion and Analysis (MD&A)
For the Year ended June 30, 2012

For the years ended June 30, 2012 and 2011 the City reported positive balances in all three of the categories of net assets.

- ❖ The \$469,558 thousand increase in the City's investment in capital assets net of related debt was primarily related to the construction in progress expenditures for the widening of Agoura Road.
- ❖ Restricted net assets decreased \$1.3 million primarily due to the dissolution of the Agoura Hills Redevelopment Agency (Note 6 of the Basic Financial Statements).
- ❖ Unrestricted net assets decreased \$1.3 million primarily due to the dissolution of the Agoura Hills Redevelopment Agency (Note 6 of the Basic Financial Statements).

The following chart shows the comparison of the three components of net assets for fiscal years 2010/11 and 2011/12 (in millions).



CITY OF AGOURA HILLS, CALIFORNIA
Management's Discussion and Analysis (MD&A)
For the Year ended June 30, 2012

Statement of Activities

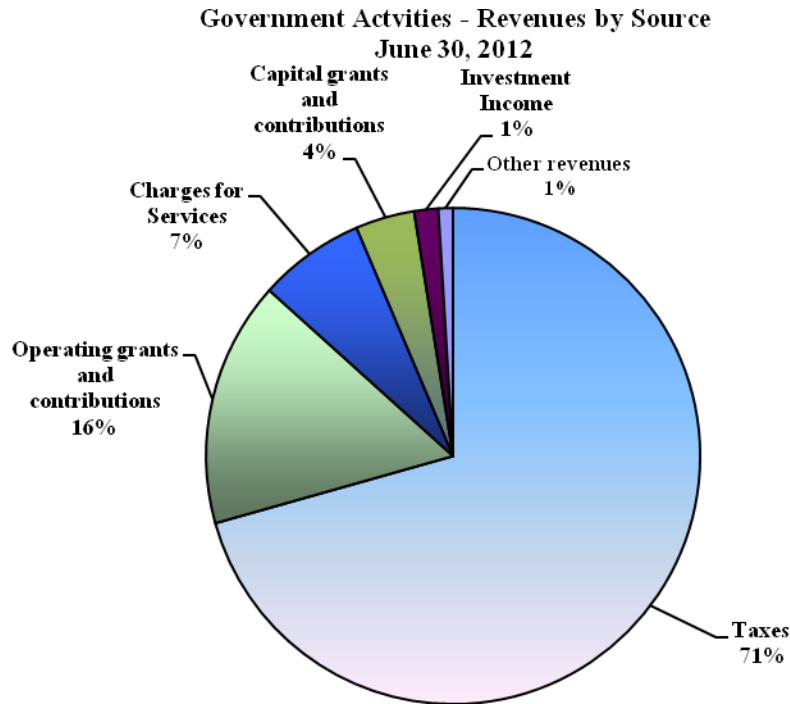
The following is the condensed Statement of Activities for the fiscal years ended June 30, 2012 and 2011.

Statement of Activities Changes
For the Years Ended June 30, 2012 and 2011

	2012	2011
Revenues:		
Program revenues:		
Charges for services	\$1,209,029	\$1,333,399
Operating grants and contributions	2,788,229	2,934,225
Capital grants and contributions	669,308	2,680,376
General revenues:		
Taxes	12,278,663	14,661,200
Intergovernmental revenues	0	118,561
Investment Income	273,503	323,286
Other revenues	165,757	220,980
Total Revenues	17,384,489	22,272,027
Expenses:		
General government	2,809,488	3,192,991
Public safety	4,101,347	4,355,912
Public works	5,141,512	5,563,786
Community development	1,055,293	1,595,785
Pass through to other agencies	1,449,565	3,602,569
Community services	1,957,257	1,912,544
Interest and fiscal charges	953,642	1,359,595
Total Expenses	17,468,105	21,583,182
Extraordinary Loss – RDA Dissolution	(2,148,622)	0
Change in net assets	(2,232,238)	688,845
Net Assets – Beginning of Year	86,048,235	85,359,390
Net Assets – End of Year	\$83,815,997	\$86,048,235

CITY OF AGOURA HILLS, CALIFORNIA
Management's Discussion and Analysis (MD&A)
For the Year ended June 30, 2012

The City's activities decreased net assets by \$2.2 million, which was a 3 percent decrease from the prior fiscal year. Revenues by source are shown in the chart below:



Revenue highlights:

- ❖ Taxes decreased \$2.4 million, or 16 percent, in fiscal year 2011/12. This primarily relates to the dissolution of the Agoura Hills Redevelopment Agency in February 2012 (see note 6). This resulted in a decrease of \$2.9 million in net increment (55%). This was offset by an increase in Sales Tax of \$338 thousand (11%), and Transient occupancy taxes of \$29 thousand, or 2 percent as the economy improves.
- ❖ Investment Income decreased \$50 thousand, or 15 percent, primarily due to the decrease in interest rates which went from an average yield of .5 percent for fiscal year 2010/11 to an average yield of .3 percent in fiscal year 2011/12.
- ❖ Capital Grants and Contributions decreased \$2 million, or 75 percent, in fiscal year 2011/12 primarily due to the fact that in 2010/11 the City received a Federal Appropriation of \$2.2 million to complete the Reyes Adobe Bridge Widening Project.

CITY OF AGOURA HILLS, CALIFORNIA
Management's Discussion and Analysis (MD&A)
For the Year ended June 30, 2012

Expense highlights:

Total expenses for the City's activities were \$17.4 million, \$4.1 million less than the prior fiscal year. Program revenues offset total expenditures as follows:

- ❖ Those who directly benefited from programs contributed \$1.2 million in charges for services.
- ❖ The City was able to fund some of its programs through grants and contributions from outside sources or other governments for a total amount of \$3.4 million.

As a result, total expenditures that were funded by tax revenues, investment income, grants and contributions not restricted to specific programs, and other general revenues were \$12.7 million.

Functional expenses (excluding interest on debt) for the years ended June 30, 2012 and 2011 were as follows (amount in millions):

	Total Cost of Services		Percent Change	Net (Cost) Revenue of Services		Percent Change
	2011	2012	2011/12	2011	2012	2011/12
General government	\$3.2	\$2.8	-13%	-3.1	-2.6	-17%
Public safety	4.4	4.1	-7%	-3.6	-3.5	-3%
Public works	5.6	5.1	-9%	-0.0	-1.8	180%
Community development	1.6	1.1	-32%	-1.4	-0.9	-36%
Pass thru to agencies	3.6	1.4	-62%	-3.6	-1.4	-62%
Community services	1.9	2.0	6%	-1.6	-1.7	7%
Total	\$20.3	\$16.5	-19%	-13.3	-11.9	-11%

In total, the net cost of services decreased \$1.5 million or 12 percent. Highlights of the changes are:

- ❖ Public works increased \$1.8 million or 180 percent primarily because in 2010/11 the City received Utility Undergrounding Fees (\$150,000) and Measure R Grants (\$1 million).
- ❖ Community development decreased 36 percent (\$500,000) primarily due to the dissolution of the Agoura Hills Redevelopment Agency.
- ❖ Pass thru to agencies decreased \$2.2 million or 62 percent primarily because of the dissolution of the Agoura Hills Redevelopment Agency.

Financial Analysis of the City's Funds

The City of Agoura Hills only has governmental fund types whose focus is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

CITY OF AGOURA HILLS, CALIFORNIA
Management's Discussion and Analysis (MD&A)
For the Year ended June 30, 2012

As of the end of 2011/12, the City's funds reported ending fund balances of \$17.2 million, a decrease of \$16.7 million in comparison with the prior fiscal year. The decrease in fund balance primarily reflects an extraordinary loss of \$16.6 million due to the dissolution of the Agoura Hills Redevelopment Agency. Of the \$17.2 million in fund balances at fiscal yearend 2011/12, \$141 thousand is Nonspendable because it represents prepaids and land held for resale, and \$8.9 million is Restricted, Committed or Assigned to indicate that it is not available for appropriation because it had already been restricted for a variety of purposes.

The General Fund is the chief operating fund of the City. At the end of fiscal year 2011/12, the fund balance of the General Fund was \$9.0 million, with \$141 thousand Nonspendable because it was for Land held for Resale. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total expenditures. At June 30, 2012, unassigned fund balance was 81 percent of total General Fund expenditures and operating transfers out.

Fund balance in the City's General Fund decreased by \$32.5 million in fiscal year 2011/12, when compared to an increase in fund balance of \$29.5 million in 2010/11. The 2010/11 increase primarily related to the transfer in of \$30.6 million from the Redevelopment Agency to the City to cover a reimbursement agreement for services. In January 2011 the city executed an agreement to cover the amounts that had been advanced since April of 1988 (see Note 4(F)). However, due to the dissolution of the Redevelopment Agency the General Fund established an allowance for the entire amount and recorded an extraordinary loss of \$31.1 million. The remaining loss (\$1.3 million) primarily relates to a transfer out of \$1.6 million towards the completion of the new recreation center (see Note 3(B)).

GENERAL FUND BUDGETARY HIGHLIGHTS

In preparing the budget, the City attempts to estimate its revenue using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues to allow for expansion of existing programs. During the course of the year, the City Council amended the originally adopted budget to reappropriate prior year approved projects and expenditures and to amend the spending plan of the City and Redevelopment Agency.

In the General Fund, amendments between the original budget and the final budget resulted in increased revenues of \$60.2 thousand, decreased expenditures of \$172.6 thousand and increased net transfers out of \$105.2 thousand. The transfers out related to debt service and contributions to the newly planned recreation center. These amendments resulted in an overall budgeted decrease to the fund balance of \$1.5 million.

The General Fund reflected a net total unfavorable budget variance of \$31 million, when comparing actual amounts to the final budget for the current fiscal year. The \$31 million variance is primarily a result of the allowance established for the loan between the City and the Successor Agency \$31 million (see Note 6). The budget reflects a negative variance in revenues of \$42 thousand and a negative variance in total expenditures of \$161 thousand. The revenue variances primarily relate to a decline in Park and Recreation fees (\$35 thousand) from what was projected. The expenditure variances are primarily due to the reclassification of certain costs (\$353 thousand) due to the dissolution of the Redevelopment Agency.

CITY OF AGOURA HILLS, CALIFORNIA
Management's Discussion and Analysis (MD&A)
For the Year ended June 30, 2012

CAPITAL ASSETS

Capital assets, including infrastructure of the City, are those assets that are used in the performance of the City's functions. At June 30, 2012, net capital assets totaled \$74.2 million.

This investment in capital assets includes land, construction in progress, buildings and improvements, leased equipment, vehicles, and infrastructure. The total increase in the City's investment of capital assets, net of related debt, for the current fiscal year is \$470 thousand or .7 percent of capital assets net of accumulated depreciation. The increase in capital assets primarily reflects the addition of \$1.9 million in Construction in Progress, related to the Reyes Adobe Bridge Widening. The Reyes Adobe Bridge Widening was funded primarily through grant resources and bond proceeds from the 2008 Redevelopment debt issue. Additionally infrastructure increased \$115 thousand. This was offset by additions to depreciation of \$1.8 million.

Major projects in fiscal year ended 2011/12 include:

- ❖ Construction in progress on the Agoura Road Widening, the Kanan Bridge Widening and the Chesebro Interchange Bridge Widening.

City of Agoura Hills Capital Assets
(Net of depreciation)

	2012	2011
Land	\$11,636,428	\$11,636,428
Construction in progress	36,744,370	34,795,987
Building & improvements	10,276,464	10,490,432
Vehicles	139,432	196,257
Infrastructure	15,413,431	16,820,988
Total Net Assets	\$74,210,124	\$73,940,092

Additional information on the City's capital assets can be found in Note 3(C) in the basic Financial Statements.

LONG-TERM DEBT

At the end of the current fiscal year, the City of Agoura Hills had total debt outstanding of \$11.2 million. The City's long-term obligations as of June 30, 2012 and 2011 were as follows:

City of Agoura Hills Outstanding Debt

	2012	2011
2007 Lease Revenue Bonds	\$10,820,474	\$10,986,441
2008 RDA Tax allocation Bonds	0	5,640,000
2008 RDA Housing Set-Aside Bonds	0	9,555,527
Compensated Absences	329,404	307,011
Other post-employment benefits	56,601	56,601
Total Outstanding Debt	\$11,206,479	\$26,545,580

Additional information on the City's long-term debt can be found in Note 3(D) of the basic Financial Statements.

CITY OF AGOURA HILLS, CALIFORNIA
Management's Discussion and Analysis (MD&A)
For the Year ended June 30, 2012

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In preparing the budget for 2012/13 the following factors were taken in to consideration:

- ❖ Salary and benefits are estimated to remain flat, due to the elimination of one position, the Senior Civil Engineer.
- ❖ Several anticipated large capital projects, including Street Resurfacing (\$701 thousand), the design and construction phase of Agoura Road Widening (\$3.5 million) and the design phase of the Chesebro Bridge Widening (\$850 thousand).

The City's operating budget for 2012/13 reflects the use of sales tax override funds provided as Measure R grant monies, for the design of the Chesebro Interchange and Agoura Road Widening Projects. Furthermore the City is anticipating spending monies on the design of the recently purchased recreation center.

Although the City budget was prepared with the expectation that Redevelopment activities would continue with the RDA, an alternative forecast was prepared, considering information that was known at the time (see Note 5 of the basic Financial Statements). It is anticipated that the City will remain in good financial condition throughout the fiscal year and beyond.

REQUEST FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Agoura Hills Finance Department, 30001 Ladyface Court, Agoura Hills, California 91301 or (818) 597-7319.

BASIC FINANCIAL STATEMENTS

CITY OF



AGGURA HILLS

CITY OF AGOURA HILLS, CALIFORNIA
Statement of Net Assets
June 30, 2012

	Governmental Activities
ASSETS	
Cash and investments	\$ 16,437,623
Receivables:	
Accounts and taxes	711,370
Interest	54,977
Deferred loans	655,004
Due from other governments	1,596,606
Other	233,108
Advances to Successor Agency, net of allowances	206,968
Prepays	26,253
Deferred charges	240,951
Investment in Joint Ventures - Community Center	2,137,561
Land held for resale	115,000
Capital assets:	
Capital assets not being depreciated	48,380,798
Capital assets being depreciated, net of accumulated depreciation	25,829,327
Total Assets	96,625,546
LIABILITIES	
Accounts payable and accrued liabilities	1,445,327
Interest payable	157,743
Noncurrent liabilities:	
Due within one year	217,393
Due in more than one year	10,989,086
Total Liabilities	12,809,549
NET ASSETS	
Invested in capital assets, net of related debt	67,179,564
Restricted for:	
Community development	206,968
Inclusionary housing in lieu	2,455,555
Unrestricted	13,973,910
Total Net Assets	\$ 83,815,997

See accompanying Notes to Basic Financial Statements.

CITY OF



AGGURA HILLS

CITY OF AGOURA HILLS, CALIFORNIA
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Assets
					Total Governmental Activities
Governmental Activities:					
General government	\$ 2,809,488	\$ 92,593	\$ 119,907	\$ -	\$ (2,596,988)
Public safety	4,101,347	530,285	120,791	-	(3,450,271)
Public works	5,141,512	153,422	2,547,531	659,666	(1,780,893)
Community development	1,055,293	146,932	-	9,642	(898,719)
Pass through to other agencies	1,449,565	-	-	-	(1,449,565)
Community services	1,957,257	285,797	-	-	(1,671,460)
Interest and fiscal charges	953,642	-	-	-	(953,642)
Total Governmental Activities	\$ 17,468,105	\$ 1,209,029	\$ 2,788,229	\$ 669,308	(12,801,539)
General Revenues:					
					6,406,593
					3,379,646
					753,957
					1,738,467
					273,503
					165,757
					<u>12,717,923</u>
					Extraordinary loss -
					dissolution of former redevelopment agency
					<u>(2,148,622)</u>
					Change in Net Assets
					<u>(2,232,238)</u>
					Net Assets, Beginning of Year
					<u>86,048,235</u>
					Net Assets, End of Year
					<u>\$ 83,815,997</u>

See accompanying Notes to Basic Financial Statements.

CITY OF AGOURA HILLS, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2012

	General	Special Revenue			Debt Service
		Community Development	Successor Housing Agency	Inclusionary Housing In Lieu	Redevelopment
ASSETS					
Cash and investments	\$ 7,590,362	\$ 2	\$ -	\$ 2,448,723	\$ -
Receivables:					
Accounts	677,712	-	-	-	-
Interest	30,789	-	-	6,832	-
Deferred loans	-	476,386	178,618	-	-
Due from other governments	671,338	-	-	-	-
Other	2,928	-	-	-	-
Due from other funds	555,562	-	-	-	-
Advances to Successor Agency	31,158,769	-	206,968	-	-
Less: Allowance for Advances	(31,158,769)	-	-	-	-
Prepays	26,253	-	-	-	-
Land held for resale	115,000	-	-	-	-
Total Assets	<u>\$ 9,669,944</u>	<u>\$ 476,388</u>	<u>\$ 385,586</u>	<u>\$ 2,455,555</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenditures	\$ 645,113	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Deferred revenue	-	476,388	178,618	-	-
Total Liabilities	<u>645,113</u>	<u>476,388</u>	<u>178,618</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	141,253	-	-	-	-
Restricted	-	-	206,968	-	-
Committed	-	-	-	2,455,555	-
Assigned	-	-	-	-	-
Unassigned	8,883,578	-	-	-	-
Total Fund Balances	<u>9,024,831</u>	<u>-</u>	<u>206,968</u>	<u>2,455,555</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 9,669,944</u>	<u>\$ 476,388</u>	<u>\$ 385,586</u>	<u>\$ 2,455,555</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

Capital Projects							Non-major	Total
Redevelopment Set-Aside	Redevelopment	Recreation Center	Reyes Adobe Interchange	Measure R	Governmental Funds	Governmental Funds	Governmental Funds	
\$ -	\$ -	\$ 3,319,151	\$ -	\$ -	\$ 3,079,385	\$ 16,437,623		
-	-	-	728	-	32,930	711,370		
-	-	6,356	-	-	11,000	54,977		
-	-	-	-	-	-	655,004		
-	-	-	-	610,993	314,275	1,596,606		
-	-	-	122,827	94,878	12,475	233,108		
-	-	-	-	-	122,789	678,351		
-	-	-	-	-	-	31,365,737		
-	-	-	-	-	-	(31,158,769)		
-	-	-	-	-	-	26,253		
-	-	-	-	-	-	115,000		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,325,507</u>	<u>\$ 123,555</u>	<u>\$ 705,871</u>	<u>\$ 3,572,854</u>	<u>\$ 20,715,260</u>		
\$ -	\$ -	\$ 28,183	\$ 143,280	\$ 153,209	\$ 475,542	\$ 1,445,327		
-	-	-	122,789	551,133	4,429	678,351		
-	-	-	118,554	377,537	164,827	1,315,924		
-	-	28,183	384,623	1,081,879	644,798	3,439,602		
-	-	-	-	-	-	141,253		
-	-	-	-	-	1,122,128	1,329,096		
-	-	-	-	-	1,799,030	4,254,585		
-	-	3,297,324	-	-	95,914	3,393,238		
-	-	-	(261,068)	(376,008)	(89,016)	8,157,486		
-	-	3,297,324	(261,068)	(376,008)	2,928,056	17,275,658		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,325,507</u>	<u>\$ 123,555</u>	<u>\$ 705,871</u>	<u>\$ 3,572,854</u>	<u>\$ 20,715,260</u>		

CITY OF



AGGURA HILLS

CITY OF AGOURA HILLS, CALIFORNIA
Reconciliation of the Government Funds Balance Sheet
to the Statement of Net Assets
June 30, 2012

Fund Balances of Governmental Funds	\$ 17,275,658
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	74,210,125
Investment in Joint Venture Community Center represents interest only in capital assets of the joint venture rather than a financial asset and, therefore, is not reported in the funds.	2,137,561
The long-term debt (e.g. bonds, leases, compensated absences) is not due and payable in the current period and therefore is not reported in the funds.	(11,149,878)
Deferred charges related to the issuance of long term debt are recorded as expenditures in governmental fund statements.	240,951
Interest on long-term debt liabilities are not due and payable in the current period and therefore, are not reported in the funds.	(157,743)
Post-employment benefits are considered long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.	(56,601)
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>1,315,924</u>
Net Assets of Governmental Activities	<u><u>\$ 83,815,997</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF AGOURA HILLS, CALIFORNIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue				Debt Service
	General Fund	Community Development	Successor Housing Agency	Inclusionary Housing In Lieu	Redevelopment
REVENUES:					
Taxes	\$ 9,921,175	\$ -	\$ -	\$ -	\$ 2,357,488
Licenses and permits	329,863	-	-	-	-
Intergovernmental revenues	76,506	-	-	-	-
Charges for services	664,455	-	-	-	-
Fines and penalties	74,087	-	-	-	-
Investment income	94,511	-	-	21,069	10,250
Rental income	84,060	-	-	-	-
Other revenues	63,519	-	-	-	-
Total Revenues	11,308,176	-	-	21,069	2,367,738
EXPENDITURES:					
Current:					
General government	3,196,472	-	-	-	-
Pass through to other agencies	-	-	-	-	1,449,565
Public safety	3,903,732	-	-	-	-
Community development	750,693	-	-	-	-
Community services	1,638,408	-	-	-	-
Public works	903,258	-	-	-	-
Debt service:					
Principal	-	-	-	-	210,000
Interest and fiscal charges	-	-	-	-	444,495
Capital outlay	-	-	-	-	-
Total Expenditures	10,392,563	-	-	-	2,104,060
Excess (deficiency) of revenues over (under) expenditures	915,613	-	-	21,069	263,678
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	649,494
Transfers out	(2,302,000)	-	-	-	(911,924)
Total Other Financing Sources (Uses)	(2,302,000)	-	-	-	(262,430)
Extraordinary Item:					
Dissolution of former Redevelopment Agency (note 6)	(31,158,769)	-	206,968	-	(899,850)
Net Changes in Fund Balances	(32,545,156)	-	206,968	21,069	(898,602)
Fund Balances (Deficit) at Beginning of Year, as Restated (note 5)	41,569,987	-	-	2,434,486	898,602
Fund Balances (Deficit) at End of Year	\$ 9,024,831	\$ -	\$ 206,968	\$ 2,455,555	\$ -

See accompanying Notes to Basic Financial Statements.

Capital Projects						
Redevelopment Set-Aside	Redevelopment	Recreation Center	Reyes Adobe Interchange	Measure R	Non-major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,278,663
-	-	-	-	-	-	329,863
-	-	-	-	1,090,418	1,257,399	2,424,323
-	-	-	-	-	1,015,112	1,679,567
-	-	-	-	-	141,849	215,936
58,181	754	17,169	-	-	27,932	229,866
-	-	-	-	-	-	84,060
-	-	-	610,067	-	3,908	677,494
58,181	754	17,169	610,067	1,090,418	2,446,200	17,919,772
252,834	25,568	300,711	199	149,942	89,918	4,015,644
-	-	-	-	-	-	1,449,565
-	-	-	-	-	190,490	4,094,222
134,757	111,972	-	-	-	-	997,422
-	-	-	-	-	264,347	1,902,755
5,147	17,675	-	-	247,524	1,037,151	2,210,755
-	-	-	-	-	185,000	395,000
-	-	-	-	-	480,631	925,126
-	62,285	-	648,629	518,215	751,843	1,980,972
392,738	217,500	300,711	648,828	915,681	2,999,380	17,971,461
(334,557)	(216,746)	(283,542)	(38,761)	174,737	(553,180)	(51,689)
471,498	440,426	3,194,592	982,095	-	672,000	6,410,105
(379,603)	(269,891)	-	-	-	(2,546,687)	(6,410,105)
91,895	170,535	3,194,592	982,095	-	(1,874,687)	-
(11,696,377)	26,897,072	-	-	-	-	(16,650,956)
(11,939,039)	26,850,861	2,911,050	943,334	174,737	(2,427,867)	(16,702,645)
11,939,039	(26,850,861)	386,274	(1,204,402)	(550,745)	5,355,923	33,978,303
\$ -	\$ -	\$ 3,297,324	\$ (261,068)	\$ (376,008)	\$ 2,928,056	\$ 17,275,658

CITY OF AGOURA HILLS, CALIFORNIA
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2012

Net Change in Fund Balances - Total Governmental Funds		\$(16,702,645)
Amounts reported for the governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital expenditures	\$ 2,063,656	
Depreciation expense	<u>(1,793,624)</u>	270,032
Share of expenses for Joint Venture in Community Center is not recorded as an expenditure in the governmental funds. However, it is recorded in the statement of activities as an expense.		
		(56,261)
Issuance of long-term debt including compensated absences and leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources in governmental funds. Neither transaction has any effect on net assets.		
Principal payment	395,000	
Amortization of bond issuance costs	(32,377)	
Amortization of deferral on refunding and discount	(22,128)	
Change in compensated absences	<u>(22,393)</u>	318,102
Interest on long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
		(28,516)
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.		
		(535,284)
Effect of extraordinary items due to dissolution of former redevelopment agency		
Reduction of long-term debt (Bonds)	14,988,622	
Reduction of interest payable associated with long-term debt	293,283	
Reduction of deferred charges, net of amortization	<u>(779,571)</u>	14,502,334
Change in Net Assets of Governmental Activities		<u><u>\$ (2,232,238)</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF AGOURA HILLS, CALIFORNIA
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

	Redevelopment Successor Agency Private-purpose Trust Fund	Agency Fund
ASSETS		
Cash and investments	\$ 13,172,798	\$ 1,454,685
Interest receivable	39,732	1,380
Accounts receivable	-	9,092
Due from other governments	-	93,673
Deferred charges	767,210	-
Land held for resale	4,102,618	-
Total Assets	\$ 18,082,358	\$ 1,558,830
LIABILITIES		
Accounts payable	\$ 24,041	\$ 1,558,830
Interest payable	219,962	-
Bonds payable	15,150,000	-
Less: Bond discount	(161,378)	-
City loan	206,968	-
Total Liabilities	15,439,593	\$ 1,558,830
NET ASSETS		
Held in trust for other beneficiaries	\$ 2,642,765	

See accompanying Notes to Basic Financial Statements.

CITY OF AGOURA HILLS, CALIFORNIA
Statement of Changes in Fiduciary Net Assets
Private-Purpose Trust Fund
June 30, 2012

ADDITIONS	
Property tax revenue	\$ 764,352
Investment income	5,874
Other revenue	352,879
Total Additions	1,123,105
 DEDUCTIONS	
Community services	240,997
Amortization expense	12,361
Interest and fiscal charges	375,604
Total Deductions	628,962
 EXTRAORDINARY ITEM	
Dissolution of redevelopment agency	2,148,622
CHANGES IN NET ASSETS	2,642,765
NET ASSETS, BEGINNING OF YEAR	-
NET ASSETS, END OF YEAR	\$ 2,642,765

See accompanying Notes to Basic Financial Statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF



AGGURA HILLS

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

The City of Agoura Hills (City) was incorporated December 8, 1982, under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities. The City operates under a Council/Manager form of government. As required by generally accepted accounting principles, these financial statements present the government and its component units for which the government is considered financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations and data from these units are combined with data of the City of Agoura Hills, the primary government. Each component unit has a June 30 year end.

Blended Component Units

The Agoura Hills Public Facilities Corporation and the Agoura Hills Public Financing Authority are legally separate entities. The Agoura Hills City Council exercises financial accountability over each entity. Financial accountability is determined on the basis of budget adoption, taxing authority, funding, and the appointment of the governing board. Additionally, City staff manages the operations of each of these organizations on a contractual or reimbursement basis. A discussion of each entity follows.

The Agoura Hills Public Facilities Corporation (Corporation) was incorporated January 5, 1988 as a not-for-profit public benefit corporation and determined to be tax exempt pursuant to Revenue and Taxation Code 23701(d) of the State of California. The sole purpose of the Corporation is to provide a financing vehicle for the construction of public facilities. The members of the City Council act as the governing board of the Corporation. No financial activity is reported as the Corporation is not active.

The Agoura Hills Public Financing Authority (Authority) was organized in April 2001 under a joint exercise of power agreement to provide financing for public capital improvements for the City and the Agoura Hills Redevelopment Agency. The members of the City Council act as the governing board of the Financing Authority. The Authority does not issue separate financial statements.

The Agoura Hills Redevelopment Agency (Agency) was established March 9, 1988 pursuant to the laws of the State of California Health and Safety Code, Section 33000 et. seq., and was a separate governmental entity. The elected City Council served as board members for the Agency. The primary purpose of the Agency is to address blighting conditions that exist within the City's freeway and roadside commercial corridor. On February 1, 2012 all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities. Consequently, no separate annual financial report will be issued for the Agency.

B. Government-wide and Fund Financial Statements

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

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grant and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter is excluded from the government-wide statements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

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

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

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

Property taxes, charges for services, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. It is used to account for resources traditionally associated with the government which are not required legally or by sound financial management to be accounted for in another fund. All general tax revenue and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Community Development Special Revenue Fund is restricted to account for housing rehabilitation loans administered with Community Development Block Grant (CDBG) funds.

The Successor Housing Agency accounts for restricted revenues and expenditures for the housing activities of the former Redevelopment Agency's Low and Moderate Income Fund activities.

The Inclusionary Housing Special Revenue Fund is committed to account for in lieu fees to be used for the development or maintenance of housing affordable to low to moderate income households.

The Redevelopment Debt Service Fund is used to account for accumulation of resources for, and the payments of, long-term debt principal, interest and related costs. On February 1, 2012 all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities. All assets and liabilities were transferred to a private purpose trust fund.

The Redevelopment Set-Aside Capital Projects Fund is used to account for financial resources that were required to be set-aside for low and moderate income housing and related expenditures. On February 1, 2012 all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities. All assets and liabilities were transferred to a private purpose trust fund.

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. On February 1, 2012 all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities. All assets and liabilities were transferred to a private purpose trust fund.

The Recreation Center Capital Projects Fund is used to account for the funds to be used for the development or maintenance of the City's recreation center.

The Reyes Adobe Interchange Capital Projects Fund is used to account for the funds to be used for the widening of the Reyes Adobe Bridge.

The Measure R Capital Projects Fund is used to account for grant monies received from the County for specific projects within the City.

Additionally, the City reports the following fund types:

Governmental Funds:

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fiduciary Fund:

The Fiduciary Funds include the Agency Fund and Redevelopment Successor Private-purpose Trust Fund.

The Agency Fund is used to account for various assets such as developer fees and L.A. County Fire Department fees held by the City in a trustee capacity or as an agent for individuals, private organizations and/or other governments. The City also acts as a secretary for an organization in which the money is held in the Agency Fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operation. Agency funds are accounted for using the accrual basis of accounting.

The Redevelopment Successor Agency is used to account for assets, liabilities and activities of the former Redevelopment Agency of the City in a trustee capacity to pay enforceable obligations of the former Agoura Hills Redevelopment Agency. In accordance with Assembly Bill (AB) X1 26 and AB 1484, the Redevelopment Agency was dissolved February 1, 2012. Refer to Note 6 for details of the dissolution.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Use of Estimates

The preparation of the City'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.

New Accounting Pronouncements

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 City 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 City has not determined the effect of this statement.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

New Accounting Pronouncements (Continued)

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 City will implement in the next fiscal year.

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 City has determined that this statement is not applicable.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The City's cash and investments are cash on hand, demand deposits and the State of California Local Agency Investment Fund. Investments are stated at fair value.

The City maintains a cash and investment pool for the general operation of the City. Each fund type's portion of the pool is reported on the financial statements as Cash and Investments. Interest earned on pooled cash and investments is distributed quarterly to each fund based upon each fund's proportionate share of the pool.

The City has monies held by trustees or fiscal agents pledged to the payment or security of certain bonds. The California Government Code provides these monies, in the absence of specific statutory provisions governing the issuance of bonds, may be invested in accordance with the ordinance, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions and indentures are generally more restrictive than the City's general investment policy.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., short-term interfund loans) or as "advances to/from other funds" (i.e., long-term interfund loans).

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 City if they are collected within 60 days after year end. There is no allowance for uncollectible. 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.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Prepaids

Certain membership dues and payments to vendors represent expenses that apply to future accounting periods. Prepaid items are expensed according to the purchases method.

4. Land Held for Resale

Land held for resale is carried at the lower of cost or estimated realizable value determined at the date a disposition and development agreement is executed.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the governmental activities columns in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair value on the date donated. Capital assets subject to lease obligations are valued at the present value of future lease payments at the inception of the lease. Depreciation of all exhaustible capital assets used by governmental activities is charged as an expense against their operations. Accumulated depreciation is reported on the statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method over the following estimated useful lives:

Buildings and improvements	50 years
Vehicles	7-15 years
Machinery	5-30 years
Equipment	5-15 years
Infrastructure	20-50 years

Capitalization threshold of capital assets is based at a minimum value as follows:

Buildings and building improvements	\$	25,000
Vehicles, machinery, and equipment		10,000
Infrastructure		25,000

6. Vacation and Compensatory Time (Compensated Absences)

Compensated absences are recorded in accordance with GAAP. Only vested or accumulated compensated absences that are expected to be due or mature are reported as an expenditure and fund liability of the governmental fund that will pay it. Amounts of vested or accumulated compensated absences that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities of the government-wide financial statements. General fund resources have been used to liquidate the liability for compensated absences.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, as well as issuance costs and gains and losses on debt refunding are deferred and amortized. Bonds payable are reported net of the applicable bond premium or discount and deferral on refunding.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The City is required to adopt an annual budget resolution for the General Fund and Special Revenue Funds, except the Successor Housing Agency. All annual appropriations lapse at year end, but can be carried forward at City Manager'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 is a statement of the goals and objectives of the City for that fiscal year. The budget provides management control at the functional departmental level. The City Manager may authorize the transfer between expenditure accounts within the same department, office, agency or program activity. Where an appropriation requires an increase that cannot be supported by transfer guidelines, City Council authorization is required. Responsible individuals review progress against their budget each month. The City Council considers supplemental budget amendment requests during the year and reviews changes at mid-year and year end.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Excess of expenditures over appropriations in department cost centers of individual funds is as follows:

Fund	Final Budget	Expenditures	Excess
Major Funds:			
General Fund:			
Public facilities	\$ 219,500	\$ 230,980	\$ 11,480
Nondepartmental	651,580	972,921	321,341
Community development planning and administration	695,285	750,693	55,408
Public works administration	661,718	666,944	5,226
Redevelopment Set-Aside Capital Projects Fund:			
General government	250,409	252,834	2,425
Community development	130,690	134,757	4,067
Redevelopment Capital Projects Fund:			
General government	16,121	25,568	9,447
Community development	111,672	111,972	300
Measure R Capital Projects Fund:			
Public works	237,481	247,524	10,043
Non-major Funds:			
Traffic Improvement Special Revenue Fund			
Capital outlay	280,000	503,808	223,808
Traffic Safety Special Revenue Fund			
Public safety	60,000	60,819	819
Solid Waste Management Special Revenue Fund			
Community services	100,280	102,714	2,434
State Gas Tax Special Revenue Fund			
Public works	396,112	415,008	18,896
Measure R Special Revenue Fund			
Capital outlay	-	56,289	56,289
Other Grants Special Revenue Fund			
Capital outlay	8,985	131,420	122,435
Financing Authority Debt Service Fund			
General government	4,000	4,770	770

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

B. Deficit Fund Balances

The following funds had deficit fund balances at June 30, 2012:

Major governmental funds:

Reyes Adobe interchange capital projects fund	\$ 261,068
Measure R capital projects fund	376,008

Non major governmental funds:

Other grants special revenue fund	\$ 84,711
Public transit special revenue fund	4,305

The deficits are expected to be eliminated with reimbursements from the County, State and Federal government.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of June 30, 2012 are classified in the accompanying financial statements as follows:

Statement of Net Assets	
Cash and investments	\$ 16,437,623
Fiduciary Funds	
Cash and investments	14,627,483
Total Cash and Investments	\$ 31,065,106

Cash and investments at June 30, 2012 consisted of the following:

Demand accounts (bank balances):	\$ 1,192,207
Add deposits in transit	103,324
Less outstanding checks	(519,182)
Book balance	776,349
Petty cash	800
Total Deposits and Petty Cash	777,149

Investments:

State of California Local Agency Investment Fund (LAIF)	18,426,983
Federal agency securities	11,354,523
Held by bond trustee	
Federal agency securities	506,451
Total Investments	30,287,957
Total Cash and Investments	\$ 31,065,106

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

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 the following investments under provisions of California Government Code Section 53601.

Investment Types Authorized by State Law	Maximum Percentage of Portfolio	Maximum Maturity	Maximum Investment In One Issuer
Local Agency Investment Fund ** (LAIF)	\$40 million	N/A	None
U.S. Treasury Issues	75%	5 Years	None
Federal Agency Securities	75%	5 Years	20%
Commercial Paper	25%	270 Days	10%
Negotiable Certificates of Deposit (CD)	30%	5 Years	None
Medium Term Corporate Notes	30%	5 Years	None

** Limit set by LAIF Governing Board not State Government Code.

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 Banker's Acceptances	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

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of the year end the weighted average maturity of the investments contained in LAIF investment pool was approximately 270 days. 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.

Investment Type	Totals	Remaining Maturity (In Months)		
		12 Months Or Less	13 to 24 Months	25 to 60 Months
LAIF	\$ 18,426,983	\$ 18,426,983	\$ -	\$ -
Federal agency securities:				
FHLB	2,820,491	2,077,259	247,333	495,899
FFCB	4,055,266	3,034,590	1,020,676	-
FNMA	745,917	-	248,328	497,589
U.S. Treasury Notes	3,732,849	2,179,333	498,594	1,054,922
Held by bond trustee:				
Federal agency securities:				
FHLB	101,205	101,205	-	-
FFCB	405,246	405,246	-	-
Total	<u>\$ 30,287,957</u>	<u>\$ 26,224,616</u>	<u>\$ 2,014,931</u>	<u>\$ 2,048,410</u>

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash and Investments (Continued)

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	
			AA+	Not Rated
LAIF	\$ 18,426,983	N/A	\$ -	\$ 18,426,983
Federal agency securities:				
FHLB	2,820,491	N/A	2,820,491	-
FFCB	4,055,266	N/A	4,055,266	-
FNMA	745,917		745,917	
U.S. Treasury Notes	3,732,849	N/A	3,732,849	-
Held by bond trustee:				
Federal agency securities:				
FHLB	101,205	N/A	101,205	-
FFCB	405,246	N/A	405,246	-
Total	<u>\$ 30,287,957</u>		<u>\$ 11,860,974</u>	<u>\$ 18,426,983</u>

Concentration of Credit Risk:

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

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank (FHLB)	Federal Agency Security	\$ 2,921,696
Federal Farm Credit Bank (FFCB)	Federal Agency Security	4,460,512

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 City'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:

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash and Investments (Continued)

Custodial Credit Risk (Continued):

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 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

Of the City's deposits with financial institutions, \$574,324 was in excess of federal depository insurance limits. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code, to collateralize the City's deposits as noted above.

Investment in State Investment Pool:

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission.

LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2012 had a balance of \$60.6 billion. The average maturity of PMIA investments was 270 days as of June 30, 2012.

B. Interfund Receivables, Payables, and Transfers

Due to/Due from

<u>Due from</u>	Due to		<u>Totals</u>
	<u>General Fund</u>	<u>Traffic Improvement Nonmajor Special Revenue Fund</u>	
Reyes adobe interchange project major capital projects fund	\$ -	\$ 122,789	\$ 122,789
Measure R major capital projects fund	551,133	-	551,133
Public transit nonmajor special revenue fund	4,429	-	4,429
Total	\$ 555,562	\$ 122,789	\$ 678,351

The General Fund and the Traffic Improvement Nonmajor Fund made loans to other funds to cover the negative cash balance in those funds.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

B. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers

	Transfers In						Totals
	Special Revenue	Capital Projects			Redevelopment Debt Service	Nonmajor Governmental	
	Reyes Adobe Interchange Project Fund	Redevelopment Set-Aside Fund	Recreation Center	Redevelopment Fund			
Transfers out							
General fund	\$ -	\$ -	\$ 1,630,000	\$ -	\$ -	\$ 672,000	\$ 2,302,000
Redevelopment set-aside fund	-	-	-	-	379,603	-	379,603
Redevelopment capital projects fund	-	-	-	-	269,891	-	269,891
Nonmajor governmental funds	982,095	-	1,564,592	-	-	-	2,546,687
Redevelopment debt service fund	-	471,498	-	440,426	-	-	911,924
Total	<u>\$ 982,095</u>	<u>\$ 471,498</u>	<u>\$ 3,194,592</u>	<u>\$ 440,426</u>	<u>\$ 649,494</u>	<u>\$ 672,000</u>	<u>\$ 6,410,105</u>

The General Fund and Financing Authority Capital Projects Nonmajor Fund transferred funds to the Recreation Center to help fund the construction of the new Recreation building. The Traffic Improvement Nonmajor Fund transferred funds to aid in capital expenditure costs incurred for the Reyes Adobe Interchange projects. The Redevelopment set-aside, capital projects and debt service funds transferred monies for tax increment and debt repayments between funds.

C. Capital Assets

A summary of changes in capital asset activity for the year ended June 30, 2012 is as follows:

	Balance at June 30, 2011	Additions	Deletions	Balance at June 30, 2012
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 11,636,428	\$ -	\$ -	\$ 11,636,428
Construction in progress	34,795,987	1,948,383	-	36,744,370
Total Capital Assets Not Being Depreciated	<u>46,432,415</u>	<u>1,948,383</u>	<u>-</u>	<u>48,380,798</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	12,447,147	-	-	12,447,147
Vehicles	524,660	-	-	524,660
Infrastructure	59,133,237	115,273	-	59,248,510
Total Capital Assets Being Depreciated	<u>72,105,044</u>	<u>115,273</u>	<u>-</u>	<u>72,220,317</u>
Less Accumulated Depreciation for:				
Buildings and improvements	1,956,716	213,967	-	2,170,683
Vehicles	328,403	56,825	-	385,228
Infrastructure	42,312,249	1,522,831	-	43,835,080
Total Accumulated Depreciation	<u>44,597,367</u>	<u>1,793,623</u>	<u>-</u>	<u>46,390,990</u>
Total Capital Assets, Being Depreciated, Net	<u>27,507,677</u>	<u>(1,678,350)</u>	<u>-</u>	<u>25,829,327</u>
Governmental Activities Capital Assets, Net	<u>\$ 73,940,092</u>	<u>\$ 270,033</u>	<u>\$ -</u>	<u>\$ 74,210,125</u>

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

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

Governmental Activities:

General government	\$ 175,740
Public works	1,566,692
Park and recreation	51,191
Total Depreciation Expense - Governmental Activities	\$ 1,793,623

D. Long-term Liability

Long-term liability activity for the year ended June 30, 2012 was as follows:

Governmental Activities	Balance at June 30, 2011	Additions	Reductions	Transfer to Successor Agency	Balance at June 30, 2012	Portion Due Within One Year
Bonds:						
2007 Lease Revenue Refunding Bonds	\$11,310,000	\$ -	\$ (185,000)	\$ -	\$11,125,000	\$ 195,000
Bond discount	(51,783)	-	3,046	-	(48,737)	-
Deferred on refunding	(271,776)	-	15,987	-	(255,789)	-
2008 RDA Tax Allocation Bonds	5,640,000	-	(60,000)	(5,580,000)	-	-
2008 RDA Housing Set-Aside bonds	9,720,000	-	(150,000)	(9,570,000)	-	-
Bond discount	(164,473)	-	3,095	161,378	-	-
Other Long-Term Liabilities:						
Accrued compensated absences	307,011	278,080	(255,687)	-	329,404	22,393
Other post-employment benefits (See Note 4G)	56,601	174,020	(174,020)	-	56,601	-
Total Governmental Long-Term Liabilities	\$ 26,545,580	\$ 452,100	\$ (802,579)	\$ (14,988,622)	\$ 11,206,479	\$ 217,393

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Liability (Continued)

1. 2007 Lease Revenue Refunding Bonds

On March 1, 2007, the City issued \$12.06 million in Lease Revenue Refunding Bonds with interest rates ranging from 3.875 to 4.375 percent to defease \$8.8 million of 1999 Lease Revenue outstanding bonds. The principal of the bonds is payable on their maturity date of February 1, of each year. Interest on the bond is payable on February 1, and August 1, each year. The outstanding balance at June 30, 2012 is \$10,820,474 net of unamortized discount of \$48,737 and deferral on refunding of \$255,789.

The future debt service payments are as follows:

Year Ending June 30	Lease Revenue Bond		
	Principal	Interest	Total
2013	\$ 195,000	\$ 473,232	\$ 668,232
2014	200,000	465,432	665,432
2015	210,000	457,432	667,432
2016	220,000	449,032	669,032
2017	230,000	440,232	670,232
2018-2022	1,275,000	2,059,068	3,334,068
2023-2027	1,560,000	1,778,846	3,338,846
2028-2032	1,915,000	1,419,518	3,334,518
2033-2037	2,375,000	964,688	3,339,688
2038-2042	2,945,000	397,468	3,342,468
Total	<u>\$ 11,125,000</u>	<u>\$ 8,904,948</u>	<u>\$ 20,029,948</u>

2. 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. On February 1, 2012 the 2008 Tax Allocation Bonds were transferred from the Agoura Hills Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Assets.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Liability (Continued)

3. 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. On February 1, 2012 the 2008 Tax Allocation Bonds were transferred from the Agoura Hills Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Assets

4. 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.

The City performed calculations of excess investment earnings on various bonds and financings in accordance with arbitrage regulations. The City has determined that no arbitrage rebate liability exists as of June 30, 2012.

5. Employee Compensated Absences Payable

The City's policies relating to compensated absences are described in Note (l)(d)6. This liability will be paid in future years from future resources.

E. Fund Balance

The following classifications, as issued guided by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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, 2012, the balance is comprised of advances to other funds, prepaids and land held for resale.

Restricted

Amounts that are constrained to specific purposes by state or federal laws, enabling legislation, or externally imposed conditions by grantors or creditors.

Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council, the City'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 City Council removes or changes the specified use through the same type of formal action taken to establish the commitment.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

E. Fund Balance (Continued)

Assigned

Amounts that are constrained by the City’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 pursuant to the Fund Balance Policy adopted on June 22, 2011.

Unassigned

These are residual positive net resources of the general fund in excess of what can properly be classified in one of the other four categories. This classification also includes amounts set aside for the City’s Minimum Fund Balance policy. Unassigned fund balance also includes negative fund balances in funds outside of the General Fund.

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 City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

The details of the fund balances as of June 30, 2012 are presented below:

	General Fund	Special Revenue		Capital Projects			Nonmajor Governmental Funds	Total
		Successor Housing	Inclusionary Housing	Recreation Center	Reyes Adobe Interchange	Measure R		
Nonspendable								
Prepays	\$ 26,253	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,253
Land held for resale	115,000	-	-	-	-	-	-	115,000
Total Nonspendable	141,253	-	-	-	-	-	-	141,253
Restricted								
Air quality improvement	-	-	-	-	-	-	50,601	50,601
Housing programs	-	206,968	-	-	-	-	-	206,968
Capital improvement projects	-	-	-	-	-	-	521,295	521,295
Grant programs	-	-	-	-	-	-	548	548
Transportation services	-	-	-	-	-	-	549,684	549,684
Total Restricted	-	206,968	-	-	-	-	1,122,128	1,329,096
Committed								
Housing programs	-	-	2,455,555	-	-	-	-	2,455,555
Capital improvement projects	-	-	-	-	-	-	1,642,078	1,642,078
Waste management program	-	-	-	-	-	-	156,952	156,952
Total Committed	-	-	2,455,555	-	-	-	1,799,030	4,254,585
Assigned								
Capital improvement projects	-	-	-	3,297,324	-	-	94,300	3,391,624
Payment of debt service	-	-	-	-	-	-	1,614	1,614
Total Assigned	-	-	-	3,297,324	-	-	95,914	3,393,238
Unassigned	8,883,578	-	-	-	(261,068)	(376,008)	(89,016)	8,157,486
Total Fund Balance	\$ 9,024,831	\$ 206,968	\$ 2,455,555	\$ 3,297,324	\$ (261,068)	\$ (376,008)	\$ 2,928,056	\$ 17,275,658

Minimum Fund Balance Policy

An amount equal to or greater than 40% of each fiscal year’s proposed General Fund Operating Budget is to be designated as the City’s unobligated General Fund Reserve pursuant to Resolution 05-1378 adopted in June 2005. At June 30, 2012, the City had \$4.5M pursuant to this policy, which was classified as unassigned.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 4 – OTHER INFORMATION

A. Defined Benefit Pension Plan

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

Funding Policy: Participants are required to contribute 7 percent of their annual covered salary. The City makes the contributions required of the City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 9.54 percent of annual payroll for covered employees. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost: For the year ended June 30, 2012, the City's annual pension cost of \$299,000 for PERS was equal to the City's required and actual contributions.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
6/30/2010	\$ 318,200	100%
6/30/2011	320,603	100%
6/30/2012	299,000	100%

B. Self-Insurance

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

The City of Agoura Hills is a member of the California Joint Powers Insurance Authority (Authority).

The Authority is composed of 121 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 4 – OTHER INFORMATION (Continued)

B. Self-Insurance (Continued)

2. Self-Insurance Programs of the Authority

A revised cost allocation methodology was introduced in 2010-2011; however, it retains many elements of the previous cost allocation methodology. Each member pays an annual contribution (formerly called the primary deposit) to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. On a cumulative basis for all 2011-2012 reinsurance contracts the annual aggregate deductible is \$5.5 million. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$35 million per occurrence. This \$35 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$20 million in excess insurance. The excess insurance layer has a \$20 million annual aggregate.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 4 – OTHER INFORMATION (Continued)

B. Self-Insurance (Continued)

2. Self-Insurance Programs of the Authority (Continued)

Workers' Compensation

The City of Agoura Hills also participates in the workers' compensation pool administered by the Authority. In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$4 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$4 million to \$10 million are pooled among members.

3. Purchased Insurance

Pollution Legal Liability Insurance

The City of Agoura Hills participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Agoura Hills. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of Agoura Hills participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Agoura Hills property is currently insured according to a schedule of covered property submitted by the City of Agoura Hills to the Authority. City of Agoura Hills property currently has all-risk property insurance protection in the amount of \$23,548,128. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City of Agoura Hills purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 4 – OTHER INFORMATION (Continued)

B. Self-Insurance (Continued)

4. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2012-2013.

C. Commitments/Operating Leases

1. The City has entered into two operating leases for copiers. Lease terms are 60 months with both leases expiring in September 2017. The City also executed a ground lease with Saint Paul's Lutheran Church for a recreation facility site. This lease expired in fiscal year ending 2009. The City exercised an option to extend for an additional 5 year period and will expire in fiscal year ending 2014. The monthly payment escalates by CPI every 24 months.

The following schedule lists future minimum lease payments:

Year Ending June 30,	Recreation Center	Equipment	Totals
2013	\$ 20,711	\$ 6,618	\$ 27,329
2014	10,356	6,204	16,560
2015	-	6,204	6,204
2016	-	6,204	6,204
2017	-	6,204	6,204
2018	-	1,551	1,551

2. The City contracts with the Los Angeles County Department of Public Works and Sheriff's Department to provide certain municipal services. During the year ended June 30, 2012, the City incurred expenditures of approximately \$179,933 and \$3,356,823 for Public Works and Public Safety services, respectively.

D. Joint Venture

On November 24, 1997, the Agoura Hills and Calabasas Community Center Authority (Authority) was created under a joint exercise of powers agreement. It was formed for the construction, furnishing, maintenance and operation of a Joint Recreation Center. The governing Board of Directors consists of one City Council Member from each City, two residents of each City appointed by City Council, and the President or a member of the Executive Board of the Alliance (a nonprofit organization formed for the sole purpose of raising funds for the Center). The City's participation in the joint venture is reported as Investment in Joint Venture, on the statement of net assets. The balance at June 30, 2012 was \$2,137,561.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 4 – OTHER INFORMATION (Continued)

D. Joint Venture (Continued)

Each City contributed money towards the construction of the Community Center, which was completed in March 2001. The Authority now oversees the operations and maintenance of the Community Center. The Cities of Agoura Hills and Calabasas will equally share in any profit or loss from operation of the Community Center. Copies of the Authority's annual financial statements may be obtained from their location at 27040 Malibu Hills Road, Calabasas, California 91301.

E. Contingency

Any claims for damages alleged against the City are referred to a claims adjuster through California Joint Powers Independent Authority (CJPIA) (see Note (4)(b)). Management believes that there is minimal exposure to the City on these matters, and that no case, so reported, exceeds existing liability coverage.

There are certain legal actions pending against the City which have arisen in the normal course of operations. Management believes these matters will be covered by insurance; however, their outcome and financial effect on the City cannot presently be determined, and no provision for any potential liability or losses has been included in the financial statements as of June 30, 2012.

The ultimate resolution of these pending legal actions is not expected to have a material effect on the financial position of the City.

The City has received property tax revenues for specific enforceable obligations of the former redevelopment agency that are subject to review by the Department of Finance (DOF). The DOF has disallowed obligations listed on the Recognized Obligation Payment Schedule (ROPS) submitted by the City. The City is continuing to dispute obligations listed as enforceable, including the City-former RDA loan advances.

F. Advances to Successor Agency

The City previously loaned the former Redevelopment Agency funds prior to dissolution. General Fund loaned \$31,158,769 to finance expenditures incurred in the redevelopment project areas. The balance includes advances and interest calculated on previous advances of \$16,961,431 and \$14,197,338, respectively. The repayment of the loans is subject to the approval of the California Department of Finance. DOF determined that the City loans were not enforceable obligations and in their correspondence, DOF referenced Health and Safety Code (HSC) section 34171(d)(2) as the basis.

In addition, the City of Agoura Hills Successor Housing Authority Fund is owed \$206,968 for funds loaned for the allocation to the Supplemental Education Revenue Augmentation ("SERAF") pursuant to the Health and Safety Code Section 33690(c).

The City's management and legal counsel have asserted that it will continue to note the loans on the Recognized Obligation Payment Schedule (ROPS) and proceed with working with the Oversight Board for the Successor Agency to find and determine that such loans are enforceable obligations pursuant to HSC 34191.4(b). The loans denied by DOF, in the amount of \$31,158,769, are reported in the City's General Fund, however there is an allowance for the entire amount due to the uncertainty as to whether such loans will be determined to be enforceable obligations.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 4 – OTHER INFORMATION (Continued)

G. Other Post-Retirement Health Care Benefits

Effective July 1, 2009, the City implemented GASB Statement No. 45, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions by State and Local Governmental Employers*.

Plan description

In addition to the pension benefits defined in Note (4)(a), the City provides post-retirement health care benefits to all full time employees in accordance with the City's contract with the Public Employees' Retirement System (PERS) for participation in the State of California Public Employees' Medical and Hospital Care Act (PEMHCA). The City's contribution for each retiree is the same as full-time employees. The City contributed the PEMHCA minimum for all retirees (\$112 for 2012). Additionally, the City contributes longevity pay to a Retirement Health Savings (RHS) Trust plan of up to \$388 for those retirees with 10 years of service with the City of Agoura Hills, enrolled in a CalPERS health plan. The total of the PEMHCA minimum employer contribution and the additional benefit will not exceed \$500 per month. The RHS contribution may only be used to reimburse medical premiums. In the event of the retiree's death, the CalPERS eligible surviving spouse has the right to \$300 per month to pay for medical premiums for a maximum of 12 months. After 12 months surviving spouses will still be eligible to receive the PEMHCA minimum employer contribution.

In September 2009, the City established an irrevocable trust through the CalPERS California Employers' Retiree Benefit Trust (CERBT) in order to prefund its other post-employment benefit (OPEB) obligation. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Eligibility

Employees are eligible for retiree health benefits if they retire from the City and are eligible for a PERS pension and are enrolled in a CalPERS retiree health plan. The benefits are available only to employees who retire from the City. Membership of the plan consisted of the following at June 30, 2012:

	<u>Number of</u> <u>Employees</u>
Active Employees	33
Retirees and Surviving Spouses	9
Total	<u>42</u>

The above table does not reflect current retirees not enrolled in the CalPERS health plan who may be eligible to enroll in the plan at a later date.

Funding Policy

The City's contribution is based on an actuarially determined amount. Current active employees are not required to contribute any portion towards these benefits.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other post-employment benefit cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 4 – OTHER INFORMATION (Continued)

G. Other Post-Retirement Health Care Benefits (Continued)

Funding Policy (Continued)

The City's OPEB obligation as for the year ended June 30, 2012, per the completed actuarial valuation dated July 1, 2011, was \$56,601. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Actuarial Accrued Liability (AAL)	\$ 1,569,351
Actuarial Value of Assets at beginning of year	<u>301,096</u>
Unfunded Actuarial Accrued Liability (UAAL)	1,268,255
Remaining Amortization Period	27
Normal Cost	91,176
Amortization of UAAL	<u>82,206</u>
Annual Required Contribution (ARC)	173,382
Interest on net OPEB Obligation	4,307
Adjustment to ARC	<u>(3,669)</u>
Annual OPEB Cost	174,020
Contributions	<u>174,020</u>
Increase in net OPEB Obligation	-
Net OPEB Obligation - Beginning of Year	<u>56,601</u>
Net OPEB Obligation - End of Year	<u><u>\$ 56,601</u></u>

The City's obligation is accounted for in long-term liabilities at Note 3D.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 166,932	99.4%	\$ 66,955
6/30/2011	155,646	106.7%	56,601
6/30/2012	174,020	100.0%	56,601

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 4 – OTHER INFORMATION (Continued)

G. Other Post-Retirement Health Care Benefits (Continued)

Funding Status and Progress

As of July 1, 2011, the most recent valuation date, the actuarial accrued liability for benefits was \$1.6 million, and the actuarial value of assets was \$301,096, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.3 million and a funded ratio (actuarial value of assets as a percentage of the actuarial accrued liability) of 19.2 percent. The covered payroll (annual payroll of active employees covered by the plan) was \$2.975 million. The ratio of the UAAL to the covered payroll was 42.6 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 7.61 percent investment rate of return, which is based on the most recent California PERS pension valuations and an annual healthcare cost trend rate of 7.3 percent initially, reduced by decrements to an ultimate rate of 5.5 percent. The rates included a 3 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll over 30 years on a closed basis. It is assumed the City's payroll will increase 3.25 percent per year.

NOTE 5 – PRIOR PERIOD ADJUSTMENT

For 2010-11 fiscal year end, the City reported and identified adjustments to cash for the General and former RDA Capital Projects funds. As a result, the City restated beginning net assets for the General and former RDA Capital Projects funds. The following is a summary of the effect of the restatements for fund balances:

	Fund Financial Statements	
	General Fund	RDA Capital Projects
Beginning fund balance, as previously reported	\$ 39,846,641	\$ (25,127,515)
To correct prior year amount cash	1,723,346	(1,723,346)
Beginning fund balance, as restated	<u>\$ 41,569,987</u>	<u>\$ (26,850,861)</u>

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 6 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld AB 1X 26 that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Agoura Hills that previously had reported a redevelopment agency as a blended component unit. The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On February 22, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 12-1661.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill 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 the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary item in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary item.

Because of the different measurement focus of the governmental funds (current financial resources measurement focus) and the measurement focus of the trust funds (economic resources measurement focus), the extraordinary item recognized in the governmental funds was not the same amount as the extraordinary item that was recognized in the fiduciary fund financial statements.

CITY OF AGOURA HILLS, CALIFORNIA
Notes to the Basic Financial Statements
June 30, 2012

NOTE 6 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(Continued)

The difference between the extraordinary item recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in governmental funds - increase to net assets of the Successor Agency Trust Fund	\$ 16,650,956
Deferred charges, net of accumulation amortization reported in the government-wide financial statements - increase to net assets of the Successor Agency Trust Fund	779,571
Accrued bond interest reported in the government-wide financial statements - decrease to net assets of the Successor Agency Trust Fund	(293,283)
Long-term debt reported in the government-wide financial statements - decrease to net assets of the Successor Agency Trust Fund	<u>(14,988,622)</u>
Net increase to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary loss reported in the government-wide financial statements of the City)	<u><u>\$ 2,148,622</u></u>

The City via Resolution Number SA12-10, approved the transfer of housing assets which allowed creation of the Successor Housing Agency. The City retained all housing activities and assets of the former redevelopment agency's low and moderate income housing fund. As a result, the new governmental fund incurred an extraordinary gain of \$206,968. This amount is included in the total extraordinary loss in the governmental funds of \$16,650,956.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF



AGGURA HILLS

CITY OF AGOURA HILLS, CALIFORNIA
General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 3,341,232	\$ 3,382,024	\$ 3,379,646	\$ (2,378)
Other taxes:				
Property tax	3,919,500	3,919,500	3,923,378	3,878
Property transfer tax	100,000	118,000	125,727	7,727
Transient occupancy tax	1,750,000	1,750,000	1,738,467	(11,533)
Franchise fee	778,000	763,500	753,957	(9,543)
Total Other Taxes	<u>9,888,732</u>	<u>9,933,024</u>	<u>9,921,175</u>	<u>(11,849)</u>
Licenses and permits:				
Business registration	86,000	90,000	90,894	894
Building permits	190,000	200,000	215,826	15,826
Other licenses and fees	21,000	21,000	23,143	2,143
Total Licenses and permits	<u>297,000</u>	<u>311,000</u>	<u>329,863</u>	<u>18,863</u>
Intergovernmental:				
Other grants	-	67,876	76,506	8,630
Total Intergovernmental	<u>-</u>	<u>67,876</u>	<u>76,506</u>	<u>8,630</u>
Charges of services:				
Planning fees	151,000	154,000	146,932	(7,068)
Engineer plan check/inspection	30,000	-	17,713	17,713
Grading plan check	2,000	-	996	996
Building plan check	118,000	100,000	97,282	(2,718)
Encroachment permits	38,000	50,000	64,366	14,366
Park and recreation fees	254,600	317,600	282,018	(35,582)
Special event fees	2,500	3,500	3,779	279
Sale of maps and copies	3,000	2,000	1,699	(301)
SCACQ administrative service charges	1,200	1,200	1,200	-
Waste hauling administrative charges	47,000	47,000	47,000	-
Fire development fee	6,500	3,000	1,329	(1,671)
SIMP administrative fee	100	150	141	(9)
Total Charges for Services	<u>653,900</u>	<u>678,450</u>	<u>664,455</u>	<u>(13,995)</u>
Fines and penalties:				
Parking fines	80,000	55,000	58,443	3,443
False alarm fines	4,000	2,000	700	(1,300)
Restitution	1,500	2,000	1,821	(179)
Municipal court fines	30,000	26,000	13,123	(12,877)
Total Fines and Penalties	<u>115,500</u>	<u>85,000</u>	<u>74,087</u>	<u>(10,913)</u>
Investment income	<u>150,000</u>	<u>90,000</u>	<u>94,511</u>	<u>4,511</u>
Rental income	<u>87,800</u>	<u>87,800</u>	<u>84,060</u>	<u>(3,740)</u>
Other revenues	<u>95,000</u>	<u>95,000</u>	<u>63,519</u>	<u>(31,481)</u>
Total Revenues	<u>11,287,932</u>	<u>11,348,150</u>	<u>11,308,176</u>	<u>(42,352)</u>

(Continued)

See accompanying Note to the Required Supplementary Information.

CITY OF AGOURA HILLS, CALIFORNIA
General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
General government:				
City council	\$ 127,726	\$ 137,726	\$ 133,998	\$ 3,728
City manager	664,023	703,465	690,294	13,171
City clerk	266,714	276,664	266,207	10,457
City attorney	410,000	410,000	365,226	44,774
Finance	360,605	359,830	347,347	12,483
Public facilities	228,500	219,500	230,980	(11,480)
Nondepartmental	651,760	651,580	972,921	(321,341)
Automated office systems	167,300	203,300	189,499	13,801
Total General Government	<u>2,876,628</u>	<u>2,962,065</u>	<u>3,196,472</u>	<u>(234,407)</u>
Public safety:				
L.A. County Sheriff	3,695,483	3,457,291	3,440,540	16,751
Disaster response team	15,000	14,642	11,411	3,231
Building and safety	473,480	430,380	414,652	15,728
Animal control	62,000	62,000	37,129	24,871
Total Public Safety	<u>4,245,963</u>	<u>3,964,313</u>	<u>3,903,732</u>	<u>60,581</u>
Community development:				
Planning and administration	710,285	695,285	750,693	(55,408)
Total Community Development	<u>710,285</u>	<u>695,285</u>	<u>750,693</u>	<u>(55,408)</u>
Community services:				
Recreation	398,380	463,680	458,102	5,578
Reyes Adobe	21,200	21,200	17,795	3,405
Parks maintenance	440,300	440,300	427,598	12,702
Community services administration	752,503	752,903	734,913	17,990
Total Community Services	<u>1,612,383</u>	<u>1,678,083</u>	<u>1,638,408</u>	<u>39,675</u>
Public works:				
Administration	662,308	661,718	666,944	(5,226)
Landscape maintenance	147,500	121,000	97,479	23,521
Drain and flood maintenance	148,900	148,900	138,835	10,065
Total Public Works	<u>958,708</u>	<u>931,618</u>	<u>903,258</u>	<u>28,360</u>
Total Expenditures	<u>10,403,967</u>	<u>10,231,364</u>	<u>10,392,563</u>	<u>(161,199)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>883,965</u>	<u>1,116,786</u>	<u>915,613</u>	<u>(203,551)</u>

(Continued)

See accompanying Note to the Required Supplementary Information.

CITY OF AGOURA HILLS, CALIFORNIA
General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(2,549,787)	(2,655,000)	(2,302,000)	353,000
Total Other Financing Sources (Uses)	(2,549,787)	(2,655,000)	(2,302,000)	353,000
EXTRAORDINARY ITEM				
Dissolution of former redevelopment agency (note 6)	-	-	(31,158,769)	(31,158,769)
Net Change in Fund Balance	(1,665,822)	(1,538,214)	(32,545,156)	149,449
Fund Balance, Beginning of Year (as restated) (note 5)	41,569,987	41,569,987	41,569,987	-
Fund Balance, End of Year	<u>\$ 39,904,165</u>	<u>\$ 40,031,773</u>	<u>\$ 9,024,831</u>	<u>\$ (31,006,942)</u>

See accompanying Note to the Required Supplementary Information.

CITY OF AGOURA HILLS, CALIFORNIA
Inclusionary Housing In Lieu Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 15,000	\$ 20,000	\$ 21,069	\$ 1,069
Total Revenues	15,000	20,000	21,069	1,069
Net Change in Fund Balance	15,000	20,000	21,069	1,069
Fund Balance, Beginning of Year	2,438,185	2,413,185	-	(2,413,185)
Fund Balance, End of Year	\$ 2,453,185	\$ 2,433,185	\$ 21,069	\$ (2,412,116)

See accompanying Note to the Required Supplementary Information.

CITY OF AGOURA HILLS, CALIFORNIA
Note to Required Supplementary Information
June 30, 2012

NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Annual budgets are adopted on a basis consistent with GAAP. As a General Law City, the City is not legally required to adopt a budget; however, the City Municipal Code requires the City Manager to prepare an annual budget based on projections received from all city departments, boards and commissions. There was no legally adopted budget for the new fund Housing Successor Agency and Community Development Funds. All annual appropriations lapse at year end or are carried forward at the City Manager's discretion.

The budget is prepared by fund and department and includes actual information for the past year, current year estimates and requested appropriations for the next fiscal year. The budget is a statement of the goals and objectives of the City for that fiscal year. The City Manager may authorize the transfer between expenditure accounts within the same department, office, agency or program activity. Where an appropriation requires an increase that cannot be supported by a transfer within those guidelines, City Council authorization is required.

CITY OF AGOURA HILLS, CALIFORNIA
Schedule of Funding Progress – Other Post-Retirement Health Care Benefits

June 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Status	Annual Covered Payroll	UAAL As a % of Covered Payroll
6/30/2011	\$ 301,096	\$ 1,569,351	\$ 1,268,255	19.2%	\$ 2,975,000	42.6%
6/30/2010	119,818	1,298,387	1,178,569	9.2%	2,914,000	40.4%
6/30/2009	-	1,298,000	1,298,000	0%	2,722,000	47.7%

SUPPLEMENTARY SCHEDULES

CITY OF



AGGURA HILLS

CITY OF AGOURA HILLS, CALIFORNIA
Redevelopment Debt Service fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,317,200	\$ 2,357,488	\$ 2,357,488	\$ -
Investment income	-	12,000	10,250	(1,750)
Total Revenues	4,317,200	2,369,488	2,367,738	(1,750)
EXPENDITURES				
Current:				
Pass through to other agencies	2,989,791	1,630,712	1,449,565	181,147
Debt service:				
Principal	21,000	210,000	210,000	-
Interest and fiscal charges	884,420	884,420	444,495	439,925
Total Expenditures	3,895,211	2,725,132	2,104,060	621,072
Excess (Deficiency) of Revenues Over (Under) Expenditures	421,989	(355,644)	263,678	619,322
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	649,494	649,494
Transfers out	(1,365,589)	(911,924)	(911,924)	-
Total Other Financing Sources (Uses)	(1,365,589)	(911,924)	(262,430)	649,494
EXTRAORDINARY ITEM				
Dissolution of former redevelopment agency (note 5)	-	-	(899,850)	(899,850)
Net Change in Fund Balance	(943,600)	(1,267,568)	(898,602)	1,268,816
Fund Balance, Beginning of Year	898,602	898,602	898,602	-
Fund Balance, End of Year	\$ (44,998)	\$ (368,966)	\$ -	\$ 1,268,816

CITY OF AGOURA HILLS, CALIFORNIA
Redevelopment Set-Aside Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 150,000	\$ 70,000	\$ 58,181	\$ (11,819)
Total Revenues	<u>150,000</u>	<u>70,000</u>	<u>58,181</u>	<u>(11,819)</u>
EXPENDITURES				
Current:				
General government	323,024	250,409	252,834	(2,425)
Community development	344,163	130,690	134,757	(4,067)
Public works	8,892	5,147	5,147	-
Total Expenditures	<u>676,079</u>	<u>386,246</u>	<u>392,738</u>	<u>(6,492)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(526,079)</u>	<u>(316,246)</u>	<u>(334,557)</u>	<u>(18,311)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	861,947	471,498	471,498	-
Transfers out	(616,331)	(1,006,331)	(379,603)	626,728
Total Other Financing Sources (Uses)	<u>245,616</u>	<u>(534,833)</u>	<u>91,895</u>	<u>626,728</u>
EXTRAORDINARY ITEM				
Dissolution of former redevelopment agency (note 5)	-	-	(11,696,377)	(11,696,377)
Net Change in Fund Balance	(280,463)	(851,079)	(11,939,039)	(11,087,960)
Fund Balance, Beginning of Year	11,939,039	11,939,039	11,939,039	-
Fund Balance, End of Year	<u>\$ 11,658,576</u>	<u>\$ 11,087,960</u>	<u>\$ -</u>	<u>\$ (11,087,960)</u>

CITY OF AGOURA HILLS, CALIFORNIA
Redevelopment Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 20,000	\$ 8,000	\$ 754	\$ (7,246)
Total Revenues	<u>20,000</u>	<u>8,000</u>	<u>754</u>	<u>(7,246)</u>
EXPENDITURES				
Current:				
General government	12,600	16,121	25,568	(9,447)
Community development	192,747	111,672	111,972	(300)
Public works	29,803	17,675	17,675	-
Capital outlay	-	65,000	62,285	2,715
Total Expenditures	<u>235,150</u>	<u>210,468</u>	<u>217,500</u>	<u>(7,032)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(215,150)</u>	<u>(202,468)</u>	<u>(216,746)</u>	<u>(14,278)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	751,429	440,426	440,426	-
Transfers out	(478,088)	(478,088)	(269,891)	208,197
Total Other Financing Sources (Uses)	<u>273,341</u>	<u>(37,662)</u>	<u>170,535</u>	<u>208,197</u>
EXTRAORDINARY ITEM				
Dissolution of former redevelopment agency (note 5)	-	-	26,897,072	26,897,072
Net Change in Fund Balance	58,191	(240,130)	26,850,861	193,919
Fund Balance (Deficit), Beginning of Year	<u>(26,850,861)</u>	<u>(26,850,861)</u>	<u>(26,850,861)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (26,792,670)</u>	<u>\$ (27,090,991)</u>	<u>\$ -</u>	<u>\$ 193,919</u>

CITY OF AGOURA HILLS, CALIFORNIA
Recreation Center Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 20,000	\$ 10,000	\$ 17,169	\$ 7,169
Total Revenues	20,000	10,000	17,169	7,169
EXPENDITURES				
Current:				
General government	400,000	389,000	300,711	88,289
Total Expenditures	400,000	389,000	300,711	88,289
Excess (Deficiency) of Revenues Over (Under) Expenditures	(380,000)	(379,000)	(283,542)	95,458
OTHER FINANCING SOURCES (USES)				
Transfers in	3,187,390	3,187,390	3,194,592	7,202
Total Other Financing Sources (Uses)	3,187,390	3,187,390	3,194,592	7,202
Net Change in Fund Balance	2,807,390	2,808,390	2,911,050	102,660
Fund Balance, Beginning of Year	386,274	386,274	386,274	-
Fund Balance, End of Year	\$ 3,193,664	\$ 3,194,664	\$ 3,297,324	\$ 102,660

CITY OF AGOURA HILLS, CALIFORNIA
Reyes Adobe Interchange Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Other revenues	\$ -	\$ 1,585,960	\$ 610,067	\$ (975,893)
Total Revenues	-	1,585,960	610,067	(975,893)
EXPENDITURES				
Current:				
General government	-	1,000	199	801
Debt service:				
Interest and fiscal charges	-	1,575,000	648,629	926,371
Total Expenditures	-	1,576,000	648,828	927,172
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	9,960	(38,761)	(48,721)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,276,560	982,095	(294,465)
Total Other Financing Sources (Uses)	-	1,276,560	982,095	(294,465)
Net Change in Fund Balance	-	1,286,520	943,334	(343,186)
Fund Balance (Deficit), Beginning of Year	-	(1,204,402)	(1,204,402)	-
Fund Balance (Deficit), End of Year	\$ -	\$ 82,118	\$ (261,068)	\$ (343,186)

CITY OF



AGGURA HILLS

CITY OF AGOURA HILLS, CALIFORNIA
Measure R Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 2,314,053	\$ 2,314,053	\$ 1,090,418	\$ (1,223,635)
Total Revenues	<u>2,314,053</u>	<u>2,314,053</u>	<u>1,090,418</u>	<u>(1,223,635)</u>
EXPENDITURES				
Current:				
General government	151,094	151,094	149,942	1,152
Public works	237,481	237,481	247,524	(10,043)
Capital outlay	<u>1,925,000</u>	<u>749,304</u>	<u>518,215</u>	<u>231,089</u>
Total Expenditures	<u>2,313,575</u>	<u>1,137,879</u>	<u>915,681</u>	<u>222,198</u>
Net Change in Fund Balance	478	1,176,174	174,737	(1,001,437)
Fund Balance (Deficit), Beginning of Year	<u>(550,745)</u>	<u>(550,745)</u>	<u>(550,745)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (550,267)</u>	<u>\$ 625,429</u>	<u>\$ (376,008)</u>	<u>\$ (1,001,437)</u>

CITY OF



AGGURA HILLS

DESCRIPTION OF NON MAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Traffic Improvement - To account for traffic improvement and arterial street system fees paid by developers which may only be used for constructing traffic impacted arterial streets.

Traffic Safety - To account of traffic fines which may only be used for traffic safety purposes.

Transit Tax - To account for Proposition A funds received from the County of Los Angeles which may only be used to provide transportation services.

Public Transit - To account for Proposition C funds received from the County of Los Angeles which may only be used to provide transportation services.

Air Quality Management - To account for funds received from the South Coast Air Quality Management District which may only be used for air quality improvement.

Supplemental Law Enforcement - To account for Brulte funds received from the state for the use of Public Safety (COPS) programs.

Solid Waste Management - To account for the funds relating to collection, transportation and recycling of refuse materials for City residents and businesses.

State Gas Tax - To account for funds allocated to the City by the State which may only be used for street maintenance, construction, right of way acquisition and/or reconstruction.

Measure R - To account for public transit tax received under Measure R. These funds are paid by the County of Los Angeles.

Other Grants - To account for various state grant funds received for street improvements and park development.

Utility Undergrounding - To account for the undergrounding of utility lines within the City undergrounding district.

Nonmajor Debt Service Fund

Debt Service - To account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Nonmajor Capital Projects Funds

Financing Authority Capital Projects - To account for bond money expenditures specifically for the Reyes Adobe Interchange project.

Storm Water Capital Projects - To account for the funds to be used for the development or maintenance of the City's storm water program.

CITY OF AGOURA HILLS, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Special Revenue Funds				
	Traffic Improvement	Traffic Safety	Transit Tax	Public Transit	Air Quality Management
ASSETS					
Cash and investments	\$ 1,595,688	\$ 19,259	\$ 473,007	\$ -	\$ 44,162
Receivables:					
Accounts	-	-	-	-	-
Interest	6,798	36	1,332	124	123
Due from other governments	-	6,679	123,086	-	6,316
Other	-	-	-	-	-
Due from other funds	122,789	-	-	-	-
Total Assets	<u>\$ 1,725,275</u>	<u>\$ 25,974</u>	<u>\$ 597,425</u>	<u>\$ 124</u>	<u>\$ 50,601</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenditures	\$ 213,480	\$ 15,040	\$ 47,741	\$ -	\$ -
Due to other funds	-	-	-	4,429	-
Deferred revenue	-	-	-	-	-
Total Liabilities	<u>213,480</u>	<u>15,040</u>	<u>47,741</u>	<u>4,429</u>	<u>-</u>
FUND BALANCES					
Restricted	-	-	549,684	-	50,601
Committed	1,511,795	10,934	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(4,305)	-
Total Fund Balances	<u>1,511,795</u>	<u>10,934</u>	<u>549,684</u>	<u>(4,305)</u>	<u>50,601</u>
Total Liabilities and Fund Balances	<u>\$ 1,725,275</u>	<u>\$ 25,974</u>	<u>\$ 597,425</u>	<u>\$ 124</u>	<u>\$ 50,601</u>

Special Revenue Funds

Supplemental Law Enforcement	Solid Waste Management	State Gas Tax	Measure R	Other Grants	Utility Undergrounding
\$ 8,600	\$ 141,955	\$ 341,199	\$ 220,004	\$ 18,383	\$ 119,017
-	17,297	-	-	15,633	-
47	500	863	559	21	332
-	-	67,872	-	110,322	-
-	-	-	-	12,475	-
-	-	-	-	-	-
<u>\$ 8,647</u>	<u>\$ 159,752</u>	<u>\$ 409,934</u>	<u>\$ 220,563</u>	<u>\$ 156,834</u>	<u>\$ 119,349</u>
\$ 8,099	\$ 2,800	\$ 55,375	\$ 56,289	\$ 76,718	\$ -
-	-	-	-	-	-
-	-	-	-	164,827	-
<u>8,099</u>	<u>2,800</u>	<u>55,375</u>	<u>56,289</u>	<u>241,545</u>	<u>-</u>
548	-	354,559	164,274	-	-
-	156,952	-	-	-	119,349
-	-	-	-	-	-
-	-	-	-	(84,711)	-
<u>548</u>	<u>156,952</u>	<u>354,559</u>	<u>164,274</u>	<u>(84,711)</u>	<u>119,349</u>
<u>\$ 8,647</u>	<u>\$ 159,752</u>	<u>\$ 409,934</u>	<u>\$ 220,563</u>	<u>\$ 156,834</u>	<u>\$ 119,349</u>

CITY OF



AGGURA HILLS

CITY OF AGOURA HILLS, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2012

	Debt			Total Nonmajor Governmental Funds
	Service	Capital Projects		
	Financing Authority	Financing Authority	Storm Water	
	Debt Service	Capital Projects	Capital Projects	
ASSETS				
Cash and investments	\$ 1,611	\$ 2,462	\$ 94,038	\$ 3,079,385
Receivables:				
Accounts	-	-	-	32,930
Interest	3	-	262	11,000
Due from other governments	-	-	-	314,275
Other	-	-	-	12,475
Due from other funds	-	-	-	122,789
Total Assets	<u>\$ 1,614</u>	<u>\$ 2,462</u>	<u>\$ 94,300</u>	<u>\$ 3,572,854</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ 475,542
Due to other funds	-	-	-	4,429
Deferred revenue	-	-	-	164,827
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>644,798</u>
FUND BALANCES				
Restricted	-	2,462	-	1,122,128
Committed	-	-	-	1,799,030
Assigned	1,614	-	94,300	95,914
Unassigned	-	-	-	(89,016)
Total Fund Balances	<u>1,614</u>	<u>2,462</u>	<u>94,300</u>	<u>2,928,056</u>
Total Liabilities and Fund Balances	<u>\$ 1,614</u>	<u>\$ 2,462</u>	<u>\$ 94,300</u>	<u>\$ 3,572,854</u>

CITY OF AGOURA HILLS, CALIFORNIA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue Funds					
	Traffic Improvement	Traffic Safety	Transit Tax	Public Transit	Air Quality Management	Supplemental Law Enforcement
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ 443,358	\$ 283,327	\$ 25,585	\$ 100,000
Charges for services	16,691	-	273,433	-	-	-
Fines and penalties	-	141,849	-	-	-	-
Investment income	16,339	117	4,058	124	361	215
Other revenues	-	-	-	-	-	-
Total Revenues	<u>33,030</u>	<u>141,966</u>	<u>720,849</u>	<u>283,451</u>	<u>25,946</u>	<u>100,215</u>
EXPENDITURES:						
Current:						
General government	1,372	-	-	-	17,707	-
Public safety	-	60,819	-	-	-	108,880
Community services	-	-	161,633	-	-	-
Public works	-	88,993	532,509	-	-	-
Capital outlay	503,808	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal changes	-	-	-	-	-	-
Total Expenditures	<u>505,180</u>	<u>149,812</u>	<u>694,142</u>	<u>-</u>	<u>17,707</u>	<u>108,880</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(472,150)</u>	<u>(7,846)</u>	<u>26,707</u>	<u>283,451</u>	<u>8,239</u>	<u>(8,665)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(982,095)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(982,095)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,454,245)</u>	<u>(7,846)</u>	<u>26,707</u>	<u>283,451</u>	<u>8,239</u>	<u>(8,665)</u>
Fund Balances at Beginning of Year	<u>2,966,040</u>	<u>18,780</u>	<u>522,977</u>	<u>(287,756)</u>	<u>42,362</u>	<u>9,213</u>
Fund Balances at End of Year	<u>\$ 1,511,795</u>	<u>\$ 10,934</u>	<u>\$ 549,684</u>	<u>\$ (4,305)</u>	<u>\$ 50,601</u>	<u>\$ 548</u>

Special Revenue Funds					Debt Service	Capital Projects		Total
Solid Waste Management	State Gas Tax	Measure R	Other Grants	Utility Undergrounding	Financing Authority Debt Service	Financing Authority Capital Projects	Storm Water Capital Projects	Nonmajor Governmental Funds
\$ -	\$ -	\$ 211,231	\$ 193,898	\$ -	\$ -	\$ -	\$ -	\$ 1,257,399
72,644	652,344	-	-	-	-	-	-	1,015,112
-	-	-	-	-	-	-	-	141,849
1,569	2,073	1,208	21	1,024	10	-	813	27,932
3,908	-	-	-	-	-	-	-	3,908
78,121	654,417	212,439	193,919	1,024	10	-	813	2,446,200
-	-	-	66,069	-	4,770	-	-	89,918
-	-	-	20,791	-	-	-	-	190,490
102,714	-	-	-	-	-	-	-	264,347
-	415,008	-	-	-	-	-	641	1,037,151
-	60,326	56,289	131,420	-	-	-	-	751,843
-	-	-	-	-	185,000	-	-	185,000
-	-	-	-	-	480,631	-	-	480,631
102,714	475,334	56,289	218,280	-	670,401	-	641	2,999,380
(24,593)	179,083	156,150	(24,361)	1,024	(670,391)	-	172	(553,180)
-	-	-	-	-	672,000	-	-	672,000
-	-	-	-	-	-	(1,564,592)	-	(2,546,687)
-	-	-	-	-	672,000	(1,564,592)	-	(1,874,687)
(24,593)	179,083	156,150	(24,361)	1,024	1,609	(1,564,592)	172	(2,427,867)
181,545	175,476	8,124	(60,350)	118,325	5	1,567,054	94,128	5,355,923
\$ 156,952	\$ 354,559	\$ 164,274	\$ (84,711)	\$ 119,349	\$ 1,614	\$ 2,462	\$ 94,300	\$ 2,928,056

CITY OF AGOURA HILLS, CALIFORNIA
Nonmajor Traffic Improvement Special Revenue
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 75,000	\$ 160,000	\$ 16,691	\$ (143,309)
Investment income	25,000	12,500	16,339	3,839
Total Revenues	100,000	172,500	33,030	(139,470)
EXPENDITURES				
Current:				
General government	-	1,373	1,372	1
Capital outlay	-	280,000	503,808	(223,808)
Total Expenditures	-	281,373	505,180	(223,807)
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,000	(108,873)	(472,150)	(363,277)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(1,276,560)	(982,095)	294,465
Total Other Financing Sources (Uses)	-	(1,276,560)	(982,095)	294,465
Net Change in Fund Balance	100,000	(1,385,433)	(1,454,245)	(68,812)
Fund Balance, Beginning of Year	2,966,040	2,966,040	2,966,040	-
Fund Balance, End of Year	\$ 3,066,040	\$ 1,580,607	\$ 1,511,795	\$ (68,812)

CITY OF AGOURA HILLS, CALIFORNIA
Nonmajor Traffic Safety Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and penalties	\$ 150,000	\$ 150,000	\$ 141,849	\$ (8,151)
Investment income	1,000	1,000	117	(883)
Total Revenues	<u>151,000</u>	<u>151,000</u>	<u>141,966</u>	<u>(9,034)</u>
EXPENDITURES				
Current:				
Public safety	60,000	60,000	60,819	(819)
Public works	86,000	92,682	88,993	3,689
Total Expenditures	<u>146,000</u>	<u>152,682</u>	<u>149,812</u>	<u>2,870</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,000</u>	<u>(1,682)</u>	<u>(7,846)</u>	<u>(6,164)</u>
Net Change in Fund Balance	5,000	(1,682)	(7,846)	(6,164)
Fund Balance, Beginning of Year	18,780	18,780	18,780	-
Fund Balance, End of Year	<u>\$ 23,780</u>	<u>\$ 17,098</u>	<u>\$ 10,934</u>	<u>\$ (6,164)</u>

CITY OF AGOURA HILLS, CALIFORNIA
Nonmajor Transit Tax Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 423,494	\$ 423,494	\$ 443,358	\$ 19,864
Charges for service	300,000	270,399	273,433	3,034
Investment income	6,000	3,000	4,058	1,058
Total Revenues	<u>729,494</u>	<u>696,893</u>	<u>720,849</u>	<u>23,956</u>
EXPENDITURES				
Current:				
Community services	217,211	179,182	161,633	17,549
Public works	503,455	541,786	532,509	9,277
Total Expenditures	<u>720,666</u>	<u>720,968</u>	<u>694,142</u>	<u>26,826</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,828</u>	<u>(24,075)</u>	<u>26,707</u>	<u>50,782</u>
Net Change in Fund Balance	8,828	(24,075)	26,707	50,782
Fund Balance, Beginning of Year	522,977	522,977	522,977	-
Fund Balance, End of Year	<u><u>\$ 531,805</u></u>	<u><u>\$ 498,902</u></u>	<u><u>\$ 549,684</u></u>	<u><u>\$ 50,782</u></u>

CITY OF AGOURA HILLS, CALIFORNIA
Nonmajor Public Transit Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 267,007	\$ 267,007	\$ 283,327	\$ 16,320
Investment income	500	-	124	124
Total Revenues	<u>267,507</u>	<u>267,007</u>	<u>283,451</u>	<u>16,444</u>
Net Change in Fund Balance	<u>267,507</u>	<u>267,007</u>	<u>283,451</u>	<u>16,444</u>
Fund Balance (Deficit), Beginning of Year	<u>(287,756)</u>	<u>(287,756)</u>	<u>(287,756)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (20,249)</u>	<u>\$ (20,749)</u>	<u>\$ (4,305)</u>	<u>\$ 16,444</u>

CITY OF AGOURA HILLS, CALIFORNIA
Nonmajor Air Quality Management Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 26,700	\$ 26,700	\$ 25,585	\$ (1,115)
Investment income	300	300	361	61
Total Revenues	27,000		25,946	(1,054)
EXPENDITURES				
Current:				
General government	24,200	19,200	17,707	1,493
Total Expenditures	24,200	19,200	17,707	1,493
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,800	(19,200)	8,239	27,439
Net Change in Fund Balance	2,800	(19,200)	8,239	27,439
Fund Balance, Beginning of Year	42,362	42,362	42,362	-
Fund Balance, End of Year	\$ 45,162	\$ 23,162	\$ 50,601	\$ 27,439

CITY OF AGOURA HILLS, CALIFORNIA
Nonmajor Supplemental Law Enforcement Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 100,000	\$ 100,000	\$ -
Investment income	500	350	215	(135)
Total Revenues	500	100,350	100,215	(135)
EXPENDITURES				
Current:				
Public safety	-	109,001	108,880	121
Total Expenditures	-	109,001	108,880	67,997
Excess (Deficiency) of Revenues Over (Under) Expenditures	500	(8,651)	(8,665)	(14)
Net Change in Fund Balance	500	(8,651)	(8,665)	(14)
Fund Balance, Beginning of Year	9,213	9,213	9,213	-
Fund Balance, End of Year	\$ 9,713	\$ 562	\$ 548	\$ (14)

CITY OF AGOURA HILLS, CALIFORNIA
Nonmajor Solid Waste Management Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 68,350	\$ 79,730	\$ 72,644	\$ (7,086)
Investment income	1,500	1,000	1,569	569
Other revenues	3,000	3,250	3,908	658
Total Revenues	<u>72,850</u>	<u>83,980</u>	<u>78,121</u>	<u>(5,859)</u>
EXPENDITURES				
Current:				
Community services	107,000	100,280	102,714	(2,434)
Total Expenditures	<u>107,000</u>	<u>100,280</u>	<u>102,714</u>	<u>(2,434)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(34,150)</u>	<u>(16,300)</u>	<u>(24,593)</u>	<u>(8,293)</u>
Net Change in Fund Balance	<u>(34,150)</u>	<u>(16,300)</u>	<u>(24,593)</u>	<u>(8,293)</u>
Fund Balance, Beginning of Year	<u>181,545</u>	<u>181,545</u>	<u>181,545</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 147,395</u>	<u>\$ 165,245</u>	<u>\$ 156,952</u>	<u>\$ (8,293)</u>

CITY OF AGOURA HILLS, CALIFORNIA
Nonmajor State Gas Tax Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 628,622	\$ 604,222	\$ 652,344	\$ 48,122
Investment income	2,000	2,000	2,073	73
Total Revenues	630,622	606,222	654,417	48,195
EXPENDITURES				
Current:				
Public works	483,000	396,112	415,008	(18,896)
Capital outlay	255,000	160,000	60,326	99,674
Total Expenditures	738,000	556,112	475,334	80,778
Excess (Deficiency) of Revenues Over (Under) expenditures	(107,378)	50,110	179,083	128,973
Net Change in Fund Balance	(107,378)	50,110	179,083	128,973
Fund Balance, Beginning of Year	175,476	175,476	175,476	-
Fund Balance, End of Year	\$ 68,098	\$ 225,586	\$ 354,559	\$ 128,973

CITY OF AGOURA HILLS, CALIFORNIA
Nonmajor Measure R Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 200,267	\$ 200,267	\$ 211,231	\$ 10,964
Investment income	-	-	1,208	1,208
Total Revenues	<u>200,267</u>	<u>200,267</u>	<u>212,439</u>	<u>10,964</u>
EXPENDITURES				
Capital outlay	201,500	-	56,289	(56,289)
Total Expenditures	<u>201,500</u>	<u>-</u>	<u>56,289</u>	<u>(56,289)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,233)</u>	<u>200,267</u>	<u>156,150</u>	<u>(44,117)</u>
Net Change in Fund Balance	<u>(1,233)</u>	<u>200,267</u>	<u>156,150</u>	<u>(44,117)</u>
Fund Balance, Beginning of Year	8,371	8,371	8,124	(247)
Fund Balance, End of Year	<u>\$ 7,138</u>	<u>\$ 208,638</u>	<u>\$ 164,274</u>	<u>\$ (44,364)</u>

CITY OF AGOURA HILLS, CALIFORNIA
Nonmajor Other Grants Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 140,000	\$ 146,313	\$ 193,898	\$ 47,585
Investment income	-	-	21	21
Total Revenues	<u>140,000</u>	<u>146,313</u>	<u>193,919</u>	<u>47,606</u>
EXPENDITURES				
Current:				
General government	80,000	74,000	66,069	7,931
Public safety	-	30,000	20,791	9,209
Capital outlay	<u>75,000</u>	<u>8,985</u>	<u>131,420</u>	<u>(122,435)</u>
Total Expenditures	<u>155,000</u>	<u>112,985</u>	<u>218,280</u>	<u>(105,295)</u>
Excess (Deficiency) of Revenues Over (Under) expenditures	<u>(15,000)</u>	<u>33,328</u>	<u>(24,361)</u>	<u>152,901</u>
Net Change in Fund Balance	<u>(15,000)</u>	<u>33,328</u>	<u>(24,361)</u>	<u>152,901</u>
Fund Balance (Deficit), Beginning of Year	<u>(60,523)</u>	<u>(60,523)</u>	<u>(60,350)</u>	<u>173</u>
Fund Balance (Deficit), End of Year	<u><u>\$ (75,523)</u></u>	<u><u>\$ (27,195)</u></u>	<u><u>\$ (84,711)</u></u>	<u><u>\$ 153,074</u></u>

CITY OF AGOURA HILLS, CALIFORNIA
Nonmajor Utility Undergrounding Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ 500	\$ 1,024	\$ 524
Total Revenues	-	500	1,024	524
Net Change in Fund Balance	-	500	1,024	524
Fund Balance, Beginning of Year	118,325	118,325	118,325	-
Fund Balance, End of Year	\$ 118,325	\$ 118,825	\$ 119,349	\$ 524

CITY OF AGOURA HILLS, CALIFORNIA
Nonmajor Financing Authority Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 10	\$ 10
Total Revenues	-	-	10	10
EXPENDITURES				
Current:				
General government	4,000	4,000	4,770	(770)
Debt service:				
Principal	185,000	185,000	185,000	-
Interest and fiscal changes	480,631	480,631	480,631	-
Total Expenditures	669,631	669,631	670,401	(770)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(669,631)	(669,631)	(670,391)	(760)
OTHER FINANCING SOURCES (USES)				
Transfers in	672,000	672,000	672,000	-
Total Other Financing Sources (Uses)	672,000	672,000	672,000	-
Net Change in Fund Balance	2,369	2,369	1,609	(760)
Fund Balance, Beginning of Year	5	5	5	-
Fund Balance, End of Year	\$ 2,374	\$ 2,374	\$ 1,614	\$ (760)

CITY OF AGOURA HILLS, CALIFORNIA
Financing Authority Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (1,557,390)	\$ (1,564,592)	\$ (1,564,592)	\$ -
Total Other Financing Sources (Uses)	(1,557,390)	(1,564,592)	(1,564,592)	-
Net Change in Fund Balance	(1,557,390)	(1,564,592)	(1,564,592)	-
Fund Balance, Beginning of Year	1,567,054	1,567,054	1,567,054	-
Fund Balance, End of Year	\$ 9,664	\$ 2,462	\$ 2,462	\$ -

CITY OF AGOURA HILLS, CALIFORNIA
Nonmajor Storm Water Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 500	\$ -	\$ 813	\$ 813
Total Revenues	500	-	813	813
EXPENDITURES				
Current:				
Public works	\$ 3,800	3,800	641	3,159
Total Expenditures	3,800	3,800	641	3,159
Net Change in Fund Balance	(3,300)	(3,800)	172	3,972
Fund Balance, Beginning of Year	504	93,804	94,128	324
Fund Balance, End of Year	\$ (2,796)	\$ 90,004	\$ 94,300	\$ 4,296

CITY OF



AGGURA HILLS

FIDUCIARY FUND

Agency Fund – To account for assets held by the City in a trustee capacity or as an agent on behalf of others.

CITY OF AGOURA HILLS, CALIFORNIA
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
ASSETS				
Cash and investments	\$ 1,102,540	\$ 801,632	\$ (449,487)	\$ 1,454,685
Interest receivable	270	1,380	(270)	1,380
Accounts receivable	6,176	82,916	(80,000)	9,092
Due from other governments	89,829	109,848	(106,004)	93,673
Total Assets	<u>\$ 1,198,815</u>	<u>\$ 995,776</u>	<u>\$ (635,761)</u>	<u>\$ 1,558,830</u>
LIABILITIES				
Accounts payable	<u>\$ 1,198,815</u>	<u>\$ 1,728,565</u>	<u>\$ (1,368,550)</u>	<u>\$ 1,558,830</u>

STATISTICAL SECTION

CITY OF



AGGURA HILLS

CITY OF AGOURA HILLS, CALIFORNIA
Statistical Section (Unaudited)
For the Year Ended June 30, 2012

This part of the City of Agoura Hill's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	Page(s)
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	86
Revenue Capacity	
<i>These schedules contain trend information to help the reader assess the government's most significant current local revenue source, the property tax.</i>	96
Debt Capacity	
<i>These schedules contain present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	103
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	108
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	112

Unless otherwise noted, the information in these schedules is derived Comprehensive Annual Financial Reports for the relevant year. The City implemented Statement 34 in 2003; however, the City implemented Statement 44 in 2006. Schedules presenting government-wide information include information beginning in that year.

CITY OF AGOURA HILLS, CALIFORNIA

Net Assets by Component

Last Seven Fiscal Years

(accrual basis of accounting)

	Fiscal Year		
	2006	2007	2008
Governmental activities			
Invested in capital assets, net of related debt	\$ 39,154,947	\$ 46,162,983	\$ 48,276,081 *
Restricted	11,384,644	8,427,779	23,887,822
Unrestricted	19,552,713	24,640,773	10,795,825
Total primary government net assets-restated	<u>\$ 70,092,304</u>	<u>\$ 79,231,535</u>	<u>\$ 82,959,728</u>

*See note 4(i)-The beginning net assets of July 1, 2008 have been restated due to an error in recording of capital assets.

The City adjusted the beginning building and improvements account to include the community center building.

Fiscal Year			
2009	2010	2011	2012
\$ 49,983,660	\$ 57,211,864	\$ 66,710,006	\$ 67,179,564
26,521,423	12,056,277	4,028,535	2,662,523
9,262,568	16,091,249	15,309,694	13,973,910
<u>\$ 85,767,651</u>	<u>\$ 85,359,390</u>	<u>\$ 86,048,235</u>	<u>\$ 83,815,997</u>

CITY OF AGOURA HILLS, CALIFORNIA

Changes in Net Assets

Last Seven Fiscal Years

(accrual basis of accounting)

	Fiscal Year		
	2006	2007	2008
Expenses			
Governmental activities			
General government	\$ 3,110,794	\$ 2,955,695	\$ 2,930,987
Public safety	2,719,899	2,917,439	3,456,845
Public works	3,291,807	2,797,710	4,717,054
Community development	3,605,839	1,424,676	1,549,091
Pass through to other agencies	2,528,528	2,721,575	3,436,430
Community services	1,815,186	1,348,155	1,590,653
Interest on long-term debt (unallocated)	463,903	245,668	2,530,675
Total primary government expenses	<u>\$ 17,535,956</u>	<u>\$ 14,410,918</u>	<u>\$ 20,211,735</u>
Program Revenues			
Governmental activities			
Charges for Services			
General government	\$ 16,009	\$ 5,465	\$ -
Public safety	315,266	221,310	224,473
Public works	1,582,580	1,650,150	1,047,910
Community development	-	-	-
Community services	342,090	331,778	327,249
Operating grants and contributions	5,121,839	4,495,414	4,884,543
Capital grants and contributions	128,782	1,189,144	-
Total primary government program revenues	<u>\$ 7,506,566</u>	<u>\$ 7,893,261</u>	<u>\$ 6,484,175</u>
Net (Expense)/Revenue			
Total primary government net expense	<u>\$ (10,029,390)</u>	<u>\$ (6,981,808)</u>	<u>\$ (14,439,436)</u>
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Taxes	\$ 11,598,025	\$ 14,159,127	\$ 15,682,063
Intergovernmental revenues	1,709,143	145,874	218,813
Investment earnings	1,159,494	1,487,500	1,284,265
Other revenues	268,863	328,538	572,992
Total primary government	<u>\$ 14,735,525</u>	<u>\$ 16,121,039</u>	<u>\$ 17,758,133</u>
Change in Net Assets			
Total primary government	<u>\$ 4,706,135</u>	<u>\$ 9,139,231</u>	<u>\$ 3,318,697</u>

Fiscal Year			
2009	2010	2011	2012
\$ 3,054,767	\$ 3,797,117	\$ 3,192,991	\$ 2,809,488
4,186,728	4,069,389	4,355,912	4,101,347
4,129,327	5,557,145	5,563,786	5,141,512
1,899,937	1,821,939	1,595,785	1,055,293
3,805,788	3,677,954	3,602,569	1,449,565
1,992,453	2,223,534	1,912,544	1,957,257
1,486,082	1,407,800	1,359,595	953,642
<u>\$ 20,555,082</u>	<u>\$ 22,554,878</u>	<u>\$ 21,583,182</u>	<u>\$ 17,468,104</u>
\$ 155,154	\$ 63,389	\$ 64,506	\$ 92,593
575,792	751,293	622,151	530,285
162,319	119,493	156,468	153,422
182,152	78,863	216,354	146,932
286,443	244,876	273,920	285,797
1,894,247	2,256,379	2,934,225	2,788,229
3,555,911	3,102,464	2,680,376	669,308
<u>\$ 6,812,018</u>	<u>\$ 6,616,757</u>	<u>\$ 6,948,000</u>	<u>\$ 4,666,566</u>
<u>\$ (14,233,778)</u>	<u>\$ (15,938,121)</u>	<u>\$ (14,635,182)</u>	<u>\$ (12,801,539)</u>
\$ 15,534,187	\$ 14,617,232	\$ 14,661,200	\$ 12,278,663
84,860	68,491	118,561	-
1,038,661	628,622	323,286	273,503
383,994	253,837	220,980	165,757
<u>\$ 17,041,702</u>	<u>\$ 15,568,182</u>	<u>\$ 15,324,027</u>	<u>\$ 12,717,923</u>
<u>\$ 2,807,924</u>	<u>\$ (369,939)</u>	<u>\$ 688,845</u>	<u>\$ (83,616)</u>

CITY OF AGOURA HILLS, CALIFORNIA
Program Revenues by Function/Program
Last Seven Fiscal Years
(accrual basis of accounting)

Function/Program	Fiscal Year		
	2006	2007	2008
Governmental activities			
General government	\$ 16,009	\$ 285,465	\$ 4,738
Public safety	501,727	351,260	337,573
Public works	3,578,328	4,491,664	2,558,996
Community development	256,661	34,729	2,040,266
Transportation	2,811,751	2,398,365	1,215,353
Community services	342,090	331,778	327,249
Subtotal governmental activities	<u>7,506,566</u>	<u>7,893,261</u>	<u>6,484,175</u>
 Total primary government	 <u>\$ 7,506,566</u>	 <u>\$ 7,893,261</u>	 <u>\$ 6,484,175</u>

*Amounts for transportation were reclassified to Public Works for FY09-10.

Source: City of Agoura Hills financial data

Fiscal Year			
2009	2010	2011	2012
\$ 761,277	\$ 282,768	\$ 134,837	\$ 212,500
680,227	931,494	803,246	651,076
3,904,182	4,554,613	5,514,098	3,086,160
182,152	415,188	216,354	156,574
778,816 *	-	-	-
505,364	432,694	279,465	285,797
<u>6,812,018</u>	<u>6,616,757</u>	<u>6,948,000</u>	<u>4,392,107</u>
<u>\$ 6,812,018</u>	<u>\$ 6,616,757</u>	<u>\$ 6,948,000</u>	<u>\$ 4,392,107</u>

CITY OF AGOURA HILLS, CALIFORNIA
Fund Balances, Governmental Funds
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year		
	2006	2007	2008
General Fund			
Reserved	\$ 180,819	\$ 71,069	\$ 93,090
Unreserved	12,359,069	12,103,349	9,837,238
Nonspendable	-	-	-
Unassigned	-	-	-
Total general fund	<u>\$ 12,539,888</u>	<u>\$ 12,174,418</u>	<u>\$ 9,930,328</u>
All Other Governmental Funds			
Reserved	\$ 4,098,168	\$ 7,448,983	\$ 18,291,348
Unreserved, reported in:			
Special revenue funds	7,286,476	3,500,346	8,197,646
Capital projects funds	3,278,994	4,613,514	9,696,926
Debt service funds	324,222	104,617	9,970
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total all other governmental funds	<u>\$ 14,987,860</u>	<u>\$ 15,667,460</u>	<u>\$ 36,195,890</u>

Source: City of Agoura Hills financial data

Fiscal Year			
2009	2010	2011	2012
\$ 134,910	\$ 132,485	\$ -	\$ -
8,959,990	10,213,579	-	-
-	-	31,299,253	141,253
-	-	8,547,388	8,883,578
<u>\$ 9,094,900</u>	<u>\$ 10,346,064</u>	<u>\$ 39,846,641</u>	<u>\$ 9,024,831</u>
\$ 22,888,774	\$ 21,487,071	\$ -	\$ -
10,395,593	5,077,850	-	-
5,535,244	6,246,015	-	-
8,958	2,948	-	-
-	-	25	-
-	-	19,256,902	1,329,096
-	-	5,719,151	4,254,585
-	-	488,970	3,393,238
-	-	(31,333,386)	(726,092)
<u>\$ 38,828,569</u>	<u>\$ 32,813,884</u>	<u>\$ (5,868,338)</u>	<u>\$ 8,250,827</u>

CITY OF AGOURA HILLS, CALIFORNIA
Changes in Fund Balances, Governmental Funds
Last Seven Fiscal Years
(modified basis of accounting)

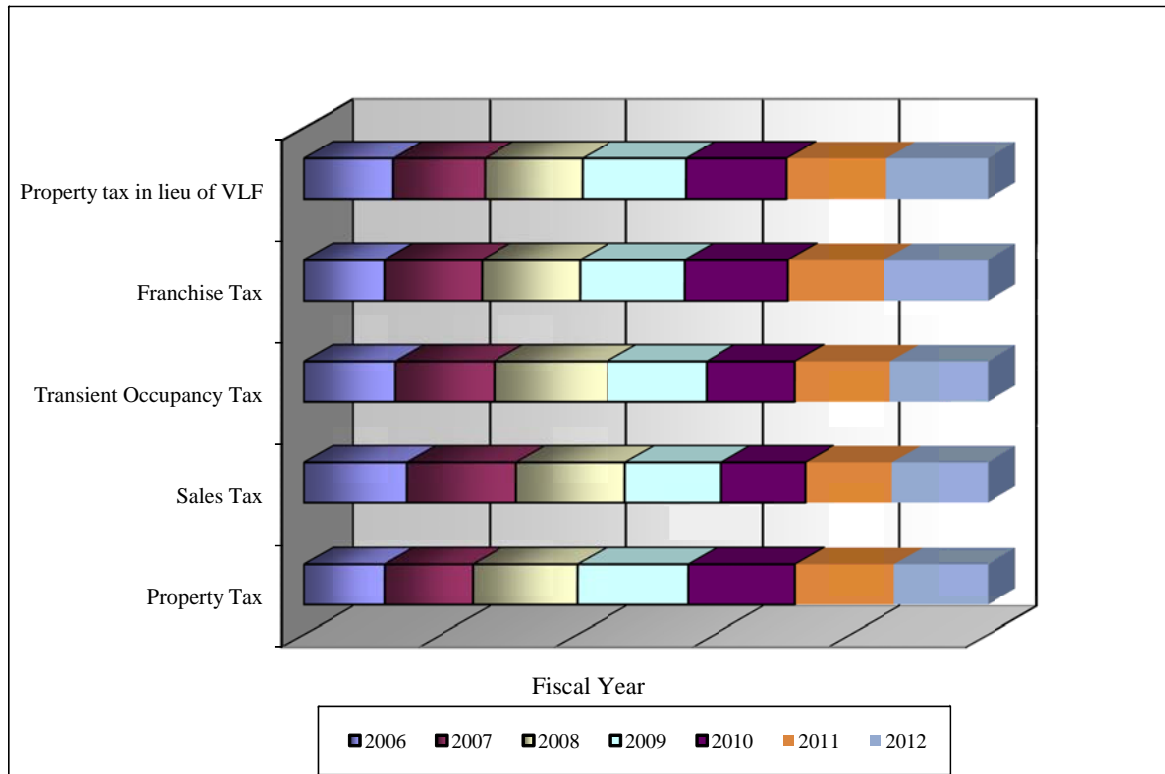
	Fiscal Year		
	2006	2007	2008
Revenues			
Taxes	\$ 13,139,767	\$ 14,159,127	\$ 15,682,063
Licenses and permits	370,768	509,804	353,731
Intergovernmental revenues	3,729,532	2,924,586	4,718,608
Charges for services	1,772,383	3,143,141	1,393,074
Fines and forfeitures	315,266	221,310	237,572
Use of money and property	1,299,706	1,509,049	1,284,265
Other revenues	256,044	362,048	572,992
Total Revenues	20,883,466	22,829,065	24,242,305
Expenditures			
General government	2,608,602	2,694,762	2,948,429
Pass through to other agencies	2,528,528	2,721,575	3,411,775
Public safety	2,719,899	2,917,439	3,456,845
Community development	1,952,492	1,409,765	1,492,470
Community services	1,806,016	1,320,147	1,590,653
Public works	1,650,323	2,627,186	3,394,282
Capital outlay	10,068,857	11,097,394	3,689,451
Debt service			
Cost of issuance	-	331,308	873,994
Interest	463,903	226,635	439,678
Principal payments	205,000	-	230,000
Total expenditures	24,003,620	25,346,211	21,527,577
Excess of revenues over (under) expenditures	(3,120,154)	(2,517,146)	2,714,728
Other Financing Sources (Uses)			
Debt proceeds	-	12,060,000	15,750,000
Premium/(discount) on debt issuance	-	(67,013)	(180,391)
Transfer in	-	6,445,254	19,024,551
Transfers out	-	(6,445,254)	(19,024,551)
Amount transferred to escrow	-	(9,161,711)	-
Total other financing sources (uses)	-	2,831,276	15,569,609
Net change in fund balances	\$ (3,120,154)	\$ 314,130	\$ 18,284,337
Debt service as a percentage of noncapital expenditures	4.8%	1.6%	3.8%

Source: City of Agoura Hills financial data

Fiscal Year			
2009	2010	2011	2012
\$ 15,534,187	\$ 14,617,232	\$ 14,661,200	\$ 12,278,663
265,706	395,989	288,600	329,863
5,540,391	2,829,479	1,801,400	2,424,323
851,052	1,391,044	1,680,175	1,679,567
273,040	274,144	240,884	215,936
1,038,662	670,791	365,301	313,926
658,490	1,347,064	3,099,374	677,494
<u>24,161,528</u>	<u>21,525,743</u>	<u>22,136,934</u>	<u>17,919,772</u>
2,862,969	4,861,099	4,670,903	4,015,644
3,805,788	3,677,954	3,602,569	1,449,565
4,186,728	4,067,469	4,354,162	4,094,222
1,899,937	1,760,141	1,540,226	997,422
1,945,018	2,172,320	1,856,083	1,475,157
2,542,687	2,129,187	2,141,322	2,638,353
8,021,635	5,662,811	11,392,225	1,980,972
-	-	-	-
1,245,976	1,396,358	1,381,089	925,126
165,000	365,000	380,000	395,000
<u>26,675,738</u>	<u>26,092,339</u>	<u>31,318,579</u>	<u>17,971,461</u>
<u>(2,514,210)</u>	<u>(4,566,596)</u>	<u>(9,181,645)</u>	<u>(51,689)</u>
-	-	-	-
-	-	-	-
3,206,479	10,821,932	34,881,363	6,410,105
(3,206,479)	(10,821,932)	(34,881,363)	(6,410,105)
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (2,514,210)</u>	<u>\$ (4,566,596)</u>	<u>\$ (9,181,645)</u>	<u>\$ (51,689)</u>
7.6%	8.6%	8.8%	8.3%

CITY OF AGOURA HILLS, CALIFORNIA
Tax Revenues by Source, Governmental Funds
Last Seven Fiscal Years
(modified basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Transient Occupancy Tax	Franchise Tax	Property tax in lieu of VLF	Total
2006	\$ 5,740,245	\$ 3,622,790	\$ 1,643,675	\$ 591,312	\$ 1,541,745	\$ 13,139,767
2007	6,264,171	3,845,844	1,766,582	713,001	1,569,529	14,159,127
2008	7,421,654	3,829,708	2,033,069	718,194	1,679,438	15,682,063
2009	7,837,992	3,388,117	1,767,254	764,392	1,776,432	15,534,187
2010	7,586,568	2,948,718	1,590,124	757,737	1,734,085	14,617,232
2011	7,034,500	3,050,187	1,709,143	703,309	1,716,083	14,213,222
2012	6,607,200	3,341,232	1,738,467	753,957	1,728,255	14,169,111
Change 2006-2012	15.10%	-7.77%	5.77%	27.51%	12.10%	7.83%



Notes: Includes all governmental fund types (General, Special Revenue, Capital Projects and Debt Service Funds).

Source: City of Agoura Hills financial data

CITY OF AGOURA HILLS, CALIFORNIA
Assessed Value and Estimated Actual Value of Taxable Property
Last Seven Fiscal Years
(in thousands of dollars)

Fiscal Year	Land	Improvements	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2006	\$ 1,753,862	\$ 1,776,430	\$ 1,050	\$ 6,301	\$ 3,525,041	0.00%
2007	1,931,694	1,854,197	973	14,216	3,772,643	0.00%
2008	2,038,122	1,964,075	1,506	14,663	3,989,040	0.00%
2009	1,943,554	1,967,527	312	14,051	3,897,342	0.00%
2010	1,919,453	1,953,601	615	15,882	3,857,787	0.00%
2011	1,940,771	1,956,441	807	15,556	3,882,463	0.00%
2012	1,934,879	2,002,645	1,378	16,663	392,239	0.00%

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at a time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above. The County does not

Source: County of Los Angeles, Auditor - Controller

CITY OF AGOURA HILLS, CALIFORNIA
Direct and Overlapping Property Tax Rats
Last Seven Fiscal Years

Fiscal Year	Overlapping Rates					Total Tax Rates
	Basic County (1)	Los Angeles County	School Districts	Water Districts	Flood Control District	
2006	1.0000	0.0008	0.0413	0.0052	0.0001	1.0474
2007	1.0000	0.0007	0.0495	0.0047	0.0000	1.0549
2008	1.0000	0.0000	0.0578	0.0045	0.0000	1.0623
2009	1.0000	0.0000	0.0721	0.0043	0.0000	1.0764
2010	1.0000	0.0000	0.0775	0.0043	0.0000	1.0818
2011	1.0000	0.0000	0.1049	0.0037	0.0000	1.1086
2012	1.0000	0.0000	0.1049	0.0037	0.0000	1.1086

Note: (1) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of school, water and flood control district bonds.

Source: California Municipal Statistics, Inc.

CITY OF AGOURA HILLS, CALIFORNIA
Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	2012			2000		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Tishman Speyer Archstone Smith	\$113,090,048	1	2.91%	\$21,915,130	2	0.94%
RBD Agoura Hills LLC	34,846,402	2	0.90%			
Bank of America	29,152,749	3	0.75%			
FW CA Twin Oaks Shopping Center LLC	24,436,391	4	0.63%			
Whizin Market Square	20,785,614	5	0.54%			
Arden Realty LP	20,440,000	6	0.53%			
MEF Realty LLC	20,000,000	7	0.52%			
Teradyne Inc	19,018,823	8	0.49%	72,590,771	1	3.12%
Agoura Business Center East	18,566,384	9	0.48%	11,547,536	10	0.50%
Agoura Design Center	18,456,954	10	0.48%			
Litton International Development Corp				16,020,000	5	0.69%
Cornerstone Properties LP				18,360,000	3	0.79%
Agoura Hills Realty LP				17,391,232	4	0.75%
BPP Retail LLC				16,000,740	6	0.69%
Holualoa Agoura E and R				13,773,285	7	0.59%
Agoura Meadows Investors				12,690,731	8	0.54%
Kanan Group				11,771,601	9	0.51%
Total	\$ 318,793,365		8.21%	\$ 212,061,026		9.12%

Comparative amounts for 9 years ago are unavailable. The City will incorporate comparative information as it becomes available. The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

Source: California Municipal Statistics, Inc.

CITY OF AGOURA HILLS, CALIFORNIA
Secured Property Tax Levies and Collections
Last Seven Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 1,840,131	\$ 1,827,723	99.33%	\$ 12,404	\$ 1,840,127	100.00%
2007	2,041,232	1,964,090	96.22%	77,142	2,041,232	100.00%
2008	2,140,807	1,997,067	93.29%	143,740	2,140,807	100.00%
2009	2,241,091	2,040,506	91.05%	122,366	2,162,872	96.51%
2010	2,161,454	2,012,132	93.09%	77,094	2,089,226	96.66%
2011	2,158,455	2,012,517	93.24%	45,259	2,057,776	95.34%
2012	2,186,162	2,070,611	94.71%	-	2,070,611	94.71%

Sources: City of Agoura Hills financial information.
County of Los Angeles, Auditor - Controller.
California Municipal Statistics, Inc.

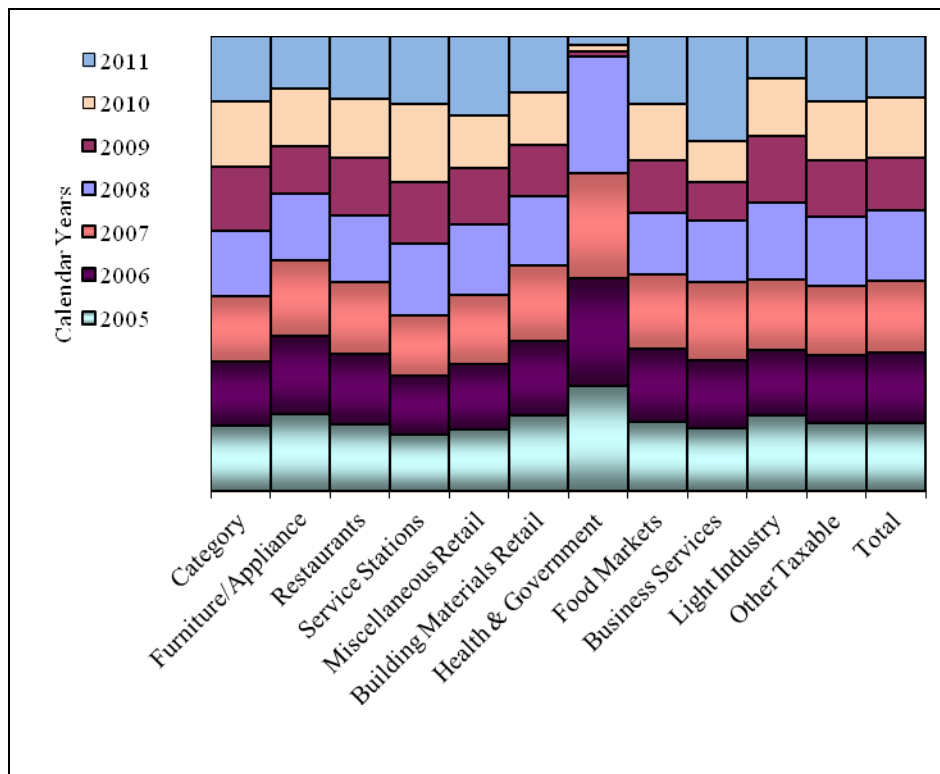
CITY OF AGOURA HILLS, CALIFORNIA

Taxable Sales by Category

Last Seven Fiscal Years

(in thousands of dollars)

	2005	2006	2007	2008	2009	2010	2011
Furniture/Appliance	\$ 683	\$ 706	\$ 680	\$ 588	\$ 428	\$ 521	\$ 464
Restaurants	564	606	611	573	490	498	537
Service Stations	562	582	598	704	613	770	672
Miscellaneous Retail	220	235	247	251	201	191	282
Building Materials - Retail	203	198	203	183	138	141	150
Health & Government	194	199	193	216	10	12	15
Food Markets	156	167	170	141	117	130	153
Business Services	71	77	89	70	45	46	119
Light Industry	83	72	79	85	73	64	46
Other Taxable	504	502	510	510	418	437	478
Total	\$ 3,240	\$ 3,344	\$ 3,380	\$ 3,321	\$ 2,533	\$ 2,810	\$ 2,916
City direct sales tax rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



Notes: Calendar year 2012 not available.

Source: MuniServices

CITY OF AGOURA HILLS, CALIFORNIA
Direct and Overlapping Sales Tax Rates
Last Seven Fiscal Years

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Los Angeles County</u>	<u>State of California</u>
2006	0.00%	2.00%	6.25%
2007	0.00%	2.00%	6.25%
2008	0.00%	2.00%	6.25%
2009	0.00%	2.00%	6.25%
2010	0.00%	2.50%	7.25%
2011	0.00%	1.50%	7.25%
2012	0.00%	1.50%	7.25%

Source: California State Board of Equalization

CITY OF AGOURA HILLS, CALIFORNIA
Ratios of Outstanding Debt by Type
Last Seven Fiscal Years
(dollars in thousands, except per capita)

Governmental Activities								
Fiscal Year	1999 Lease Revenue Bonds (1)	2007 Lease Refunding Bonds (2)	2008 RDA Tax Allocation Bonds (3)	2008 RDA Housing Set-Aside Bonds (4)	Capital Leases	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2006	\$ 8,810	\$ -	\$ -	\$ -	10	\$ 8,820	0.72%	\$ 167
2007	-	12,060	-	-	-	12,060	0.93%	218
2008	-	11,830	5,750	10,000	-	27,580	2.02%	468
2009		11,665	5,750	10,000		27,415	1.93%	450
2010		11,490	5,690	9,850		27,030	2.55%	518
2011		11,310	5,640	9,720		26,670	2.73%	557
2012		11,125	5,580	9,570		26,275	2.66%	544

- Notes: (a) See Schedule for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- (1) These Lease Revenue Bonds were issued during fiscal year 1999, and refunded in March 2007.
 - (2) March 2007, the City issued Series 2007 Lease Revenue Refunding Bonds to refund the 1999 Lease Revenue Bonds.
 - (3) 2008 Tax Allocation Bonds issued June 5 to finance certain redevelopment projects within the Agoura Hills Redevelopment Area. (See Note 2)
 - (4) June 5, 2008, the RDA issued Housing Set-Aside Tax Allocation Bonds bonds to finance low and moderate income housing of the Agoura Hills Redevelopment Agency.

Sources: Department of Finance
City of Agoura Hills financial data

CITY OF AGOURA HILLS, CALIFORNIA
Ratio of Net General Bonded Debt Outstanding
Last Seven Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Lease Refunding Bonds	Redevelopment Bonds	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2006	\$ 8,820	\$ -	\$ 8,820	0.25%	\$ 379.67
2007	12,060	-	12,060	0.32%	516.71
2008	11,830	15,750	27,580	0.73%	1,188.64
2009	11,665	15,570	27,235	0.68%	1,171.40
2010	11,490	15,560	27,050	0.69%	1,329.76
2011	11,310	15,360	26,670	0.69%	1,307.80
2012	11,125	15,150	26,275	0.68%	1,285.97

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

(1) See schedule for property value data.

(2) See scehdule for population data.

Source: City of Agoura Hills financial data.

CITY OF AGOURA HILLS, CALIFORNIA
Direct and Overlapping Governmental Activities Debt
Last Seven Fiscal Years
(dollars in thousands, except per capita)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Los Angeles County Flood Control District	\$ 37,195,000	0.376 %	\$ 139,853
Metropolitan Water District	196,545,000	0.192	377,366
Los Angeles Community College District	3,504,910,000	0.659	23,097,357
Las Virgenes Joint Unified School District	168,796,598	19.850	33,506,125
Los Angeles Co. Regional Park & Open Space Assessment Dist.	170,725,000	0.373	636,804
Other debt			
Los Angeles County General Fund Obligations	1,474,122,758	0.373	5,498,478
Los Angeles County Supt. of Schools Certificates of Participation	11,269,678	0.373	42,036
Las Virgenes Joint Unified School District Certificates of Participation	11,985,000	19.850	<u>2,379,023</u>
Subtotal, overlapping debt			65,677,042
City direct debt			
City of Agoura Hills General Fund Obligations	11,125,000	100.000	11,125,000
Total direct and overlapping debt			<u><u>\$ 76,802,042</u></u> (b)

Notes: (a) Percentage of overlapping agency's assessed valuation located within the boundaries of the city. The method used was ratio of the overlapping district's assessed valuation that lies within the city multiplied by the total debt outstanding.
(b) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Sources: California Municipal Statistics, Inc.
City of Agoura Hills financial data

CITY OF AGOURA HILLS, CALIFORNIA

Legal Debt Margin Information

Last Seven Fiscal Years

(dollars in thousands)

	Fiscal Year		
	2012	2011	2010
Debt limit	\$ 148,608	\$ 147,562	\$ 149,109
Total net debt applicable to limit	-	-	-
Legal debt margin	<u>\$ 148,608</u>	<u>\$ 147,562</u>	<u>\$ 149,109</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed Valuations:	
Gross Assessed Value	<u>\$ 3,962,889</u>
Debt Limitation - 3.75% of Total Assessed Value	\$ 148,608
Less debt applicable to limitation	-
Legal Debt Margin	<u>\$ 148,608</u>

Notes: Under state finance law, the city's outstanding general obligation debt should not exceed 15 percent of total assessed property value. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Sources: County of Los Angeles, Auditor - Controller
 City of Agoura Hills financial data
 California Municipal Statistics, Inc.

Fiscal Year			
2009	2008	2007	2006
\$ 152,754	\$ 144,390	\$ 109,873	\$ 126,970
-	-	-	-
<u>\$ 152,754</u>	<u>\$ 144,390</u>	<u>\$ 109,873</u>	<u>\$ 126,970</u>
0.00%	0.00%	0.00%	0.00%

CITY OF AGOURA HILLS, CALIFORNIA
Demographic and Economic Statistics
Last Seven Calendar Years

Calendar Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (2)	Median Age (2)	Percentage of Residents with at least some college	City Unemployment Rate (3)
2006	23,231	1,226,132	52,780	38.0	80%	1.8%
2007	23,340	1,296,234	55,537	38.5	80%	2.2%
2008	23,203	1,368,432	58,977	39.0	80%	3.6%
2009	23,250	1,417,285	60,959	38.0	77%	5.0%
2010	20,342	1,061,385	52,177	39.0	77%	5.5%
2011	20,393	976,050	47,862	38.5	83%	5.5%
2012	20,413	986,417	48,323	42.5	82%	4.9%

* Projected figures

(1) Source: State of California, Department of Finance

(2) Source: UCSB Economic Forecast Project

(3) Source: State of California, Employment Development Department, Labor Market Information Division

CITY OF AGOURA HILLS, CALIFORNIA

Principal Employers

Last Two Fiscal Years

Company or Organization	Activity	Fiscal Year			
		2012		2011	
		Employees	Percentage to Total City Employment	Employees	Percentage of Total City Employment
Bank of America	Banking	1153	10.29%	824	7.42%
Las Virgenes USD*	Government	482	4.30%	457	4.12%
IBM Corporation	Technology	206	1.84%	206	1.86%
Touch Commerce	Internet	200	1.79%	207	1.86%
Farmers Financial Solutions	Insurance	200	1.79%	187	1.68%
Teradyne Inc	Manufacturing	200	1.79%	167	1.50%
Zebra Technologies	Publishing	190	1.70%	**	**
THQ Inc	Publishing	160	1.43%	309	2.78%
Wood Ranch Barbecue	Restaurant	162	1.45%	147	1.32%
Pacific Compensation Insurance	Insurance	158	1.41%	148	1.33%
Total Top Employers		3,111	27.78%	2,652	23.89%
Total City Employment (1)		<u>11,200</u>		<u>11,100</u>	

Note: Data for nine years ago (2002) is not available

Pacific Compensation Insurance formerly Employers Direct Insurance

Source: Results based on direct correspondence with city's local businesses

* Employee Count is based on Agoura Hills school sites only

(1.) Total City Employment provided by EDD Labor Force Data

**Company is new to Agoura Hills

CITY OF AGOURA HILLS, CALIFORNIA
Full-time Equivalent City Government Employees by Function/Program
Last Seven Fiscal Years

Function/Program	Fiscal Year		
	2006	2007	2008
General government	9.5	9.45	9.6
Community development	7.54	6.5	6.5
Community services	7.65	7	7
Public works	6.25	6.5	6.5
Building and safety	3.5	3.5	3.5
Redevelopment	2.4	3.05	2.9
Total full-time equivalent employees	36.84	36	36

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

The City implemented Statement 34 in 2003; however, the City implemented Statement 44 in 2006. Schedules presenting government-wide information include information beginning in that year.

Sources: City of Agoura Hills financial information

Fiscal Year			
2009	2010	2011	2012
9.45	9.85	9.85	9.78
6.5	4.8	4.1	4.65
7	7	7	7
6.5	6.55	6.35	6.7
3.5	3	3	3
3.05	3.8	5.5	3.87
<u>36</u>	<u>35</u>	<u>35.8</u>	<u>35</u>

CITY OF AGOURA HILLS, CALIFORNIA
Operating Indicators by Function/Program
Last Seven Fiscal Years

Function/Program	Fiscal Year		
	2006	2007	2008
Parks and recreation			
Number of City sponsored events	21	26	26
Public Works			
Street resurfacing (lane miles)	9	6	6
Solid Waste			
Residential Recycling Collected (pounds)*	5,826,240	7,306,880	8,093,120
Electronics Collected (pounds)*	0	0	7,398
Used Oil Collection (gallons)	859	859	860
Automobile Battery Collections (pounds)	5,016	5,016	5,368
Used Paint Collection (gallons)	1,547	2,726	2,621
Transportation			
Total route (miles)	180,330	180,096	162,299
Passengers (annually)	38,134	38,792	34,226

Note: The City implemented Statement 34 in 2003; however, the City implemented Statement 44 in 2006. Schedules presenting government-wide information include information beginning in that year.

* Residential Recycling Collected includes items such as paper/cardboard/glass/metal/plastic & greenwaste
 Electronics did not have a city collection program prior to 2008

Source: Various city departments

Fiscal Year			
2009	2010	2011	2012
28	34	34	36
7	7	8	3
15,789,700	14,518,840	18,702,640	15,014,000
10,994	3,943	18,791	13,241
1,130	867	775	921
2,288	1,920	1,000	1,450
2,256	1,959	1,967	3,027
115,188	122,274	137,395	179,945
17,594	20,014	32,501	38,122

CITY OF AGOURA HILLS, CALIFORNIA
Capital Asset Statistics by Function/Program
Last Seven Fiscal Years

Function/Program	Fiscal Year		
	2006	2007	2008
<u>Public works</u>			
Bridges	19	19	19
Streets/Highway (miles)	126	126	126
Traffic signals	52	52	52
<u>Parks and recreation</u>			
Basketball courts			
Full	0	1	1
Half Courts	3	3	3
Community centers	1	1	1
Recreation Centers	1	1	1
Parks	6	6	6
Tennis courts	0	0	9

Note: The City implemented Statement 34 in 2003; however, the City implemented Statement 44 in 2006. Schedules presenting government-wide information include information beginning in that year.

Source: Various city departments

Fiscal Year			
2009	2010	2011	2012
19	19	19	19
126	126	126	126
53	53	53	53
1	1	1	1
3	3	3	3
1	1	1	1
1	1	1	1
6	6	6	6
9	9	9	9